

Business Efficiency Loan Program (BEL Program)

EnergySmart Partners, LLC

a Mile High Community Loan Fund Subsidiary

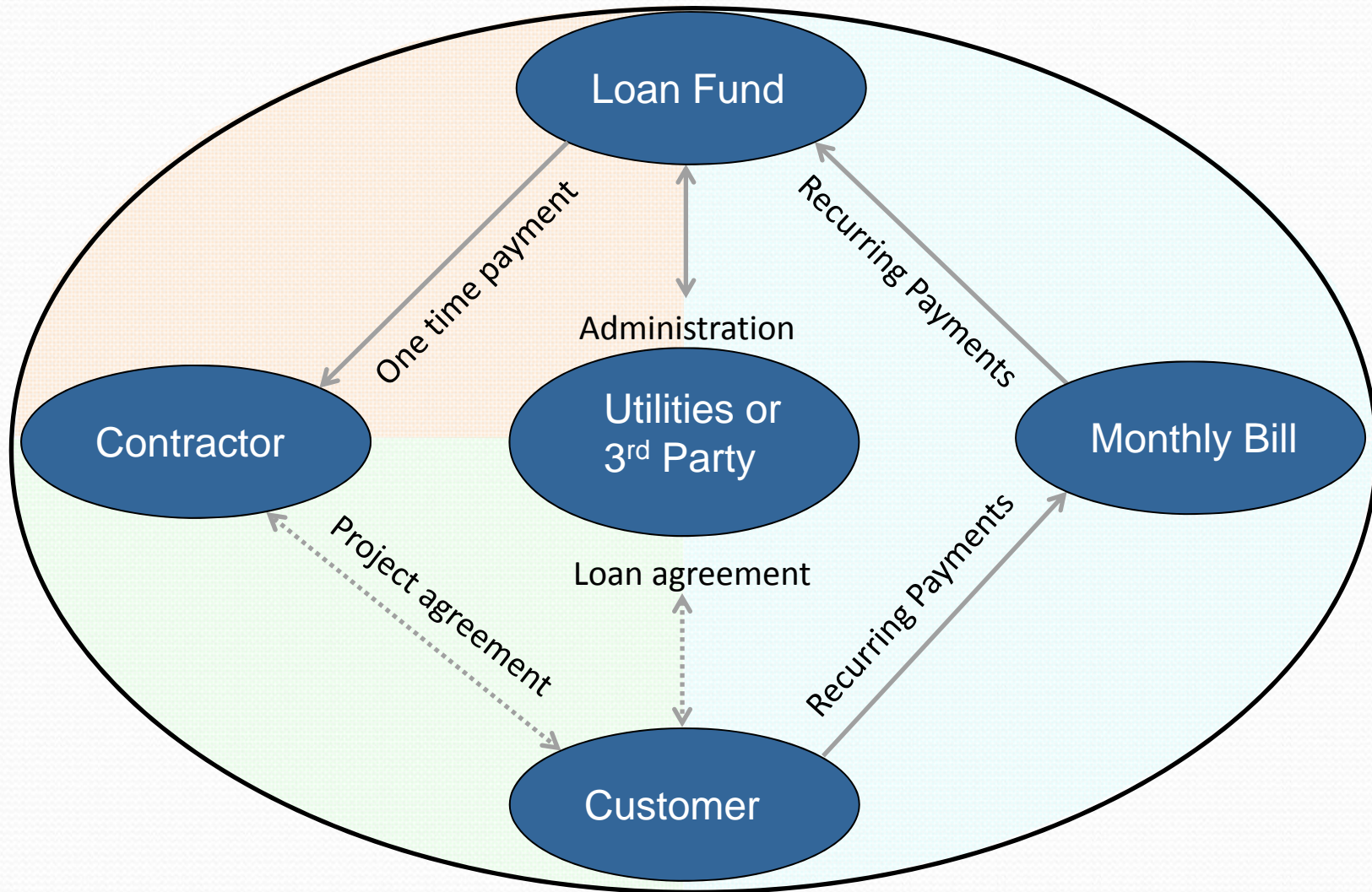




Agenda

- Program Description & Goals
- Customer & Project Eligibility
- Qualifications & Loan Terms
- BEL Program Scenarios
- Securitization
- Application Process
- Discussion

Program Overview





Program Goals

- Increase the number of commercial/residential efficiency and renewable energy projects by addressing the up-front cost barrier via on-bill financing
 - Simple application and approval processes
 - Finance 100% of project cost (\$1,000 to \$15,000)
 - Repayment of loans on the utility bill



Program Elements

- Financing coordinated with Efficiency Works Program elements
 - Free energy assessment address barrier of “what to do” (prioritizing commercial improvement measures)
 - Contractor list addresses barrier of “who to call”
 - Pre-approval review of improvements followed by installation verification



Customer Eligibility

- BEL loans available to the owners of small commercial property with E200 or E225 rate code and a single meter (premise #).
- The building owner or responsible principle in an LLC must have an active Fort Collins Utility account for that premise #.



Project Eligibility

- Qualification of the project work scope will be done by Efficiency Works/Fort Collins Utilities.
 - All efficiency improvements must qualify for an Efficiency Works rebate
- Eligible Improvement Types Include:
 - Lighting
 - Food Service
 - Motor VFDs
 - Cooling
 - Grocery
 - Water Efficiency
 - Envelope
 - I.T. & Office
 - Custom

Visit: <http://efficiencyworks.prpa.org/wp-content/uploads/2013/12/ewguide.pdf>
for Efficiency Works Rebates and Specifications



Qualification & Loan Terms

- Applicant qualification
 - Utility bill payment history
 - Bill payment history is used for qualification for the business in lieu of the building owner's credit or business financial records.
 - 6 months of satisfactory utility bill payment history, with no more than one late payment in the last six months, no more than two late payments during the previous year and no more than three late payments in the previous two years
 - No Utility Shut-offs
- Loan details
 - Amount: \$1,000 to \$15,000
 - Term: 5, 7, 10, 15 and 20 year term
 - Limited to the service life of the measure
 - Interest: 4.00% (APR 4.116% - 10.848%)
 - Origination fee: \$150.00 paid to EnergySmart Partners
 - Can be financed into loan or paid directly to ESP

BEL Applicant Scenario #1

Measure	Enter Total Installed Cost	Annual Electricity or Water Savings (kWh/yr)* (gal/yr)	Annual Electric or Water Cost Savings (\$/yr)*	Total Potential Rebate Incentive**
Lighting Efficiency	\$6,892	27,955	\$1,878	\$3,360
Cooling Efficiency		0	\$0	\$0
Envelope		0	\$0	\$0
Food Service		0	\$0	\$0
Grocery		0	\$0	\$0
IT & Office Equipment		0	\$0	\$0
Motor VFDs		0	\$0	\$0
Water Efficiency (gals)		0	\$0	\$0
Custom Measures		0	\$0	\$0
TOTALS	\$6,892	27,955	\$1,878	\$3,360
Total cost after incentive				\$3,532
Simple Payback of All Projects (years)				1.9

NOTE: Exterior lighting may be required to be full cut-off or dark sky compliant and have a restricted color temperature. Check all applicable codes for specific requirements.

Pre-approval is required for any project with a total rebate over \$1,000.

* Annual Electricity Savings and Electric Cost Savings are estimates that may not predict the savings for your project.

**Incentives are calculated on the worksheets found in this spreadsheet. Total Incentives will not exceed 100% of the total installed cost.

BEL Amount: \$3,682.00 (\$3,532.00 Total Cost + \$150.00 Origination Fee financed)

Loan Term: 60 months (5 years)

Interest Rate: 4.00% (*APR 5.711%)

Monthly Payment: \$67.81 per month as separate line item on utility bill

BEL Applicant Scenario #2

Measure	Enter Total Installed Cost	Annual Electricity or Water Savings (kWh/yr)* (gal/yr)	Annual Electric or Water Cost Savings (\$/yr)*	Total Potential Rebate Incentive**
Lighting Efficiency		0	\$0	\$0
Cooling Efficiency	\$15,925	828	\$64	\$1,250
Envelope		0	\$0	\$0
Food Service		0	\$0	\$0
Grocery		0	\$0	\$0
IT & Office Equipment		0	\$0	\$0
Motor VFDs		0	\$0	\$0
Water Efficiency (gals)		0	\$0	\$0
Custom Measures		0	\$0	\$0
TOTALS	\$15,925	828	\$64	\$1,250
Total cost after incentive				\$14,675
Simple Payback of All Projects (years)				230.2

Pre-approval is required for any project with a total rebate over \$1,000.

* Annual Electricity Savings and Electric Cost Savings are estimates that may not predict the savings for your project.

**Incentives are calculated on the worksheets found in this spreadsheet. Total Incentives will not exceed 100% of the total installed cost.

BEL Amount: \$14,825.00 (*\$14,675.00 Total Cost + \$150.00 Origination Fee financed*)

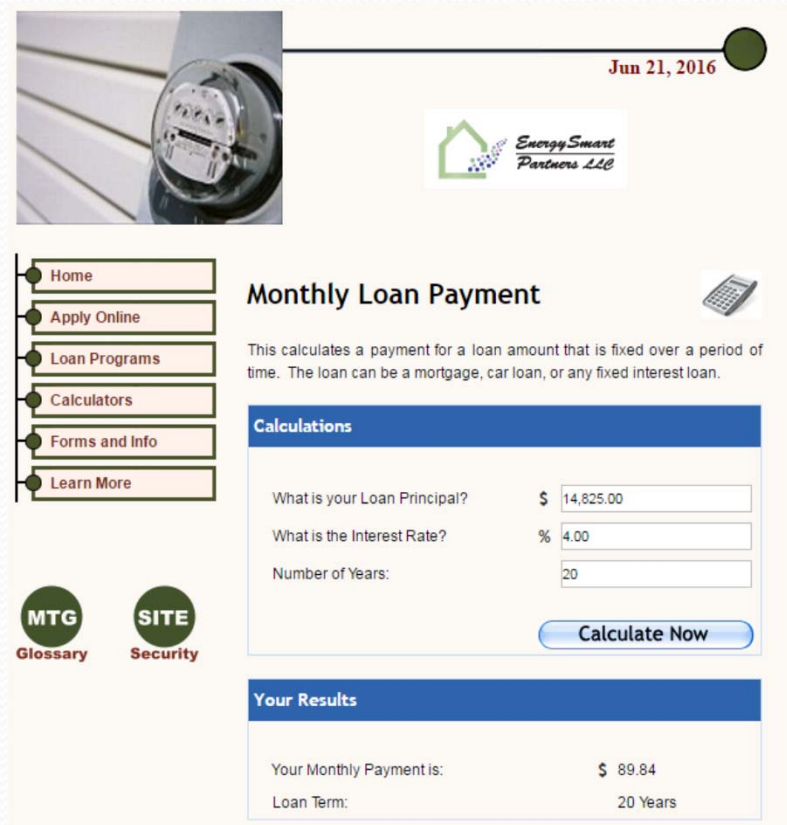
Loan Term: 240 months (20 years)

Interest Rate: 4.00% (*APR 4.117%)

Monthly Payment: \$89.84 per month as separate line item on utility bill

Payment Calculator

- http://www.energy-smart-partners.com/calc_simple.html



The screenshot shows a web page for a "Monthly Loan Payment" calculator. At the top left is a close-up image of a silver electrical meter. To its right is the date "Jun 21, 2016" and the "Energy Smart Partners LLC" logo, which features a green house icon with a leaf. A vertical navigation menu on the left contains links for "Home", "Apply Online", "Loan Programs", "Calculators", "Forms and Info", and "Learn More". Below the menu are two circular icons: "MTG Glossary" and "SITE Security". The main content area is titled "Monthly Loan Payment" and includes a calculator icon. Below the title is a descriptive paragraph: "This calculates a payment for a loan amount that is fixed over a period of time. The loan can be a mortgage, car loan, or any fixed interest loan." The "Calculations" section contains three input fields: "What is your Loan Principal?" with a value of \$ 14,825.00, "What is the Interest Rate?" with a value of % 4.00, and "Number of Years:" with a value of 20. A "Calculate Now" button is positioned below these fields. The "Your Results" section displays the calculated values: "Your Monthly Payment is: \$ 89.84" and "Loan Term: 20 Years".

Jun 21, 2016

Energy Smart Partners LLC

Home
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MTG Glossary
SITE Security

Monthly Loan Payment

This calculates a payment for a loan amount that is fixed over a period of time. The loan can be a mortgage, car loan, or any fixed interest loan.

Calculations

What is your Loan Principal? \$ 14,825.00
What is the Interest Rate? % 4.00
Number of Years: 20

Calculate Now

Your Results

Your Monthly Payment is: \$ 89.84
Loan Term: 20 Years



Securitization

- Loans will be secured by UCC Financing Statement filed through Larimer County.
 - UCC lien and potential disconnect provisions
 - Recorded lien (notification for title search)
- Payments on utility bill
- Payoff on loan maturity or property sale



Process

- Applicant will obtain one or more contractor proposals and select the one that meets their project goals.
 - Applicant completes and submits Efficiency Works (EW) Rebate Application and required documentation for Pre-Approval Number.
 - Qualification of the project work scope approved by Efficiency Works/Fort Collins Utilities
- Submit the following to EnergySmart Partners (ESP):
 - Completed Loan Application
 - Approved contractor proposal(s)
 - Pre-Approved Efficiency Works Application



Process Continued

- Upon confirmation of satisfactory billing history, ESP issues loan approval
- Contractor to begin improvements
- Upon completion of work, contractor provides final invoice, W9 and final Efficiency Works Rebate Application form to Efficiency Works/Fort Collins Utilities and ESP
- Contractor requests Efficiency Works/Fort Collins Utilities installation verification
- ESP prepares Loan Documents for closing
- ESP shall release loan proceeds directly to project contractor(s) via ACH.
 - Dependent upon the scope of the proposed project, ESP will disburse funds to all applicable contractors and will disburse payment directly to the borrower for any deposits the borrower has paid to the contractor.

Origination and Servicing

	Utilities	ESP
Application: project approval based on preliminary rebate application and bid(s)	✓	
Application: Bill payment history	✓	✓
Project verification	✓	
Loan origination		✓
Contractor payment		✓
Set up loan within billing system	✓	
Recording of obligation		✓
Loan payment servicing	✓	



Discussion

- Questions?

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