



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](https://www.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
Source of capital (\$)	Rate-payers provide capital Utility administers	Private finance companies provide capital
Interest rate	0% interest	Will have an interest rate
Approval process	Utility checks bill pay history and approves project	Finance company checks credit and issues notice to proceed
Repayment method	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)



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Customer account

2-00-000-0000

Rotating outage

Group A073

Service account

3-000-0000-00

00 ANY DR

ANY CITY, CA 90000

Date bill prepared

08/28/17

Year-to

Your account summary

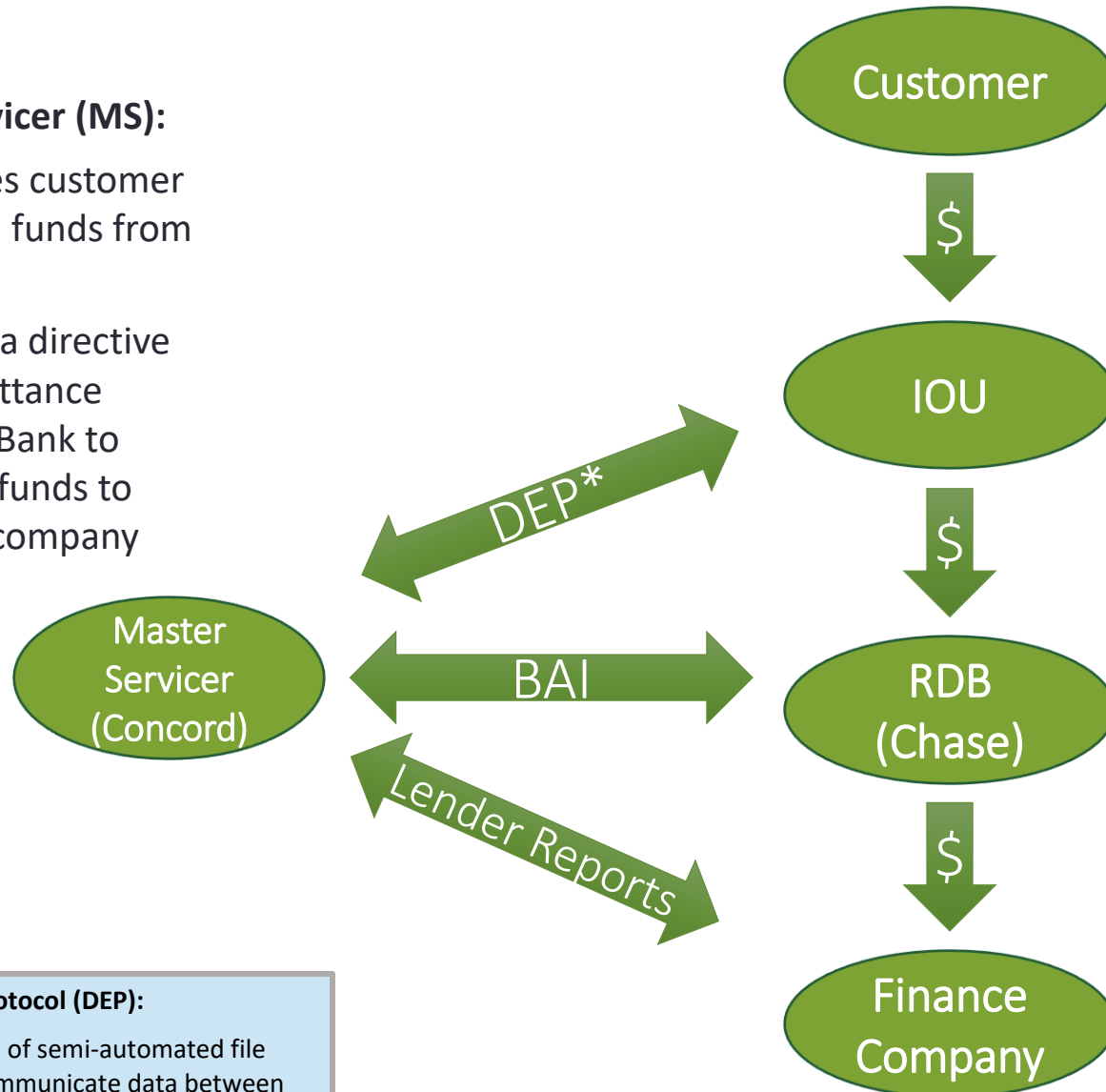
Previous Balance	\$85.39	Unc
Payment Received 09/18/17	-\$85.39	You
Balance forward	\$0.00	bec
Your new charges	\$13.53	you
On-bill Repayment Financing Installment	\$500.00	cred
Prime Capital 800-123-4567		billin
Total amount you owe by 10/10/17	\$513.53	You amo mai

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



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:

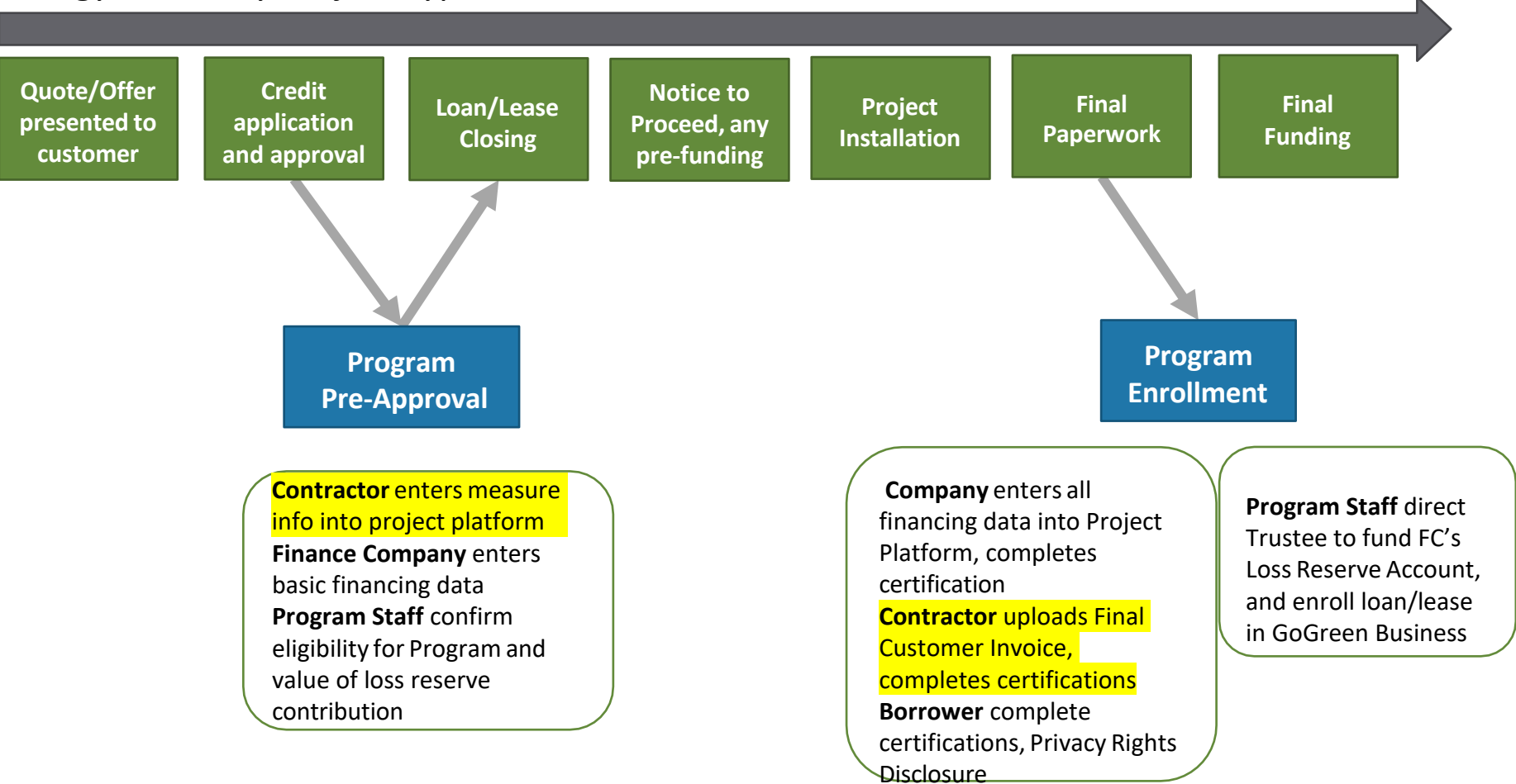
- Receives payment from RDB
- Receives Remittance Report from MS

*Data Exchange Protocol (DEP):

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

Contractor/Project Developer Interaction with Program: Direct Bill

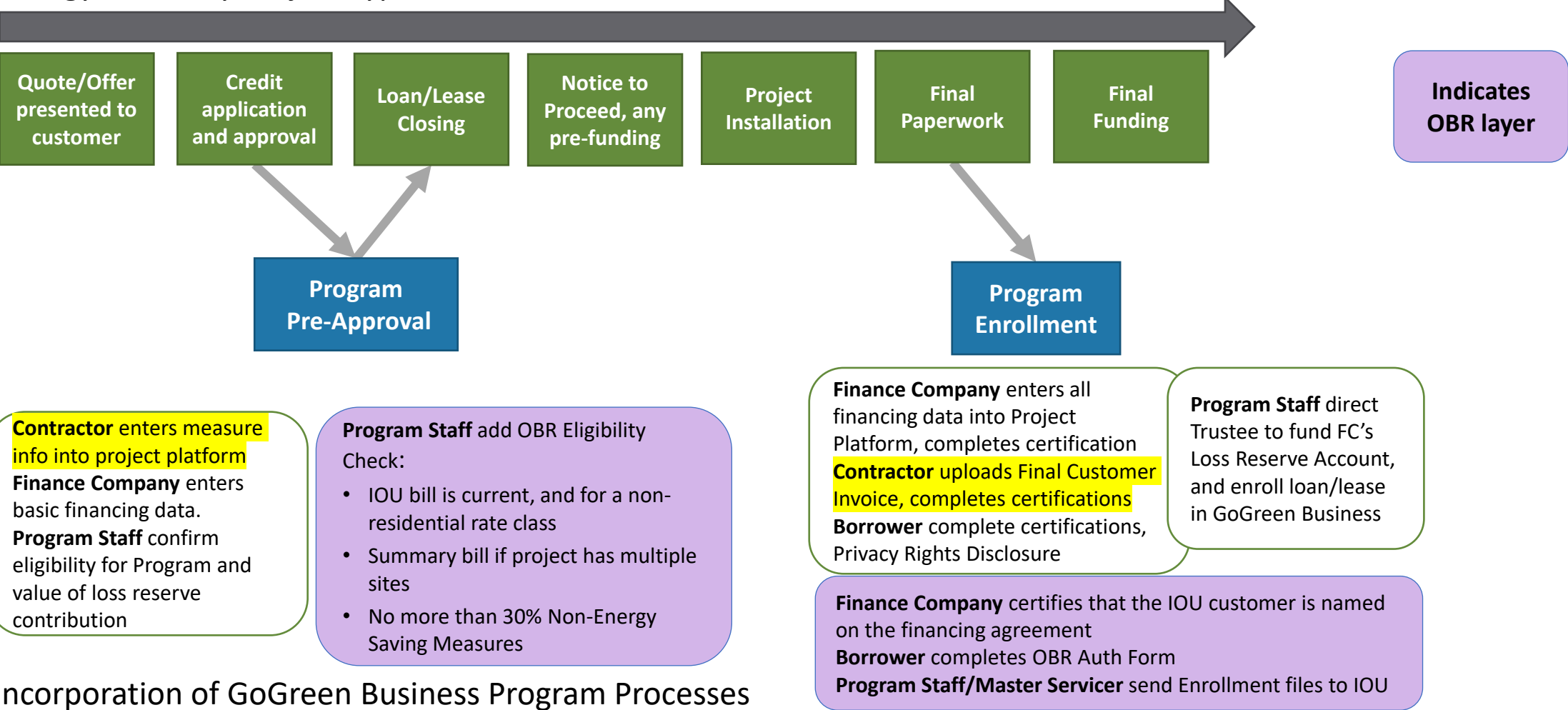
Energy Efficiency Project Typical Process



Incorporation of GoGreen Business Program Processes

Contractor/Project Developer Interaction with Program: On-Bill

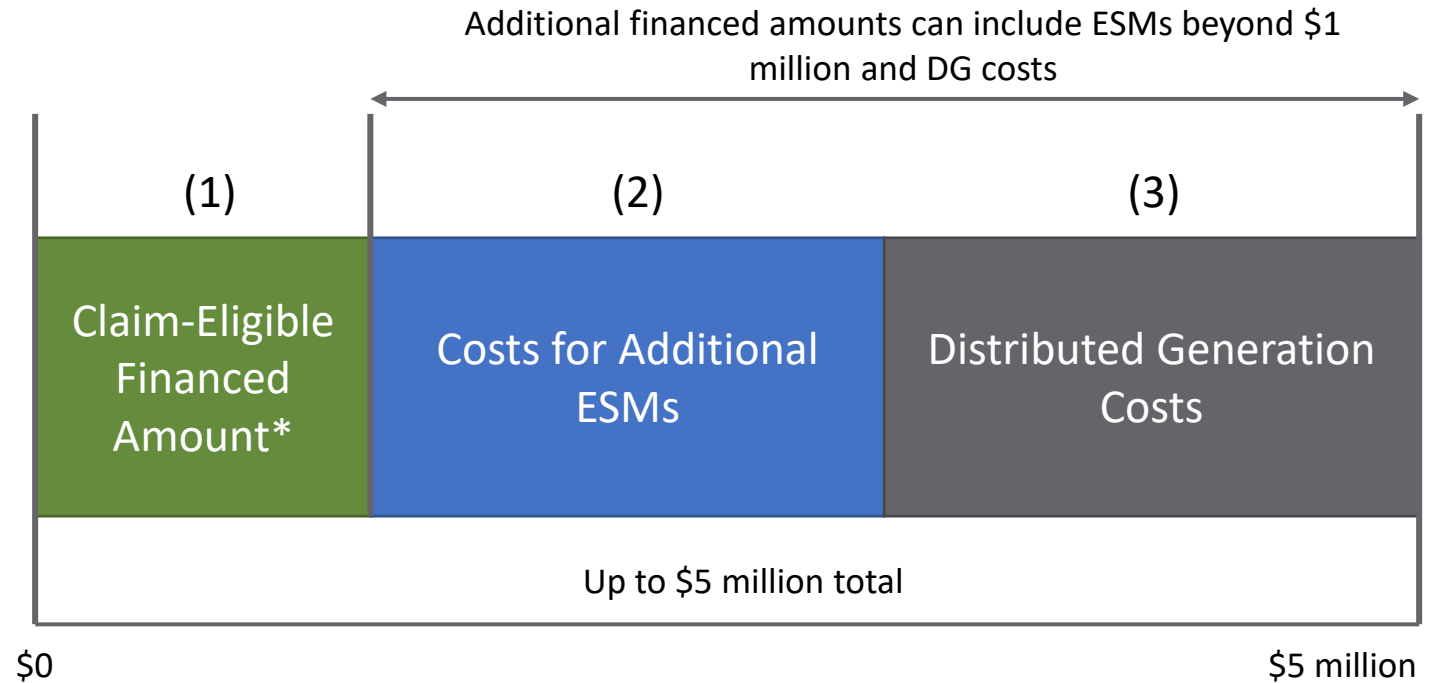
Energy Efficiency Project Typical Process



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

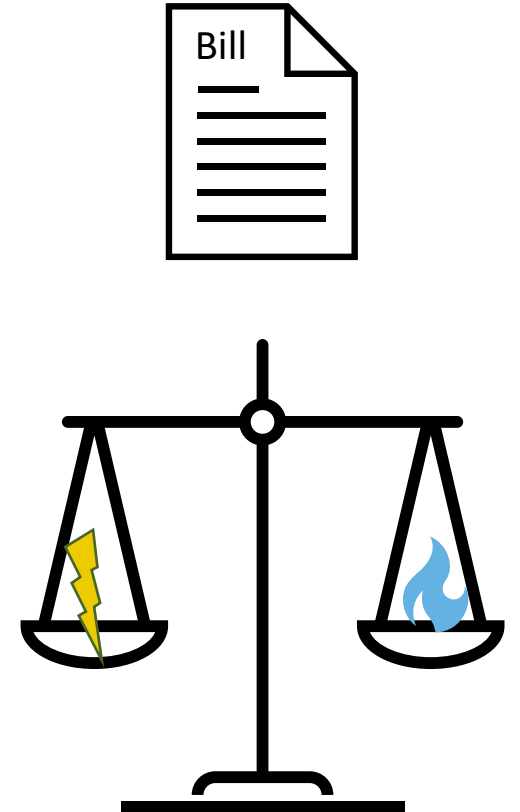
OBR billing for customers served by multiple IOUs

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	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.
Furnace	ESM	Gas	\$12,000	
ESM Total			\$42,000	ESMs must comprise at least 70% of the claim-eligible amount.
Resurface parking lot	Non-ESM	N/A	\$18,000	Up to 30% of the claim eligible amount can be for non-ESMs. In this example, \$18,000.
Non-ESM Total			\$18,000	
Claim-eligible amount			\$60,000	\$42,000 ESM + \$18,000 Non-ESM
Solar water heater	DG	N/A	\$5,000	DG does not receive a credit enhancement
Project Grand Total			\$65,000	

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>
ESM Total			\$70,000	<i>PG&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	
Non-ESM Total			\$30,000	<i>Up to 30% of the credit-enhanced financing can be for non-ESMs. In this example, \$30,000.</i>
Financing receiving credit enhancement			\$100,000	<i>\$70,000 ESM + \$30,000 Non-ESM</i>
Project Grand Total			\$100,000	

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&E supplies the gas</i>
ESM Total			\$70,000	
Lighting + ceiling repair	Non-ESM	Electric	\$50,000	<i>Electric-only measure in SMUD territory counts as a non-ESM</i>
Non-ESM Total			\$50,000	<i>This exceeds 30% of the claim-eligible amount</i>
Claim-eligible amount			\$100,000	<i>\$70,000 ESMs + \$30,000 of the Non-ESMs</i>
Project Grand Total			\$120,000	

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

Program Contacts



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Reach out to the GoGreen Business team:

Jonathan Verhoef: jverhoef@treasurer.ca.gov

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

Learn more about GoGreen Business:

www.GoGreenFinancing.com



Verdant Commercial Capital

3rd 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.

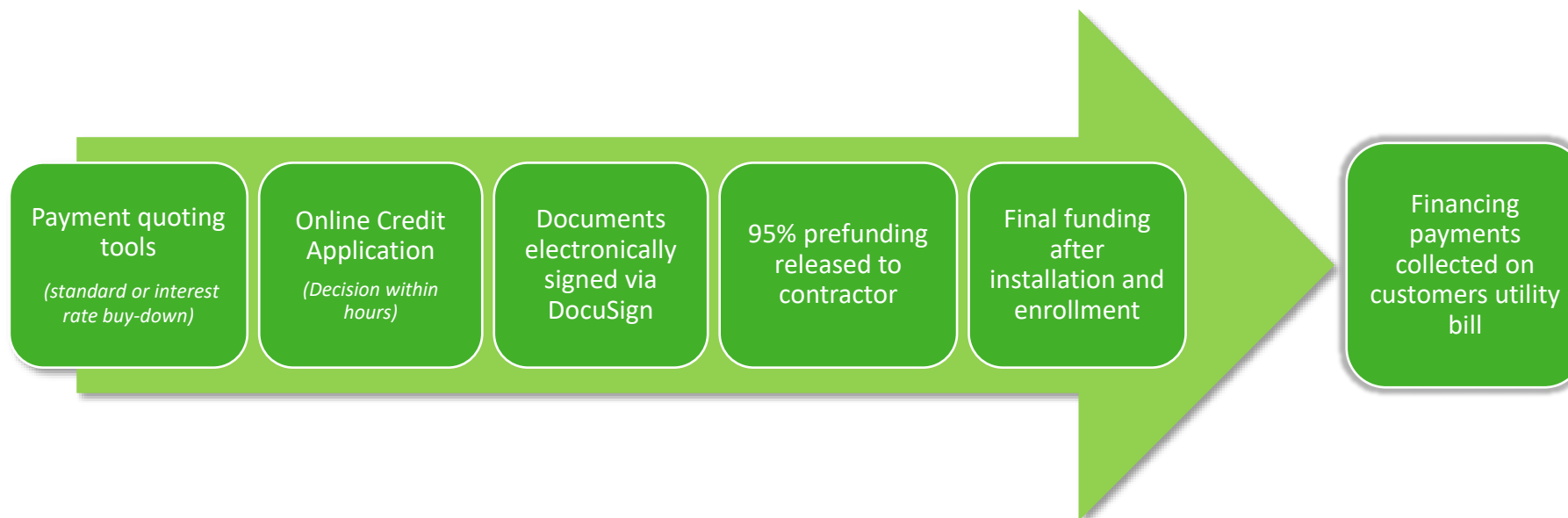


Agile Financing Programs and Process

- 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 4 5

* 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 *	Describe your core 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

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

2 years of corporate tax returns

2 years of YE financial statements

Debt Schedule

Project Proposal/Quote



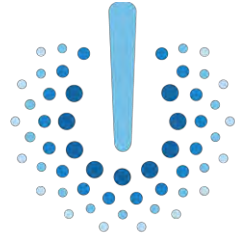
Energy Efficiency Financing Expertise

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

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

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





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Save Money and the Earth

GoGreen OBR Program

April 2022





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

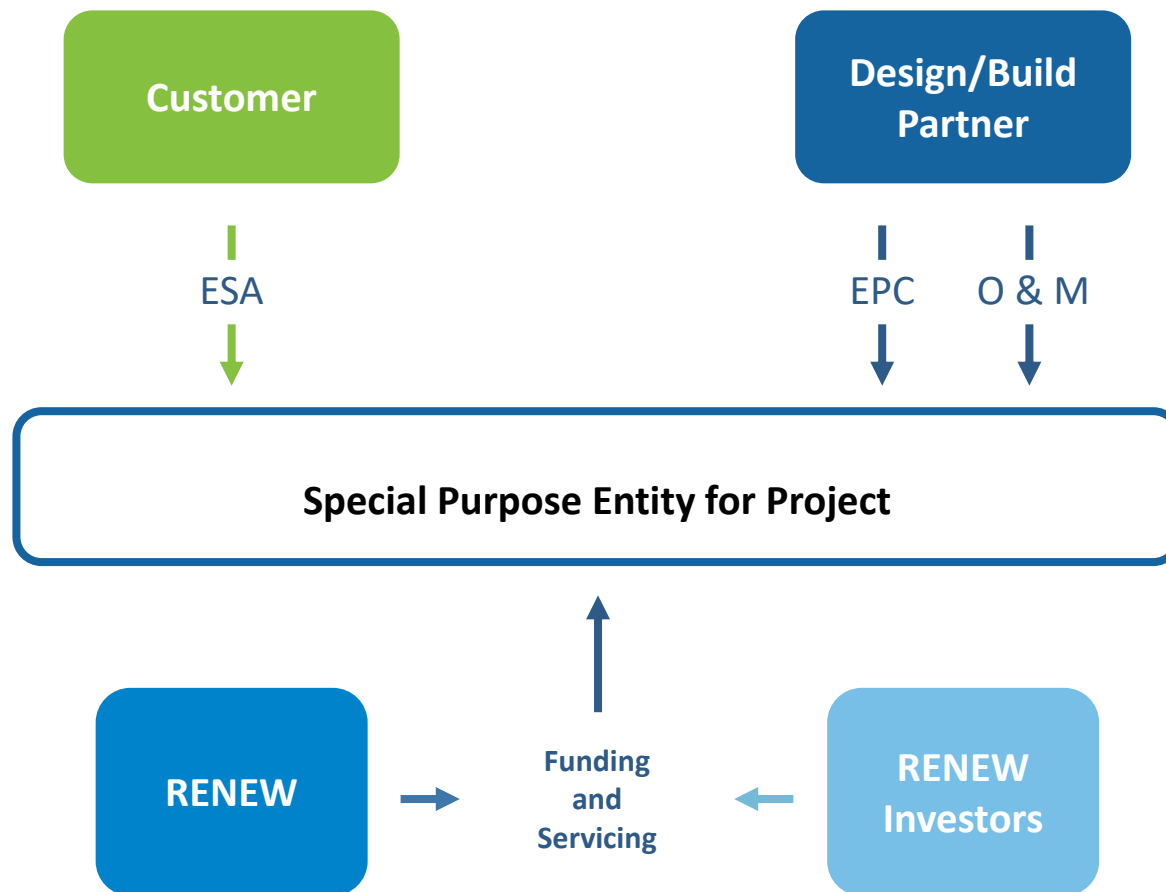
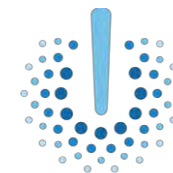


Project Parameters

- 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

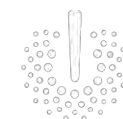


Partner

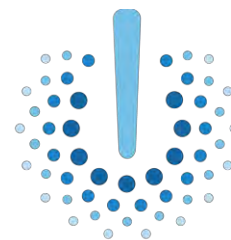
- Audit
- Project scope
- Engineer, procure, construct
- Commission
- On-going optimization
- Maintenance/Warranty
- Customer support

Renew

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



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THANK YOU!

Mike Savage

Sales Manager

888-938-6256 x 703

Msavage@RENEWEP.com

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Scott Pinckard

(630) 200-7376

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

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