



Leveraging Public-Private Partnerships in the AlabamaSAVES™ Program

February 7, 2012



Agenda

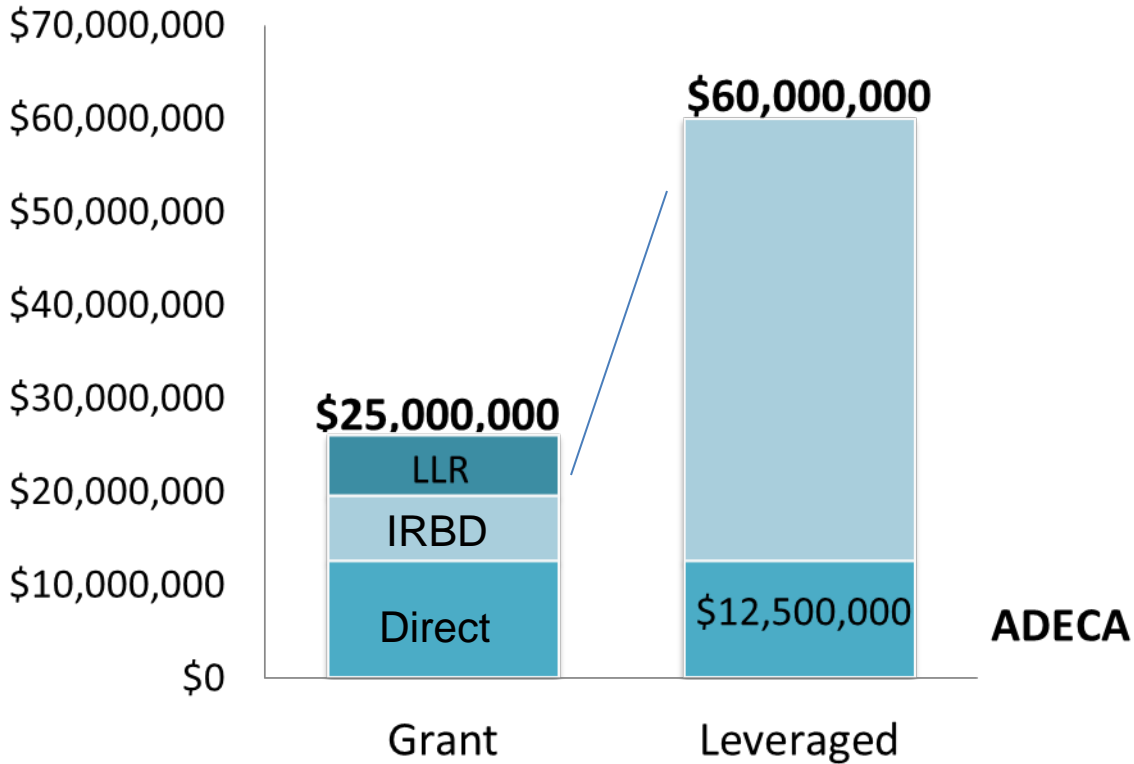
Leveraging Public-Private Partnerships in the AlabamaSAVES™ Program

- Program Structure
 - Successes
 - Challenges
- Key Strategies

ALABAMA**SAVES**[™]
Sustainable and Verifiable Energy Savings

Loan Program Overview

AlabamaSAVES™ offers 2% loans through a SEP grant to the Alabama Department of Economic and Community Affairs (ADECA)



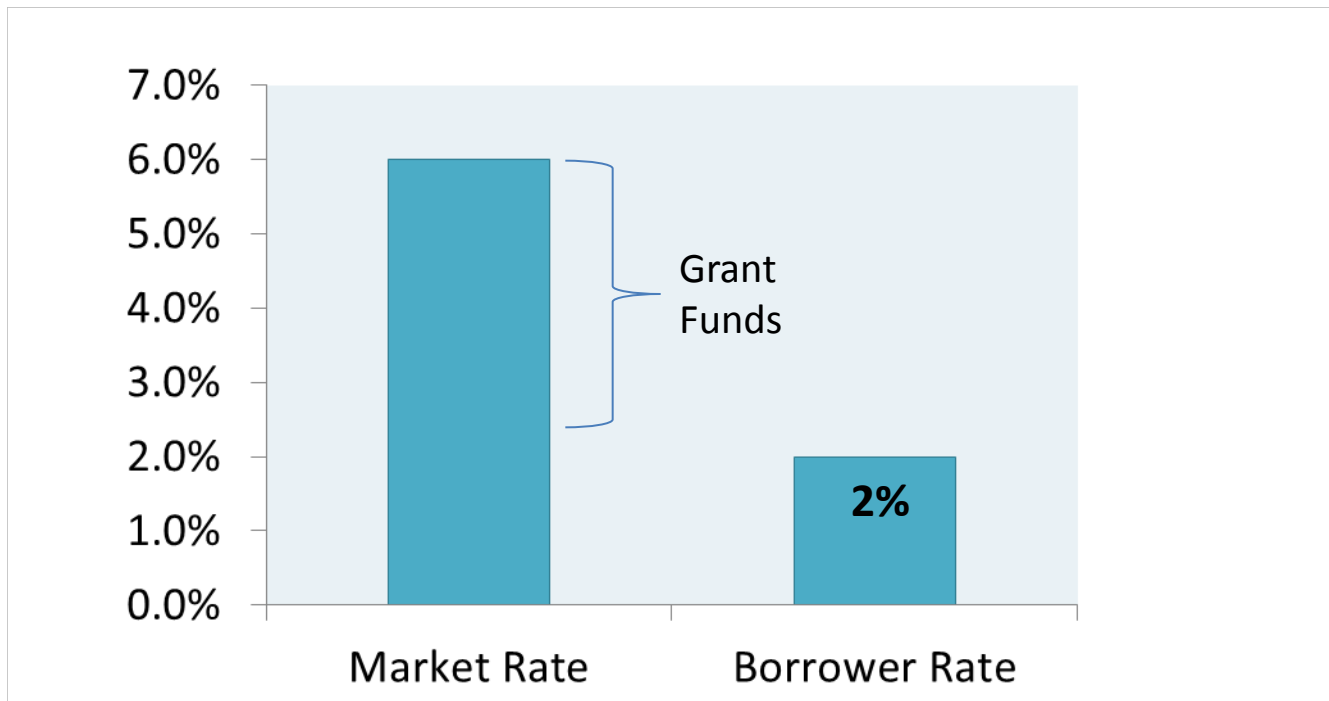
Revolving structure, coupled with leverage, enables **\$121 million** loaned over 20 years.



Credit Enhancement Structure

Interest Rate Buy-Down

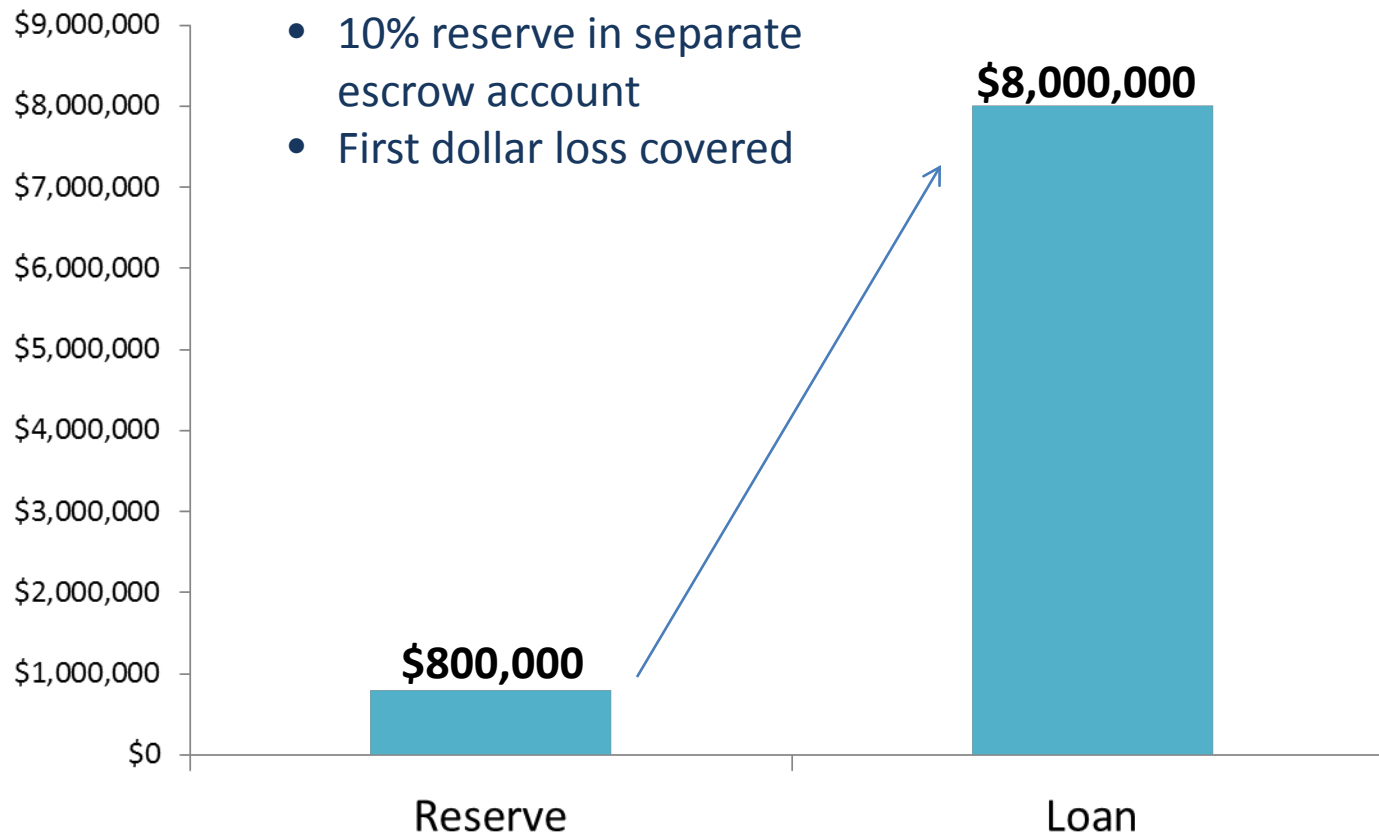
- Allows private lenders to attract business
- Maintains low rate for private financing



Credit Enhancement Structure

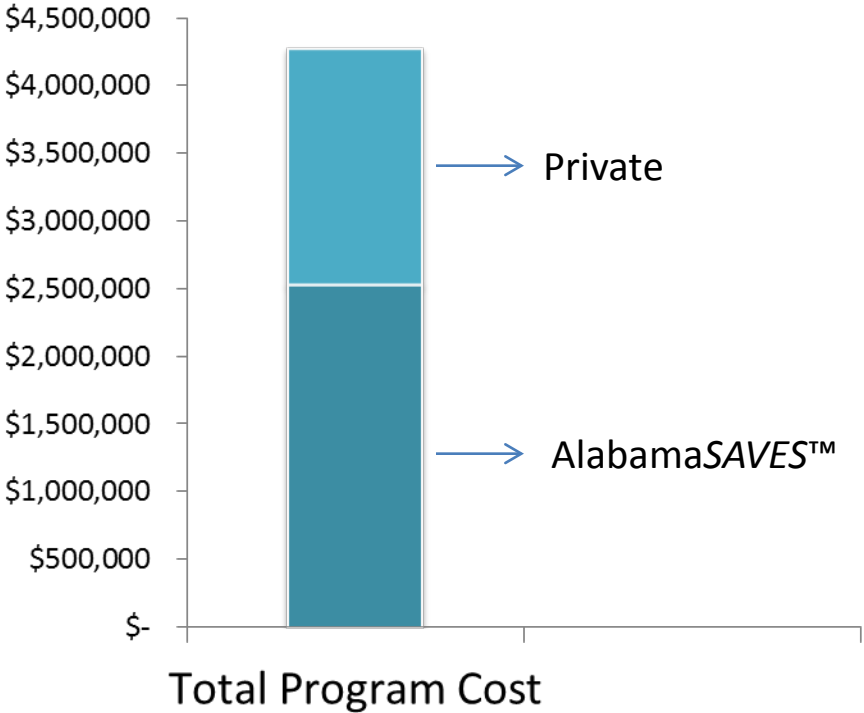
Loan Loss Reserve

- 10% reserve in separate escrow account
- First dollar loss covered

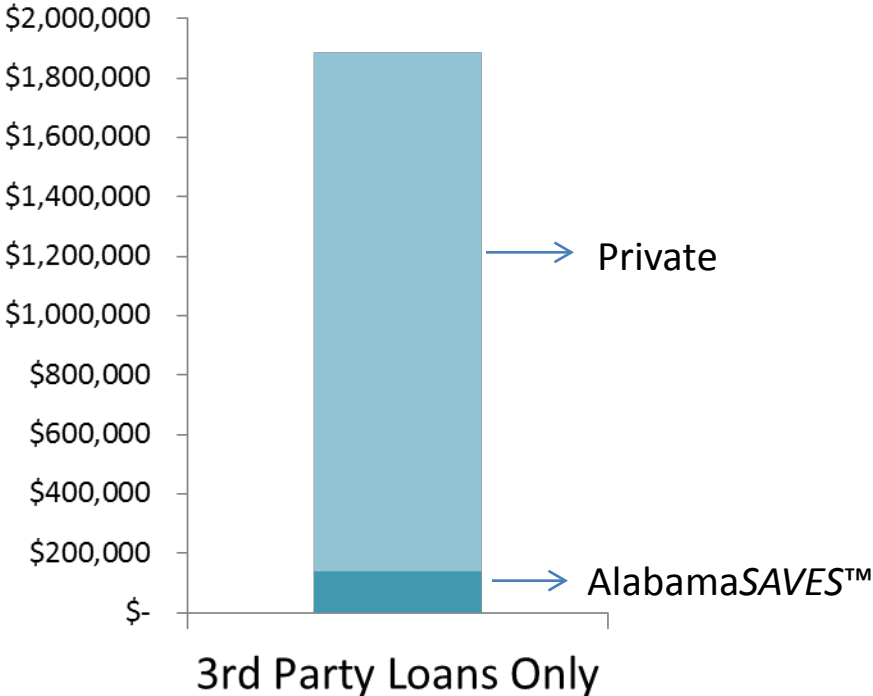


Credit Enhancement Structure

Total Program Leverage to Date = 1.7



Leverage on 3rd Party Loans Only = 13.5



Successes to Date

- **Loans closed with a variety of structures:**
 - Direct loans through ADECA “direct” grant funds
 - Leveraged loan closed with full loan loss reserve and interest rate buy-down
 - Banking partner loan closed with interest rate buy down only – loss reserve declined
- **Pipeline of deals in various stages of development**
 - Direct loan approved contingent on personal guarantee
 - Existing lender relationships most favorable to credit enhancement benefits
 - Debt/equity structure for energy services agreement
 - Strong pipeline going into 2012
- **Partnership with Wells Fargo for servicing**
 - Customized servicing platform
 - Range of loan amounts accommodated

Successes to Date: Case Study

Case Study: The Westervelt Company (sawmill)

Energy Measure: Lighting Upgrade

Energy Savings: \$137,625

Simple Payback: 3.7 years

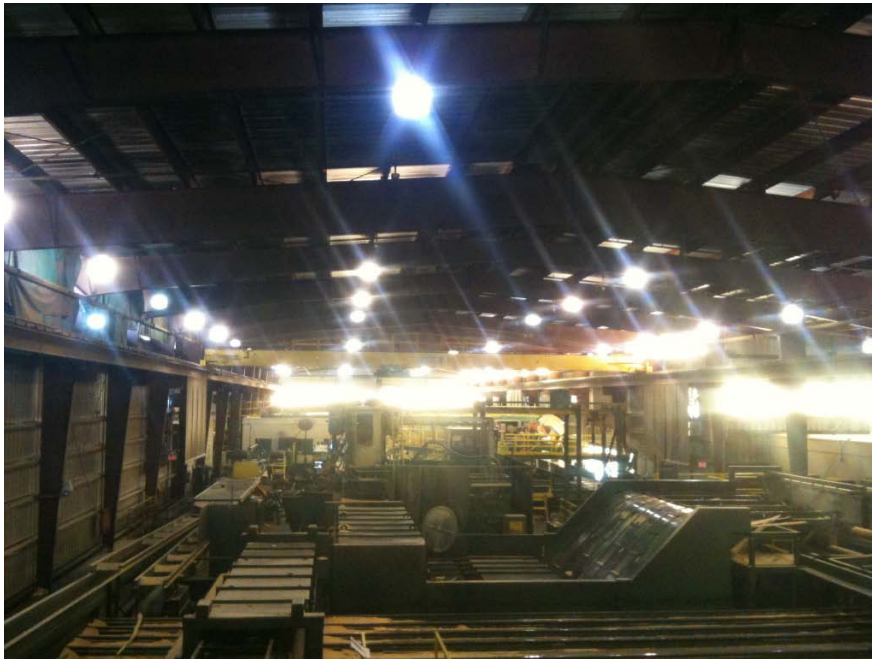
Increase in Lighting: 44% - 79%



Successes to Date: Case Study

Energy Efficiency Lighting Upgrade For The Westervelt Company (sawmill)

BEFORE



AFTER



Challenge: Demand Creation

- **Stakeholder communication and partnerships**
 - Economic Development groups
 - Industry groups (Forestry, Aerospace, etc.)
 - Utility partnerships –rebates and incentives
- **Promotion**
 - Press releases
 - Events
 - Co-marketing with stakeholders
- **Contractor marketing focus**
 - Project development
 - Contractor training
 - Supported by engineering/energy efficiency
- **Dedicated sales effort**
- **Dedicated website: www.alabamasaves.com**

ALABAMASAVES™
Sustainable and Verifiable Energy Savings

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Challenge: Red Tape

- **Streamlined loan origination process**
 - Lender partner leads underwriting and review process
 - ADECA Loan Review Committee provides final approval
- **Simplified technical requirements**
 - Justification of energy savings from a range of providers (contractors, vendors, engineers)
 - Flexible for variety of business models to accommodate existing client processes
- **Key metric focuses on simply 10 year payback**
 - Exceeds DOE goal for energy efficiency projects
 - Provides flexibility on annual payback at project level
- **Simplified data management and reporting**
- **Simplified contractor access to program – streamlined on-boarding to programs**

Key Strategies to Increase Impact

- Increase access to broader range of projects
 - Minimum loan amount to decreased to \$50k from \$250k
 - Create product for “single measure” upgrades
 - Consider energy services agreement model to serve smaller, high impact projects
- Develop broad range of private capital partnerships
 - Focus on existing relationships rather than brokering third party lenders
- Dedicated sales and marketing resources

Abundant Power is a founding Financial Ally of the Better Building Challenge through the Department of Energy to make American buildings 20 percent more energy efficient by 2020

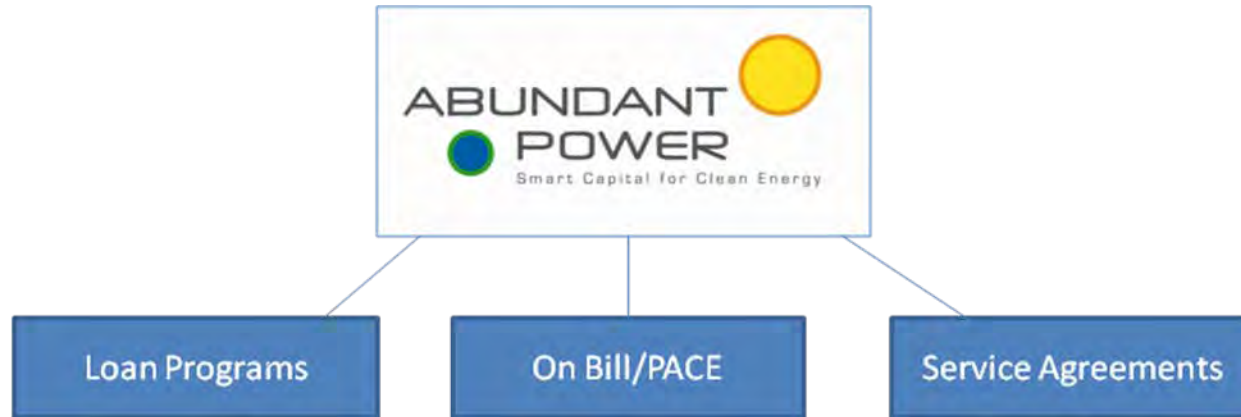
Real Estate + Building Science + Financial Services

What We Provide Government and Utility Partners

- Financial underwriting standards that meet capital markets requirements
 - High quality origination and loan servicing standards
 - Energy efficiency assessment management
 - Prescriptive and performance options
 - Energy measurement and verification

Marketing and demand generation strategies and support

Abundant Power Solutions



- Revolving Loan Funds
- Qualified Energy Conservation Bonds
- Property Assessed Clean Energy (PACE)
- Utility On Bill
- EPx for Operational Improvements
- EP+ for capital improvements

Contact Information

Lori Collins

President, Abundant Power Solutions

lcollins@abundantpower.com

704-271-9545

Shannon Smith

CEO, Abundant Power Group

ssmith@abundantpower.com

704-271-9884

Abundant Power Group, LLC
1523 Elizabeth Avenue, Suite 200
Charlotte, NC 28204
www.abundantpower.com