



National Energy Improvement Fund

February, 2022

Presentation to NASEO

Matthew H. Brown, Co-Chair and Founder





NEIF – An Energy & Resilience Lender

Provides commercial and consumer **financing for essential energy and resilience improvements** such as HVAC, roofing, lighting, solar and battery storage. Team has financed over \$750 Million in EE improvements.

Supervised as a **consumer lender** and servicer in 22 states and operates its **commercial financing** platform nationally.

Delivered through **partnerships** with associations, contractors, distributors, manufacturers, utilities and governments.

Matthew Brown has worked with SEOs to set up public-private partnerships for clean energy that use **RLFs, loss reserves, rate buydowns, marketing partnerships, loan participations** and multiple other mechanisms.



Revolving Funds: Questions to Consider

What rules must I follow and what is involved in following those rules?

Use of funds, Davis-Bacon, Historic Preservation etc. Reporting requirements.

What markets am I focused on?

Residential, commercial, low-moderate income, new technology, established technology etc.

Where are the gaps in financing, Where can I most effectively fill the gaps. How do I complement and not compete with private capital?

What are others already doing in the market and how do I complement what others are doing.

Don't try to go it alone with a small fund; are there utility, non-profit, other gov't programs to combine with and not compete with?

Am I hoping to help a niche and hard-to-serve market or maximize uptake of clean energy across markets

There's a great deal of need in "hard to serve" markets, but they are also the most challenging to deploy.



Revolving Funds: Questions to Consider

How much capital do I have available?

(Look to leverage and combine DOE funds with other funds esp. given different reporting/other requirements).

How much risk may I take with my capital? (first-loss, senior position only, etc.)

What resources do I have available to me and what are the limitations on those resources. What off-the-shelf resources can I make use of?

Given the above, what roles should I play? Am I a lender, with all the loan origination, servicing (invoicing, tracking, aging, work-out, collections), reporting?

Most new DOE RLF funding is going to be quite small. Small funding = limited funds to invest in building infrastructure to deploy the funds.

Do I want to create a sustaining fund? Am I ok if the funds are fully or partially depleted over time?

Loan origination, loan servicing, collections, personnel, IT, contracting and procurement.

Do I have the internal resources to support these roles? Will I use a third party for some of the above functions?



RLF Program Options

Loan Program Structure

- **Fully** capitalize a revolving fund (100% capitalize a loan fund)
- **Partially** Capitalize a Loan Fund: Provide capital to support **other sources** of capital, through a participation (partially capitalize a loan fund).

Loan Program Operations

- Operate **internally** with internal staff if resources are available
- Collaborate with **another State agency** (EDC , housing agency)
- Use a **third party** to conduct some or all components of a loan program



Attracting Capital: The Basics

Revolving Funds

- You are a lender – subject to lending regulations, requiring IT to manage intake, origination, documentation, servicing (payoffs, modifications etc.).
- You should be cautious to avoid displacing private capital – so identify the gaps that private capital will not fill
- Your available capital will always be limited.
- Revolving funds are often best to serve as a demonstration for private capital, to serve markets that private capital will not serve at a reasonable cost or terms.
 - Eg: MCE low income storage



Attracting Capital: The Basics

Partial Capitalization (Participation)

- You are not a lender, but you partner with a lender who manages origination, servicing etc. Your capital is part of a pool that is lent out.
- You earn a return on that capital, like any other lender. If your return is a below-market return then your funds can reduce overall rate to the borrower.
- Your funds can be built in so that they take “first losses”, meaning they absorb any credit losses up to your participation. This encourages other senior capital providers to put up the majority of capital. Your funds are committee and tracked, like any loans, for the life of the loans – requiring long-term commitment of resources.
- Any funds not used to cover losses can be used to support additional lending.
- Your funds are leveraged – you put in 20% and a senior lender puts in 80%.
 - Eg. Pennsylvania and New York State capitalization



Attracting Capital: The Basics

Conclusions

- None of the above options are mutually exclusive of one-another; they can co-exist.
- Your choice of option or options really depends on your target market, your budget, the available private capital and willingness of private capital to participate in the clean energy markets.
- Do not discount the importance of complexity vs simplicity- simple solutions are often fastest to launch and easiest to administer over the long-term.



Portal Login

premiumcontractor@mailinator.com

.....



Remember me

SIGN IN

[Forgot password?](#)

[Create account](#)



NEIFUND.ORG



Sponsor Login



RenewEnergy
PARTNERS

PORTAL LOGIN

RENEWsponsor@mailinator.com

Remember me

SIGN IN

[Forgot Password](#)



Finance Estim

Welcome Pam!

+ New Proposal

Proposals

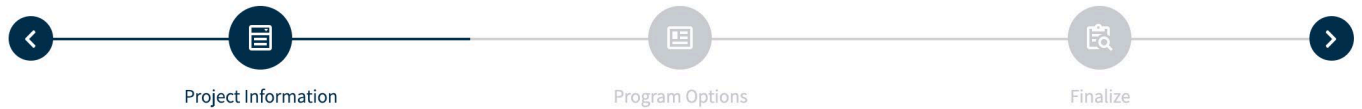
Applications

Help & Resources

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Create a Monthly Payment Proposal



PROJECT INFORMATION

*****Project Physical Address (Building Site) *****Zip Code *****City *****State

*****Estimated Project Cost

Estimated Rebate Incentive

*****Borrower Type

Commercial

Non-Profit

Government/School District

Estimated Annual Energy Savings

Estimated Annual Maintenance Savings

*Red asterisk indicates a required field

NEXT



Create a Monthly Payment Proposal

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CUSTOMER INFORMATION

*First Name
Blake

*Last Name
Brown

*Legal Company Name
Lakeside LLC

*Email Address
bbrown@mailinator.com

DBA Name (if applicable)

FINALIZE

*Equipment Description (Select all that apply)

- Building Shell Improvements
- Drives
- Motors
- Process Improvements
- Pumps
- Refrigeration

*Customer/Project ID
pending

*Net Amount Financed
38,000

*Red asterisk indicates a required field

BACK FINALIZE



Finance Estim

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PROGRAM OPTIONS

Please review your program options listed below. You can select the link included in the description to learn more about any option. We look forward to working with you!

*If your project parameters don't fit the program selected, you may be presented with alternative offers.

Premium Contractor Buy Down


As a premium contractor, you can offer your customer a promotional interest rate lower than market rate. Calculate the cost of buying down the published market rate to the rate of your choice for any or all qualifying terms and compare the monthly payments.

JCP&L Energy Solutions for Business: Custom

Eligible projects include compressed air, custom HVAC/chillers/controls, process improvements, data center, custom refrigeration, custom motors drives, facility/process audit and customer-specific energy efficiency equipment that do not meet the eligibility criteria of other business programs.

Financing powered by the [National Energy Improvement Fund](#)

- Rate: 0%
- Min/Max Financed: \$2,500 - \$250,000
- Available Terms: 3 or 5 years



JCP&L Energy Solutions for Business: Energy Management

Provides a pathway for customers to retrofit existing building shell, retrofit of existing electrical & electric mechanical components to higher efficiency components and installation of building energy management systems.





Proposal Summary

NEIF Staff Assignment: Currently Unassigned

Status: **NEW ESTIMATE**

Pam Smith of Expert Lighting, has engaged the National Energy Improvement Fund LLC to offer a monthly payment plan for your project. The figures on this sheet explain the payments and savings calculated specifically for your project. If you are interested in moving forward with this offer, let us know and we will submit your project for approval.

Please note: Monthly payment estimates are subject to credit review.

PRESCREEN

Project Cost Overview • JCP&L Energy Solutions for Business: Custom

| | |
|---------------|-------------|
| PROJECT COST: | \$50,000.00 |
| INCENTIVES: | \$12,000.00 |
| NET: | \$38,000.00 |

Project Saving Metrics •

Annual Savings:

10 Year Savings:

6 Months Cost of Delay:

| | |
|-------------------|---|
| \$10,000.00 | Projected energy cost savings over one year |
| \$100,000.00 | Projected energy cost savings for ten years |
| \$5,000.00 | Forgone energy cost savings if you wait 6 months to install the project |

Cost Savings referenced above include both Energy AND Maintenance savings

Monthly Payment Estimates •

Show/Hide Monthly Cash Flow results

| Term | Monthly Energy Savings | Monthly Payment | Net Monthly Cash Flow |
|---|------------------------|-----------------|-----------------------|
| <input checked="" type="checkbox"/> 3 years - 36 months | \$833.33 | \$1,055.56 | -\$222.23 |
| <input checked="" type="checkbox"/> 5 years - 60 months | \$833.33 | \$633.33 | \$200.00 |

SHOW ALL AVAILABLE TERMS

This proposal uses projected energy and maintenance savings data provided by your contractor. Many factors can affect the energy savings estimates, as well as the realization of these estimated savings once the project is installed. NEIF Commercial Energy Finance encourages the customer to review these numbers with their contractor.

Email Proposal

Borrower
Blake Brown
Lakeside LLC
bbrown@mailinator.com

Contractor
Pam Smith
Expert Lighting
premiumcontractor@mailinator.com
(245) 783-9457

Email
TO: premiumcontractor@mailinator.com
 bbrown@mailinator.com
(Borrower's email will include option to initiate a credit application)

CC:

SEND NOW






 PRINT

 EDIT PROJECT INFO

VERSIONS: Original ▼

MAKE DEFAULT

 READY TO APPLY

 CANCEL PROPOSAL

Proposal Summary

PRESCREEN

NEIF Staff Assignment: Currently Unassigned

Status: **NEW ESTIMATE** ⓘ

Pam Smith of Expert Lighting, has engaged the National Energy Improvement Fund LLC to offer a monthly payment plan for your project. The figures on this sheet explain the payments and savings calculated specifically for your project. If you are interested in moving forward with this offer, let us know and we will submit your project for approval.

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Project Cost Overview ⓘ

JCP&L Energy Solutions for Business: Custom

PROJECT COST: \$50,000.00

INCENTIVES: \$12,000.00

NET: \$38,000.00



Project Saving Metrics ⓘ

| | | |
|--------------------------------|-------------------|---|
| Annual Savings: | \$10,000.00 | Projected energy cost savings over one year |
| 10 Year Savings: | \$100,000.00 | Projected energy cost savings for ten years |
| 6 Months Cost of Delay: | \$5,000.00 | Forgone energy cost savings if you wait 6 months to install the project |

Cost Savings referenced above include both Energy AND Maintenance savings

Monthly Payment Estimates ⓘ

Show/Hide Monthly Cash Flow results

| Term | Monthly Energy Savings | Monthly Payment | Net Monthly Cash Flow |
|---|------------------------|-----------------|-----------------------|
| <input checked="" type="checkbox"/> 3 years - 36 months | \$833.33 | \$1,055.56 | -\$222.23 |
| <input checked="" type="checkbox"/> 5 years - 60 months | \$833.33 | \$633.33 | \$200.00 |

SHOW ALL AVAILABLE TERMS



Finance Estim

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UTILITY

Your customer may qualify for one of NEIF's Utility partner programs. Is this building site in one of the following utility territory?

- Jersey Central Power & Light Co
- No, proceed with NEIF EnergyPlus Commercial Financing option

*Red asterisk indicates a required field

BACK NEXT

Monthly Payment Proposal for Lakeside LLC



Project Summary

Pam Smith of Expert Lighting, has engaged the National Energy Improvement Fund, LLC to offer a monthly payment plan for your project. The figures on this sheet explain the payments and savings calculated specifically for your project. If you are interested in moving forward with this offer, let us know and we will submit your project for approval.

Please note: Monthly payment estimates are subject to credit review.

Project Cost

Overview

| | |
|---------------|--------------------|
| Project cost: | \$50,000.00 |
| Incentives: | \$12,000.00 |
| Net: | \$38,000.00 |

Project Saving Estimates

Annual Savings: \$10,000.00 Projected energy cost savings over one year

10 Year Savings: \$100,000.00 Projected energy cost savings for ten years

6 Months Cost of Delay: \$5,000.00 Forgone energy cost savings if you wait 6 months to install the project

Monthly Payment Estimates*

| Term | Monthly Energy Savings | Monthly Payment | Net Monthly Cash Flow |
|---------|------------------------|-----------------|-----------------------|
| 3 Years | \$833.33 | \$1,055.56 | -\$222.23 |
| 5 Years | \$833.33 | \$633.33 | \$200.00 |

*This proposal uses projected energy and maintenance savings data provided by your contractor. Many factors can affect the energy savings estimates as well as the realization of these estimated savings once the project is installed. National Energy Improvement Fund, LLC does not guarantee savings and encourages the customer to review these numbers with their contractor.

Next steps

- 1 Review this offer and either click the **I am Ready to Apply** button in your email, or notify your contractor that you want to move forward with this offer.
- 2 You will receive an email with a link to a secure online application within one business day.
- 3 Receive notification of approval, sign closing docs, and begin equipment installation.

Questions about this quote or next steps?

Contact the National Energy
Improvement Fund, LLC (NEIF)

Phone
(720) 724-7673

Email
commercialfinance@neifund.org

Energy Service Agreement Proposal for lakeside llc



Project Summary

RENEW CONTRACTOR of RENEW TEST CONTRACTOR, has engaged the National Energy Improvement Fund, LLC to offer a monthly payment plan for your project. These monthly payments are structured to be an off-balance sheet service plan. The figures on this sheet explain the payments and savings calculated specifically for your project. If you are interested in moving forward with this offer, let us know and we will submit your project for approval.

Please note: Monthly payment estimates are subject to credit review.

Project Saving Estimates

| | | |
|-------------------------------|--------------------|---|
| Year 1 Savings: | \$45,000.00 | Projected energy cost savings over one year |
| 10 Year Savings: | \$450,000.00 | Projected energy cost savings over 10 years |
| Cost of Doing Nothing: | \$22,500.00 | Forgone energy cost savings if you wait six months to install the project |

Annual Payment Estimates*

| Term | Average Annual Energy Savings | Average Annual Customer Payment | Average Annual Net Customer Savings |
|----------|-------------------------------|---------------------------------|-------------------------------------|
| 5 Years | \$293,800.00 | \$416,614.73 | (\$122,814.73) |
| 6 Years | \$296,625.00 | \$358,076.33 | (\$61,451.33) |
| 7 Years | \$299,853.57 | \$316,463.95 | (\$16,610.38) |
| 8 Years | \$302,981.25 | \$285,407.03 | \$17,574.22 |
| 9 Years | \$306,041.67 | \$261,401.84 | \$44,639.82 |
| 10 Years | \$309,337.50 | \$242,328.65 | \$67,008.85 |

Next steps

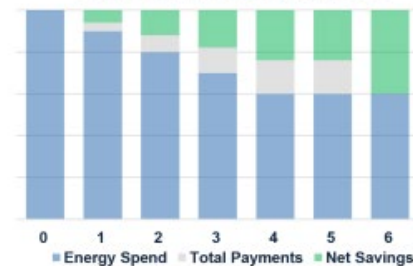
Step 1: Review this offer and either click the **I am Ready to Apply** button in your email, or notify your contractor that you want to move forward with this offer.

Step 2: Within one business day, you will receive an email with a link to a secure online application.

Step 3: Once you receive a notification of approval and sign the closing documents, equipment installation will begin.

*This proposal uses projected energy and maintenance savings data provided by your contractor. Many factors can affect the energy savings estimates as well as the realization of these estimated savings once the project is installed. National Energy Improvement Fund, LLC does not guarantee savings and encourages the customer to review these numbers with their contractor.

SAMPLES EAAS CASH FLOWS







Thank you!

Thank you! For more information or to ask any questions concerning this slide deck, please contact us:

Matthew Brown

Co-Chair and Founder

(720) 246 - 8847

mbrown@neifund.org

More about NEIF at www.neifund.org