Environmental Defense Fund’s

Investor Confidence Project

SPEER SUMMIT 2015
Energy Efficiency Project Barriers

- Lack of funding: 29% (2012), 32% (2011)
- Uncertainty regarding savings/performance: 14% (2012), 18% (2011)
- Insufficient payback/ROI: 14% (2012), 16% (2011)
- Lack of awareness about opportunities: 13% (2012), 11% (2011)
- No organizational ownership/dedicated attention: 9% (2012), 3% (2011)
- Lack of technical expertise: 9% (2012), 8% (2011)
- Landlord/tenant split incentives: 8% (2012), 12% (2011)

Credit: Institute for Building Efficiency, JCI
Breaking Down Barriers to EE Finance

**Project Finance**
Long-term financing of projects based upon the projected cash flows of the project rather than the balance sheets of its sponsors.

- Benchmarking
- Asset Labeling
- Disclosure

- On-Bill Repayment
- Commercial PACE
- Green Banks
Near-Term: Increase Deal-Flow

- Increase Confidence in Savings
- Reduce Transaction Costs
- Streamline Origination Process

Long-Term: Reduce Performance Risk

- Develop Data to Manage Performance
- Attract Project Finance Investors
- Enable Portfolios and Securitization
How Do You Know What Your Getting?
ICP Energy Performance Protocols

- Baselining
  - Existing Building
  - Drawings
  - Weather File
  - Energy Usage
  - Energy Rates
  - Occupancy

- Savings Calculation
  - Model File
  - Calibration Data
  - Bid Packages
  - Certifications

- Design, Construction, Verification
  - Cx Plan
  - Cx Authority
  - Test Procedures
  - Facilities Req.

- Operations, Maintenance, Monitoring
  - BMS Points
  - Fault Plan
  - Maintenance Plan

- Measurement & Verification
  - M&V Model
  - Regression Model
  - Adjustments
  - Impact
  - Baseline Adjustments
## Investor Confidence Project Protocols

<table>
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<tr>
<th></th>
<th>Commercial</th>
<th>Multifamily</th>
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<tbody>
<tr>
<td><strong>Large Projects</strong></td>
<td>EPP – Large Commercial</td>
<td>EPP – Large Multifamily</td>
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<td><strong>Standard Projects</strong></td>
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<td><strong>Targeted Projects</strong></td>
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ICP in Texas

- Texas Pace-in-a-box includes ICP protocols as the standard technical requirement for TX PACE.

- Worked for over a year with stakeholder working group including State Energy Conservation Office.

- ICP will provide the system to credential quality projects for PACE administrators.

- Developing ICP System implementation plan to create regional roll-out leveraging ICP Credentialed Providers.
Of the projects that you propose, approximately what percent get approved and funded?

- More than 75%: 5.1%
- Between 50% and 75%: 18.2%
- Between 25% and 50%: 29.0%
- Between 10% and 25%: 31.8%
- <10%: 15.9%
As part of your proposals, do you offer options for 3rd party financing, such as loans, equipment leases or programs (like PACE)?

![Bar chart showing percentages of responses to the question]

- No, I don't: 29.5%
- Yes, every now and then: 15.3%
- Yes, some of the time: 30.1%
- Yes, all of the time: 25.0%
What are the most common reasons the decision maker doesn’t always trust your savings estimates?

- Decision maker may not understand the 'energy math' used to forecast savings: 54.4%
- Decision maker may not believe in or understand the equipment/technology: 56.7%
- Estimates can be seen as biased because I'm the one proposing the equipment: 51.1%
- Savings can seem too good to be true: 47.8%
Does the decision maker always believe your projects’ energy savings forecasts?

- No: 51.1%
- Yes: 48.9%
Investor Confidence Project

www.EEperformance.org

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