



gogreen  
FINANCING™

# On-Bill Repayment

## *Contractor Roundtable*

GoGreen Business Energy Financing Program

April 27, 2022

# Agenda

- Welcome and Introductions
- GoGreen Business Recap
- OBR Overview
- Meet the Finance Companies
- Next Steps for an OBR Project
- Q&A

# Benefits for Customers

GoGreen Business mitigates risks for finance companies to offer better terms and approve a wider group of customers

✓ **Better terms**

- Lower rates
- Longer tenure/repayment period
- Larger amounts available
- Lower contractor reserve requirement

✓ **Approvals of more customers**

- Shorter years in business requirement
- Shorter years remaining on lease requirement
- Higher risk industries (e.g. restaurants)
- Lower credit score minimums

More attractive financing rates and terms allow customers to complete deeper energy retrofits than they could with standard financing

# What can be financed?

## Any measure from our pre-qualified ESM list

- Use the searchable ESM list, or download a PDF copy from [GoGreenFinancing.com](http://GoGreenFinancing.com)

## Any measure part of an IOU, REN, or CCA EE program

- Must be approved within the last 24 months

## Any measure expected to save energy, certified by:

- An eligible California licensed Professional Engineer (PE), or
- An Association of Energy Engineers Certified Energy Manager (CEM)

## Non-energy property upgrades

- Amount at Finance Company Discretion

# Financing Features

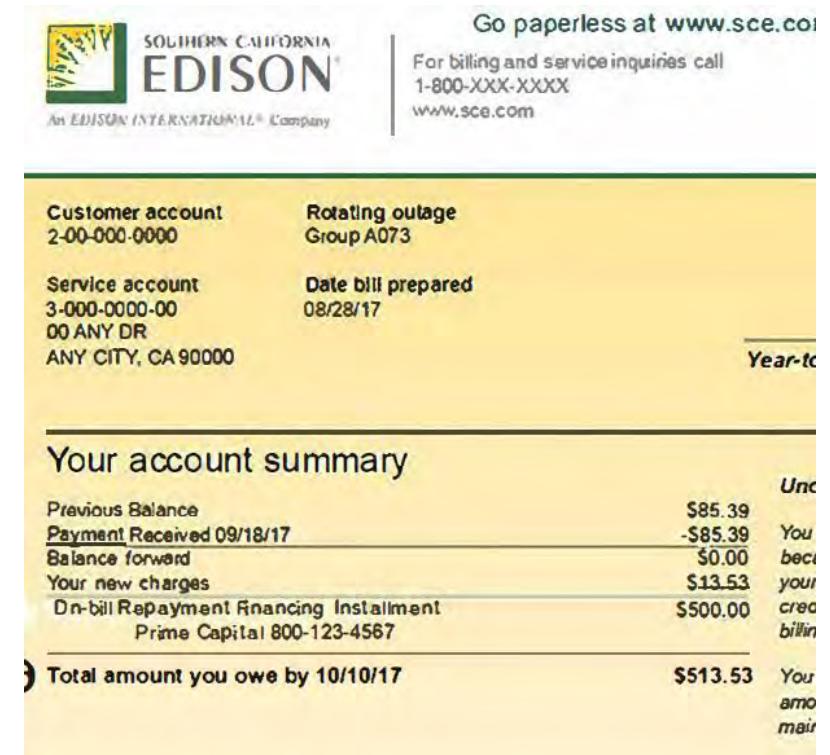
- **Fast credit approval**
  - Finance companies can turn around credit decisions in hours, for projects under ~\$250,000
- **Contractor pre-funding**
  - Finance companies offer 50-95% prefunding
- **Option when On-Bill Financing (OBF) is not available**
  - Finance measures not eligible for OBF
  - Customers who have less than 24 months of bill-pay history at premise
  - Financing \$ amount is beyond OBF maximum
  - Payback does not meet OBF requirements
- **Cash flow positive financing option**

# OBF Comparison:

	On-Bill Financing (OBF)	GoGreen Business Energy Financing
<b>Source of capital (\$)</b>	Rate-payers provide capital Utility administers	Private finance companies provide capital
<b>Interest rate</b>	0% interest	Will have an interest rate
<b>Approval process</b>	Utility checks bill pay history and approves project	Finance company checks credit and issues notice to proceed
<b>Repayment method</b>	Repaid to utility through utility bill	Repaid to financing company through utility bill or direct to lender

# On-Bill Repayment Benefits for Customers

- ✓ Conveniently repay the finance company through their utility bill
- ✓ Potential for EE investment to be seen as off-balance sheet
- ✓ Same rapid approvals and contractor payments as the direct bill GoGreen Business program
- ✓ No bill neutrality or bill payment history requirements
- ✓ Non-energy measures and distributed generation can be included (at the discretion of the finance provider)

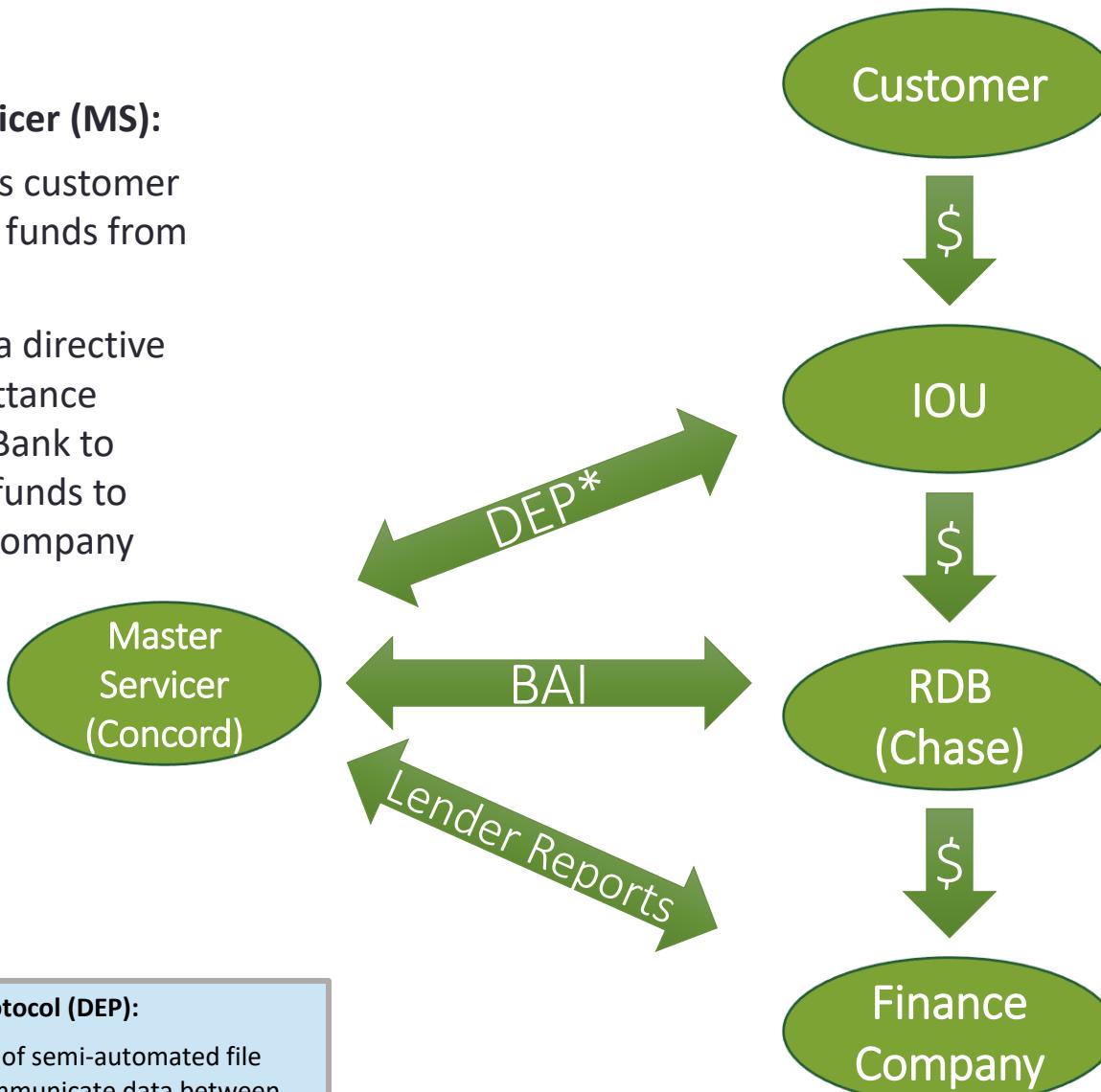


Available with SDG&E, SoCal Edison, and SoCal Gas (PG&E to launch by the end of Q2)

# Visual Representation of Party Roles and Process

## Master Servicer (MS):

- Processes customer data and funds from IOUs
- Initiates a directive for Remittance Deposit Bank to transfer funds to finance company



### \*Data Exchange Protocol (DEP):

The DEP is a system of semi-automated file transfers, which communicate data between the Master Servicer and the IOUs

## Customer:

- Makes single payment for both energy and financing charges

## Investor-Owned Utility:

- Receives Customer's financing payment
- Deposits financing payment amount to Remittance Deposit Bank

## Remittance Deposit Bank (RDB):

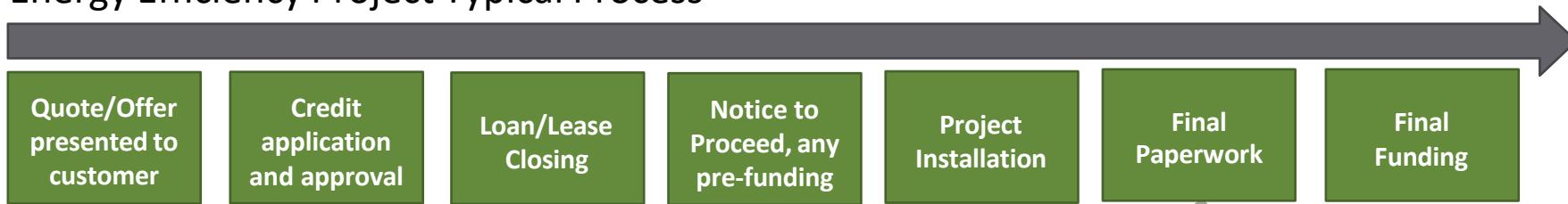
- Receives Customer payment amount from IOU
- Provides notice of utility remittances to MS
- Transfers funds to finance company per directive from MS

## Finance Company:

- Receives payment from RDB
- Receives Remittance Report from MS

# Contractor/Project Developer Interaction with Program: Direct Bill

## Energy Efficiency Project Typical Process



### Program Pre-Approval

**Contractor** enters measure info into project platform

**Finance Company** enters basic financing data

**Program Staff** confirm eligibility for Program and value of loss reserve contribution

### Program Enrollment

**Company** enters all financing data into Project Platform, completes certification

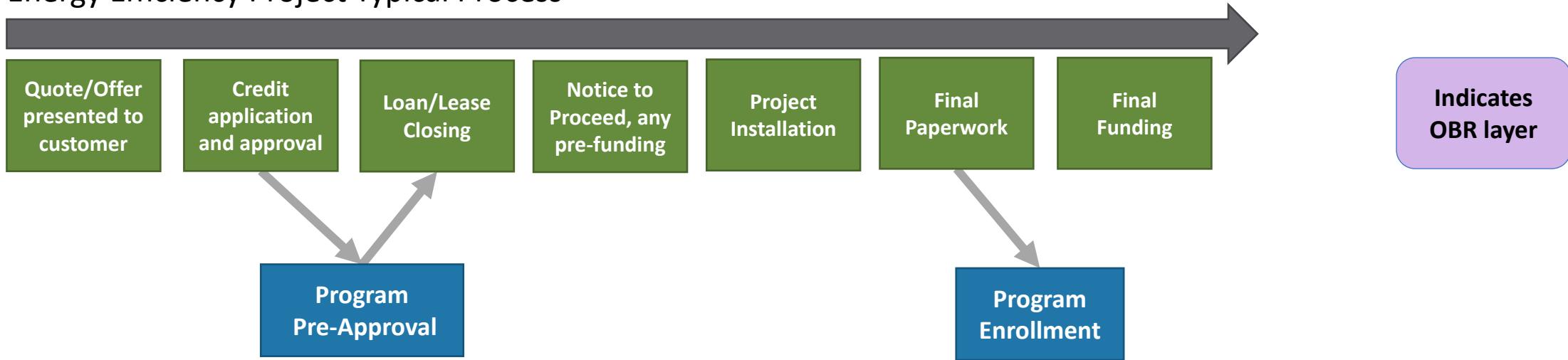
**Contractor** uploads Final Customer Invoice, completes certifications

**Borrower** complete certifications, Privacy Rights Disclosure

## Incorporation of GoGreen Business Program Processes

# Contractor/Project Developer Interaction with Program: On-Bill

## Energy Efficiency Project Typical Process



**Contractor** enters measure info into project platform  
**Finance Company** enters basic financing data.  
**Program Staff** confirm eligibility for Program and value of loss reserve contribution

**Program Staff** add OBR Eligibility Check:

- IOU bill is current, and for a non-residential rate class
- Summary bill if project has multiple sites
- No more than 30% Non-Energy Saving Measures

**Finance Company** enters all financing data into Project Platform, completes certification  
**Contractor** uploads Final Customer Invoice, completes certifications  
**Borrower** complete certifications, Privacy Rights Disclosure

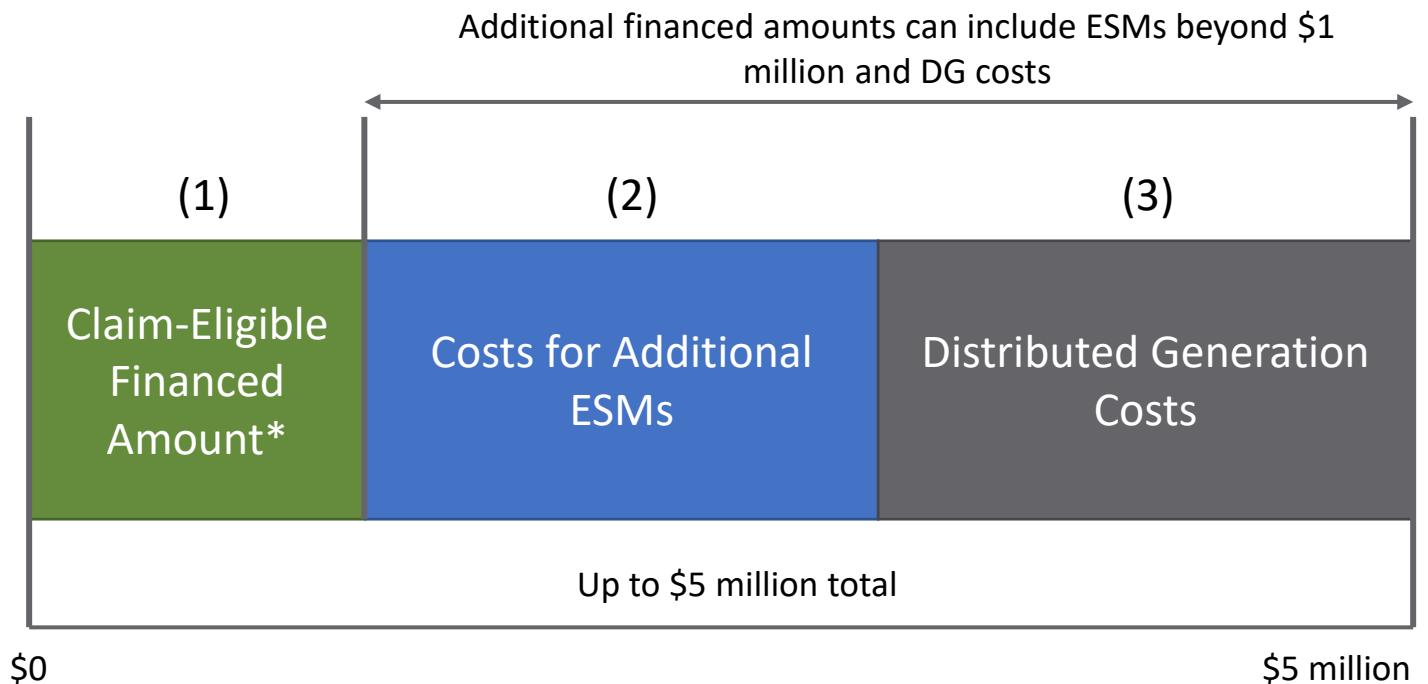
**Program Staff** direct Trustee to fund FC's Loss Reserve Account, and enroll loan/lease in GoGreen Business

**Finance Company** certifies that the IOU customer is named on the financing agreement  
**Borrower** completes OBR Auth Form  
**Program Staff/Master Servicer** send Enrollment files to IOU

## Incorporation of GoGreen Business Program Processes

# Requirements: On-Bill Repayment

- Bill must be current with no payment arrangements
- Must be one summary bill if there are multiple properties
- Energy-saving measures must account for at least 70% of the claim-eligible amount\*
- Non-energy measures cannot exceed 30% of the claim-eligible amount



\*The claim-eligible financed amount is capped at \$1 million and may include up to 30% non-energy components

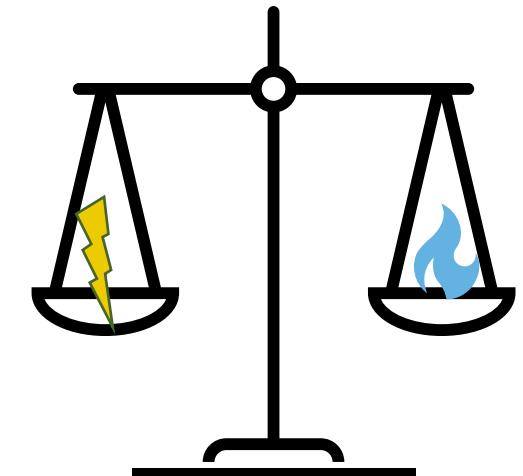
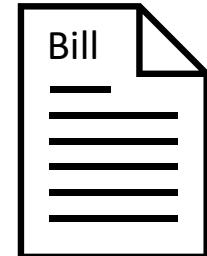
# OBR billing for customers served by multiple IOUs

If an OBR Customer receives service from more than one IOU, financing charges will appear on the bill provided by the IOU whose fuel source (electric or gas) accrued the greatest Energy Savings Measure installation costs

*Why:*

*This was identified as the simplest method to determine on which bill financing charges should appear when multiple IOUs deliver service to a customer*

The contractor determines which fuel source corresponds to the greater installation charges.



## Project example 1: Two IOUs

Eligible to go on bill: Yes

Why: Project consists of Claim-eligible amount + solar

Which bill: SoCal Edison

Why: Electric measures for project cost more

Electric service:



Gas service:



Measure	Type	Fuel	Cost	Notes
Lighting + ceiling repair	ESM	Electric	\$30,000	<i>The charges go on the bill for the IOU with the greatest installation costs related to the fuel type. In this case it is SCE's bill as the cost of electric measures are greater.</i>
Furnace		Gas	\$12,000	
<b>ESM Total</b>			<b>\$42,000</b>	<i>ESMs must comprise at least 70% of the claim-eligible amount.</i>
Resurface parking lot	Non-ESM	N/A	\$18,000	
<b>Non-ESM Total</b>			<b>\$18,000</b>	<i>Up to 30% of the claim eligible amount can be for non-ESMs. In this example, \$18,000.</i>
<b>Claim-eligible amount</b>			<b>\$60,000</b>	\$42,000 ESM + \$18,000 Non-ESM
Solar water heater	DG	N/A	\$5,000	<i>DG does not receive a credit enhancement</i>
<b>Project Grand Total</b>			<b>\$65,000</b>	

## Project example 2: IOU & POU, eligible for OBR

Eligible to go on bill: Yes

Why: Claim-eligible (POU measures are Non-ESMs)

Which bill: PG&E

Why: PG&E is the only IOU providing service

Electric service:



Gas service:



Measure	Type	Fuel	Cost	Notes
Gas ovens	ESM	Gas	\$70,000	<i>ESMs must represent at least 70% of the claim-eligible amount.</i>
<b>ESM Total</b>			<b>\$70,000</b>	<i>PG&amp;E is providing gas service for these ESMs.</i>

Refrigerated cases	Non-ESM	Electric	\$20,000	<i>Electric measures in a Muni territory such as SMUD may be included in the 30% of non-ESMs which are claim-eligible.</i>
New flooring	Non-ESM	N/A	\$10,000	
<b>Non-ESM Total</b>			<b>\$30,000</b>	<i>Up to 30% of the credit-enhanced financing can be for non-ESMs. In this example, \$30,000.</i>

<b>Financing receiving credit enhancement</b>		<b>\$100,000</b>	<i>\$70,000 ESM + \$30,000 Non-ESM</i>
---	--	------------------	--

<b>Project Grand Total</b>		<b>\$100,000</b>
----------------------------	--	------------------

### Project example 3: IOU & POU, NOT eligible for OBR

Eligible to go on bill: No

Why: Non-ESM costs exceed 30% of claim-eligible

Which bill: N/A

Why: N/A

Electric service:



Gas service:



Measure	Type	Fuel	Cost	Notes
HVAC system	ESM	Gas & Electric	\$70,000	<i>This system saves both gas and electricity so counts as a qualifying ESM because PG&amp;E supplies the gas</i>
<b>ESM Total</b>			<b>\$70,000</b>	
Lighting + ceiling repair	Non-ESM	Electric	\$50,000	<i>Electric-only measure in SMUD territory counts as a non-ESM</i>
<b>Non-ESM Total</b>			<b>\$50,000</b>	<i>This exceeds 30% of the claim-eligible amount</i>
<b>Claim-eligible amount</b>			<b>\$100,000</b>	<i>\$70,000 ESMs + \$30,000 of the Non-ESMs</i>
<b>Project Grand Total</b>			<b>\$120,000</b>	

# Next Steps for an OBR Project

- Resources:
  - [At-a-Glance Checklist for On-Bill Repayment](#)
  - [How OBR and OBF Work Together](#)
  - [Finance Company Snapshots and Contacts](#)
  - [Project Platform Log-in](#)
  - [Contractor Resource page on GoGreen Financing](#)
- Steps to take:
  1. Get quote and customer credit approval from Finance Company
  2. Enter Project Details in GoGreen Business Project Platform

# Finance Company Contacts



Prime Capital	Renew Energy Partners	Verdant Commercial Capital
<ul style="list-style-type: none"><li>• Loans or equipment leases</li><li>• \$100,000 to \$5 million</li><li>• Prefunding available for larger projects</li><li>• Cannabis industry customers may qualify</li></ul>	<ul style="list-style-type: none"><li>• Efficiency service agreements</li><li>• \$250,000 to \$5 million</li><li>• Prefunding up to 50% and milestone payments available</li><li>• Customer is cash-flow positive from day one</li></ul>	<ul style="list-style-type: none"><li>• Equipment finance agreements</li><li>• \$25,000 to \$5 million</li><li>• Prefunding up to 95% available</li><li>• Mobile app to provide payment quotes to customers</li></ul>
<b>Scott Pinckard</b> <a href="mailto:scottpinckard@primecapitalfunding.com">scottpinckard@primecapitalfunding.com</a> (630) 200-7376	<b>Michael Savage</b> <a href="mailto:msavage@renewep.com">msavage@renewep.com</a> (888) 938-6256, ext. 703	<b>Jonathan Wickersham</b> <a href="mailto:jwickersham@verdantcc.com">jwickersham@verdantcc.com</a> (248) 860-0013

# Program Contacts



**gogreen**  
FINANCING™

**Reach out to the GoGreen Business team:**

Jonathan Verhoef: [jverhoef@treasurer.ca.gov](mailto:jverhoef@treasurer.ca.gov)

Darren Shearer (OBR): [dshearer@treasurer.ca.gov](mailto:dshearer@treasurer.ca.gov)

**Learn more about GoGreen Business:**

[www.GoGreenFinancing.com](http://www.GoGreenFinancing.com)



# Verdant Commercial Capital

3<sup>rd</sup> Party Energy Efficiency Financing

On-Bill Repayment

Go Green Business Financing



# Introduction to Verdant Commercial Capital

---

As the 8th largest independent equipment finance company in the United States, we have the expertise and discipline of a bank, but the flexibility of an entrepreneurial independent.

- \$1 billion + in funding since Verdant's inception in July 2017
- Private equity backed company by two large insurance companies and a family office
- Focuses on strategic industries; we are expansion of energy vertical
- Staying true to the mission of helping our vendor/contractor partners achieve their goal of selling more equipment through financing.
- Doing the right thing / Conducting business the right way.



# Agile Financing Programs and Process

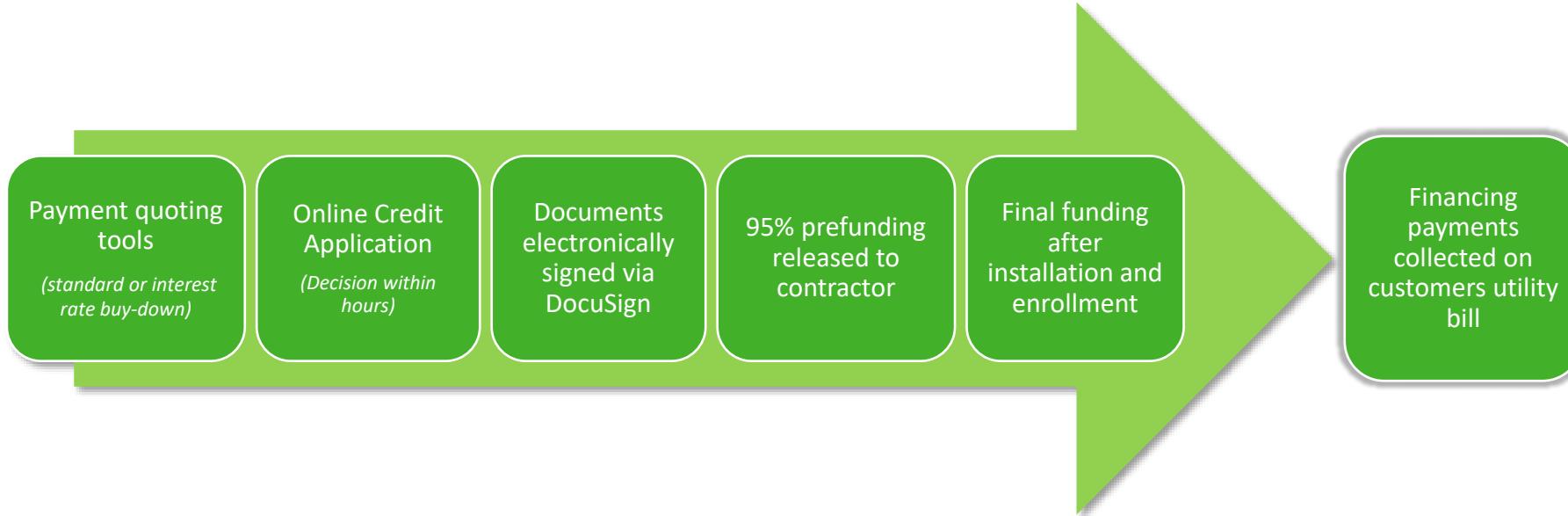
---

- Expansive Application-only Program
- \$25,000 to over \$50 million
- Commercial Terms 24 – 84 months terms
- Buy Down Financing Quoting Tools (0%, 1.99%, 2.99%)
  - *Requires blind discount on contractor invoice*
- 95% prefunding on Go Green Projects
- On-Bill Financing Options – Go Green Business Financing
- Deferred payment options, 3+ months of \$0 (or \$0.01) payments, before enrollment of project and OBF starts
- Option for the customer to buy down the interest rate, contact Verdant to find out more



# On-Bill Financing Process

---





# Online Credit Application

MyContractCenter

Submit Credit Application

1 Customer Info 2 Guarantors 3 Financials 4 Business 5 Project 6 Summary

\* indicates a required field

**Customer Information**

Business or Individual \*: Business

Legal Name \*:

DBA Name:

Fed Tax ID:

Business Structure \*: Select Type

State of Incorporation: Select State

Annual Revenue:

Number of Employees:

Business Start Date:

Ownership Start Date:

Company Website URL:

Nature of Business \*:

**Customer Legal Address**

Address \*:

City \*:

State \*: Select State

Zip \*:

**Customer Contact Information**

First Name:

Last Name:

Phone:

Phone Extension:

Fax:

Email: xyz@xyz.com

[◀ Previous](#) [Next ▶](#)

© 2022 - mycontractcenter.com

If amount needed to finance is > \$250,000, then the following needed:

2 years of corporate tax returns

Debt Schedule

2 years of YE financial statements

Project Proposal/Quote



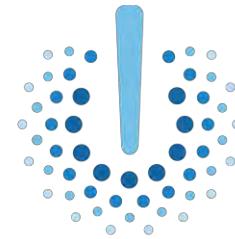
# Energy Efficiency Financing Expertise

Josh Patton  
Vice President  
Verdant Commercial Capital  
586.201.9699 (Mobile)  
[jpatton@verdantcc.com](mailto:jpatton@verdantcc.com)

Jonathan Wickersham  
Relationship Manager  
Verdant Commercial Capital  
513.817.3343 (Direct)  
248.860.0013 (Mobile)  
[jwickersham@verdantcc.com](mailto:jwickersham@verdantcc.com)

Chris Herman  
Relationship Manager  
Verdant Commercial Capital  
513.813.0288 (Direct)  
248.418.1327 (Mobile)  
[cherman@verdantcc.com](mailto:cherman@verdantcc.com)





**RenewEnergy**  
PARTNERS

**Save Money  
and the Earth**

---

**GoGreen OBR Program**

April 2022



CONFIDENTIAL



# RENEW Energy Partners

---

- Established in 2013
- Headquartered in Boston, MA
  - Servicing United States and Canada
- Energy Efficiency-as-a-Service provider
  - Experience funding wide range of energy conservation measures across commercial and industrial sector
    - Including Microgrids and on-site energy
  - Multiple, cost-effective measurement and verification options to fit the projects
  - Solution oriented - vendor and equipment agnostic
  - Provides an off-balance sheet solution to customers

# How the ESA Works

---

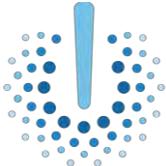
- Upgrades are funded with future savings
- RENEW provides the up-front funding to purchase, install, and maintain the new systems
- Each month after installation, for the duration of the agreement, a portion of the savings goes to RENEW and a portion goes straight back to you
- At the end of the agreement, you take ownership of the new systems, at no cost or at a small fraction of the cost, and 100% of the savings go to your bottom line



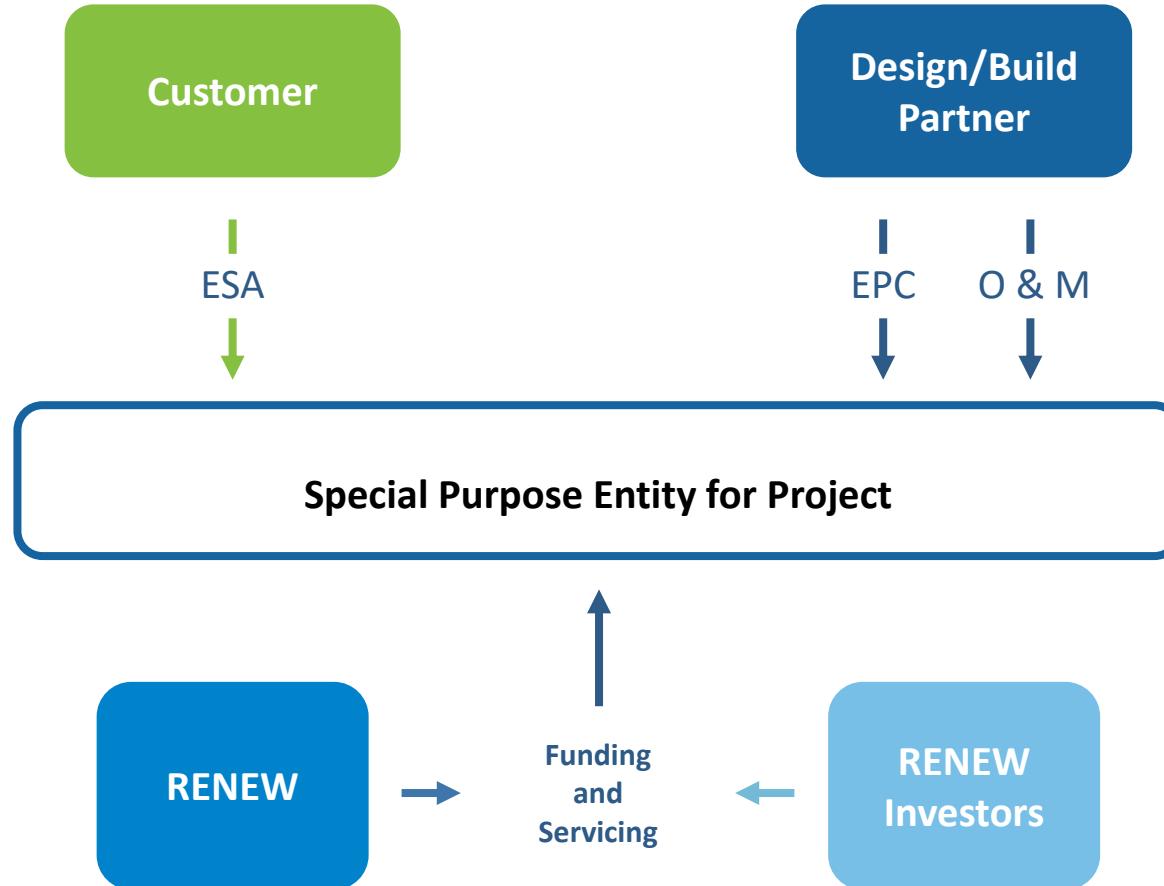
# Project Parameters

---

- Projects must reduce GHG emissions
- Projects funded over \$250k
  - Low end funding flexibility: Portfolio projects such as 5 - \$50,000 projects or 2 - \$125,000 with the same customer can meet minimum
- Terms
  - 5 to 15 years
- Projects include underwriting customer credit
  - Comfortable evaluating and funding rated and unrated companies
  - Customers range from small Non-Profits to Fortune 200's
  - OBR allows RENEW to increase savings
- Access to deep energy/infrastructure resources and support
  - Anchor investor is Ares Management (NYSE: ARES)



# ESA Deal Structure

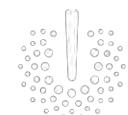


## Partner

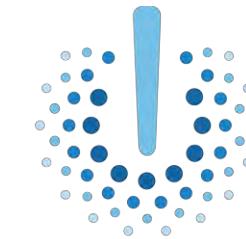
- Audit
- Project scope
- Engineer, procure, construct
- Commission
- On-going optimization
- Maintenance/Warranty
- Customer support

## Renew

- Underwriting
- Due diligence
- Project development
- M & V
- Contracts and admin
- Investor reporting



RenewEnergy  
PARTNERS



**RenewEnergy**  
PARTNERS

**THANK YOU!**

---

Mike Savage

Sales Manager

888-938-6256 x 703

[Msavage@RENEWEP.com](mailto:Msavage@RENEWEP.com)



## **Scott Pinckard**

(630) 200-7376

[scottpinckard@primecapitalfunding.com](mailto:scottpinckard@primecapitalfunding.com)

<https://www.goprimecap.com>

## **Equipment & Project Financing**

We specialize in funding 100% of equipment and related project acquisition costs in a timely and efficient manner, providing mutual benefits to buyers, sellers and contractors.

Principals bring 60+ years of equipment leasing and project finance experience.

## **GoGreen Business Offerings**

- Loans or equipment leases for projects from \$100,000 to \$5,000,000
- On-bill repayment option
- Extended terms out to 10 years
- Prefunding available for larger projects
- Cannabis industry customers may qualify
- Expedited process for financing up to \$150,000

**gogreen**  
FINANCING™