

Financing Energy Upgrades 101 (Part 2)



Panelists

- **Andrew Chintz**, Financing Specialist, NYC Accelerator
- **Ross Reida**, Managing Partner, LED.Finance
- **Joshua Patton**, Vice President, Verdant Commercial Capital
- **Brian Nieves**, Senior Business Developer, NORESO
- **Brian McCommon**, Director of Sales, Metrus Energy
- **Moderator: Ellen Honigstock**, Senior Director, Education, Urban Green Council



Find Financing That Fits with Help from NYC Accelerator

Andrew Chintz, Financing Specialist

March 23, 2023



How Can NYC Accelerator Help?

- + Provide free technical assistance for building upgrades
- + Deliver expert advice to determine requirements and help meet local energy laws
- + Connect buildings with service providers and incentives for energy and carbon reduction projects
- + Offer no-cost online trainings for building operators and stakeholders





NYC Accelerator Financing Assistance



NYC Accelerator's Financing Assistance

1. We help you **identify** financing programs.
2. We **assist** you in navigating your options.



Why Finance Energy Upgrades?

- + Minimizes or eliminates need for upfront funding
- + Addresses immediate and longer-term LL97 requirements
- + Facilitates large or stalled retrofit projects
- + Preserves building reserves for other necessary uses
- + Reduces financing costs by consolidating energy retrofits with other capital improvements or deferred maintenance
- + Reduces utility and other operating expenses
 - **Annual energy savings may be greater than financing repayments, resulting in “net cash flow”**



Consider the Building's Life Cycle

- + What is your building's mortgage loan status?
 - Consider financing energy retrofits in a new mortgage loan if existing mortgage is maturing in 1-2 years
 - Supplemental mortgage
- + Most buildings are at a mid-cycle stage and there are mid-cycle financing products for energy improvement projects.



Financing Options For Energy Retrofits

+ End of Building Cycle Financing Products

- *Mortgage Loans or Green Mortgage Loans*

+ Mid-Cycle Financing Products

- *NYC Accelerator PACE Financing*
- *Specialty Finance Companies: Local Green Banks, Mission-Driven Lenders*



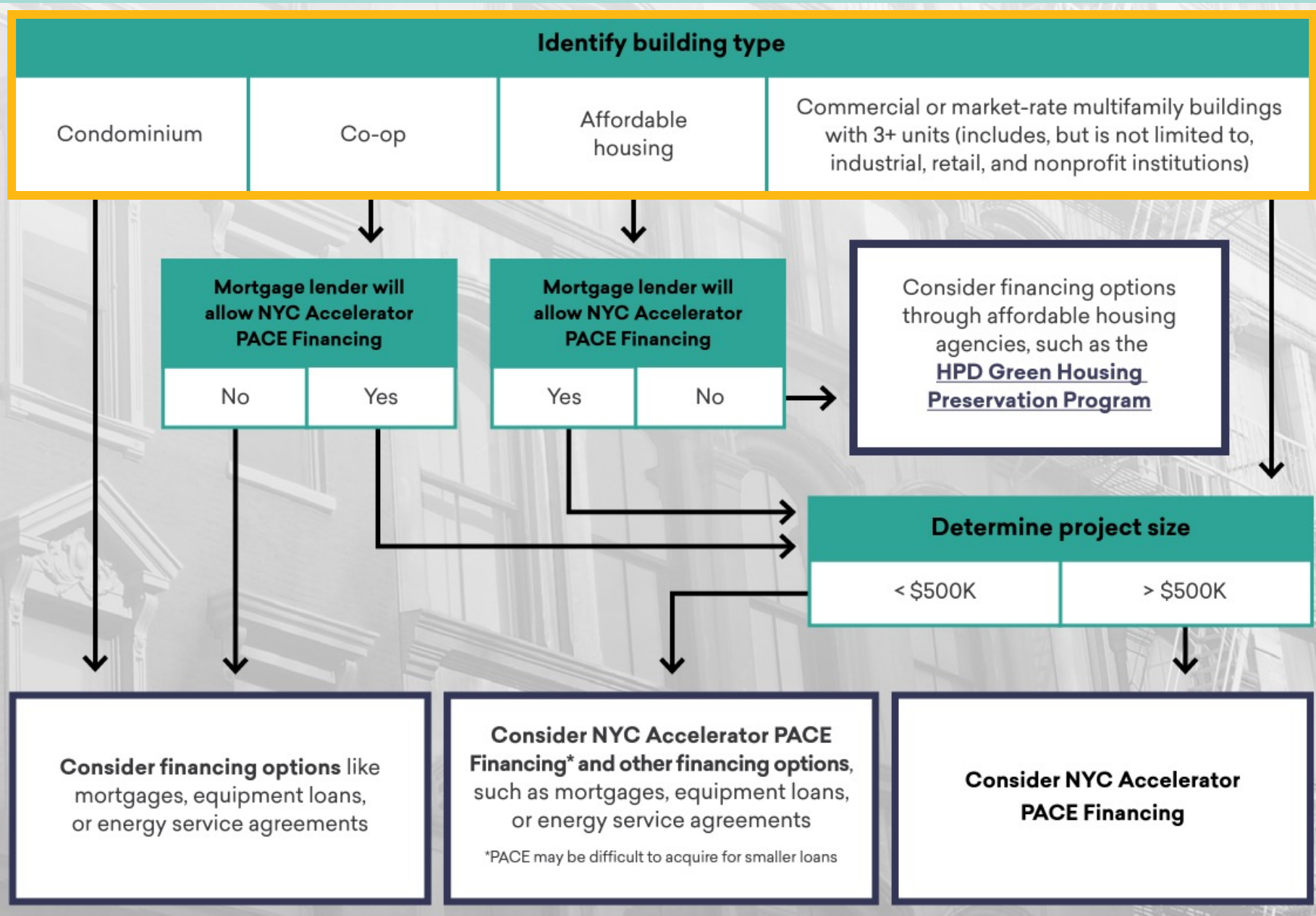
Financing Options For Energy Retrofits (cot'd)

+ Equipment Loans or Leases

- Offered by third-party lenders and many equipment manufacturers, vendors, and contractors

+ Non-debt financing solutions

- *Energy Service Agreement, Power Purchase Agreement, “As-a-Service”*
 - Provides turnkey solutions with no upfront cost to streamline and simplify the retrofit process for building owners
 - Full services contract - construction, installation, maintenance and financing
 - Often contract payments are paid from associated energy savings
 - No upfront costs for building owners



Scan to view the Financing Toolkit.



Contact Our Team of Experts



Web: accelerator.nyc/financing

Email: info@accelerator.nyc

Phone: 212-656-9202





Ross Reida

Managing Partner,
LED.Finance

**"Zero Down"
100% Turn-key
Project Financing**

**Typical Finance
Terms are 2-7 Years,
Average 5 Years**

**Up to 90-day
deferred payments**

**Projects from
\$10K - \$250K single
page credit app**

**Level Payment /
Seasonal Payment /
Deferred Payment**

**Pricing a Function of
Credit Quality /
Transaction Size**

**Secured by
Equipment Being
Sold to Customer**

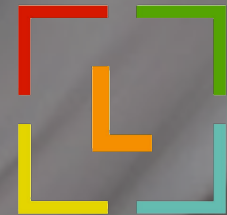
Offer Creative Finance Solutions

Zero upfront cost to the customer
Cash-flow positive energy savings

Turn-key finance solution including installation
Fast and easy application process

Current Projects Funded Q1 2023

- Private School \$83,000
- Multifamily Student Housing \$931,000
- Auto Parts Manufacturer \$275,000
- School District \$130,000
- Warehouse Facility \$75,000
- Fabrication Shop \$35,000
- Hotel Property \$233,000



LED.finance



Joshua Patton

Vice President,
Verdant Commercial Capital



VERDANT COMMERCIAL CAPITAL

Financing Expertise:

- Energy Efficiency
- Renewables
- EV Charging

VERDANT Financing Programs in NY

Con Edison SMB & Multifamily

Con Edison NY Clean Heat

NYC Accelerator

UNY National Grid C&I, SB, and NY Clean Heat



VERDANT
COMMERCIAL CAPITAL



VERDANT COMMERCIAL CAPITAL

Our Energy Efficiency Financing Solutions Help Deliver:

- ✓ **Up to 100% Prefunding**
Qualified contractors can receive up to 100% of the amount financed when customer signs financing contracts.
- ✓ **Payment Quoting Tools**
Quote cash flow positive payments confidently showing your customer that the expected monthly energy savings will cover the financing payment.
- ✓ **Interest Rate Buy-Down Payments**
Take advantage of the IRBD programs we've negotiated with various utility companies and/or work with us to offer your own 0% financing program.

We Offer:

- Financing for Energy Efficiency and Renewable Energy Projects from \$25,000 - \$100 million
- 24 -84 month terms, payments that fit inside monthly savings
- Ability to Finance on an App-Only Basis up to \$500,000
- Vendor Portal to Submit Customers for Same-Day Credit Approval
- “As a Service” Financing Bundles
- Large Credit Box

To Learn More, Contact Our Financial Specialists:

Josh Patton 586.201.9699 | jpatton@verdantcc.com

Chris Herman 248.418.1327 | cherman@verdantcc.com

Jon Wickersham 248.860.0013 | jwickersham@verdantcc.com



Brian Nieves

Senior Business Developer,
NORESCO

Who We Are

 **\$5+ Billion**
GUARANTEED SAVINGS

 **10,000+**
FACILITIES IN U.S. AND WORLDWIDE

 **28,300 GWh**
ELECTRICITY SAVED / EFFICIENTLY PRODUCED

 **120 Trillion Btu**
ON-SITE FUEL ENERGY SAVED

 **56 Billion Gallons**
WATER SAVED

 **25 Million**
METRIC TONS OF CO₂ REDUCED

NORESCO

39+ years of experience

**Energy and water use
efficiency, infrastructure, and
carbon reduction leader**

**Multi-disciplinary in-house
team experienced in all
aspects of project funding,
development, engineering,
construction, and operation**

A Carrier company



Founded in 1915

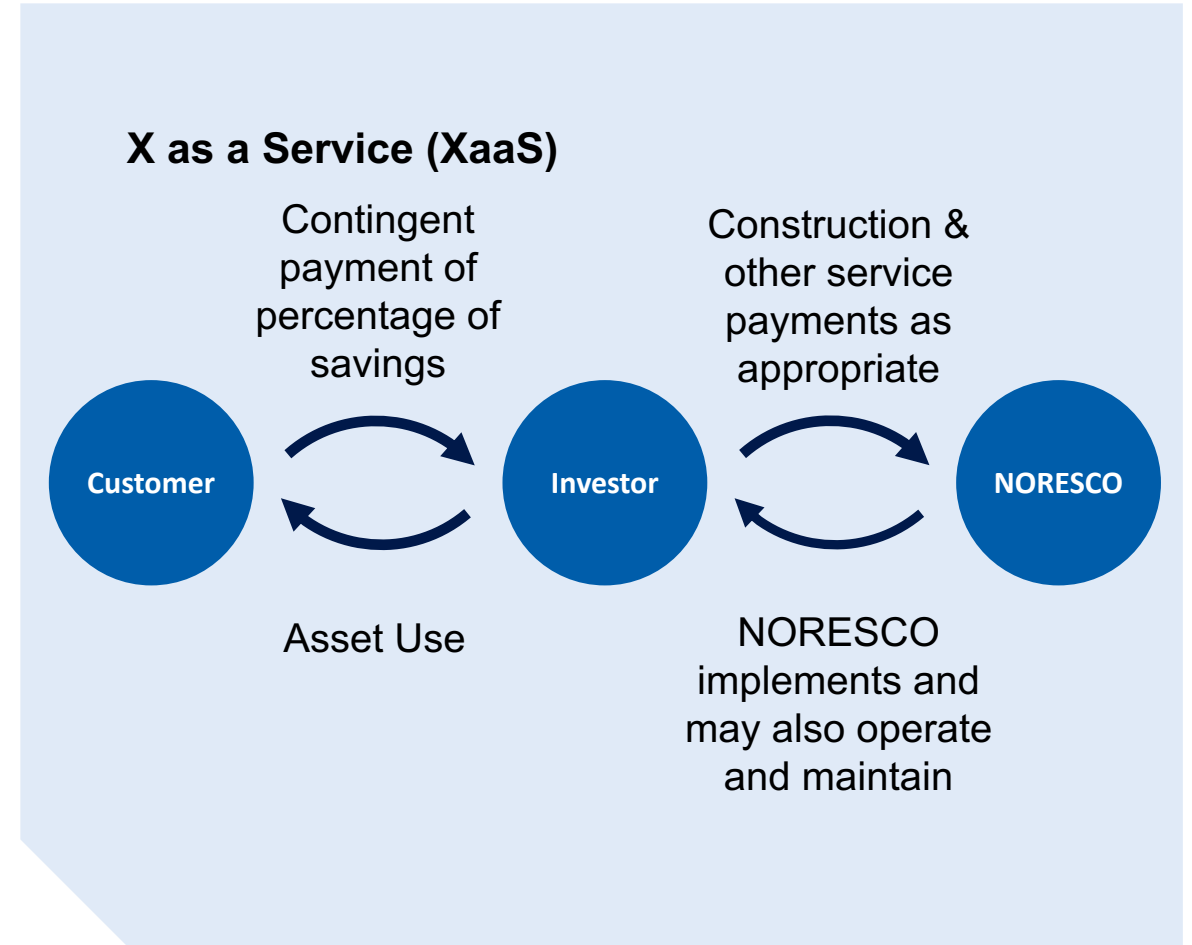
**Leading provider of HVAC,
Refrigeration and Fire &
Security solutions**

\$20.4B net sales in 2022

**52,000 employees serving
customers in more than
160 countries**

X as a Service (XaaS)

- Investor Partnership
- Facilitates Agreements among Different Stakeholders
- Investor/Customer Contract
- NORESO Fulfills Performance Obligations
- Customer Pledge
- Payment Performance
- Potential for Favorable Accounting/Debt Treatment
- Fair Market Value Asset Transfer
- Power Purchase Agreement (PPA) Similarities



Accelerated Compliance Assistance Plan



Preliminary
Assessment &
Analysis

Detailed
Analysis & IGA

Contract
Development &
Financing

Construction,
Training &
Commissioning

Measurement &
Verification and
Reporting



Brian McCommon

Director of Sales,
Metrus Energy

How does Metrus work?

Our Role With Customers

01

We fund 100% of the costs to upgrade the efficiency of equipment and add smart technology



How Your Customer Benefits

Your customers get new, upgraded equipment for \$0 upfront with an off-balance sheet solution, with their CAPEX preserved for other needs

02

We leverage the savings from strategically bundled energy and water measures to fund your customer's wish list of upgrades



Your customers' net zero goals are accelerated with energy efficiency scaled across their portfolio, speeding decarbonization

03

We own the equipment and partner with ESCOs on implementation, maintenance and project performance reporting (savings and GHG reductions)



Your customers pay only for realized energy savings, and reap the benefits of improved operational reliability and resiliency, lowered energy use and reduced GHG emissions

Typical Project: Energy + Water Efficiency Retrofits



PROJECT SIZE

Ideal project size is \$1M to \$10M, financed by Metrus



BUNDLING

Upgrades from one or many facilities are bundled into a single project



PAYBACK

Typical weighted average payback period is 5 to 10 years



TERM LENGTH

SESA (Sustainable Energy Service Contract) project term is generally 7 to 20 years



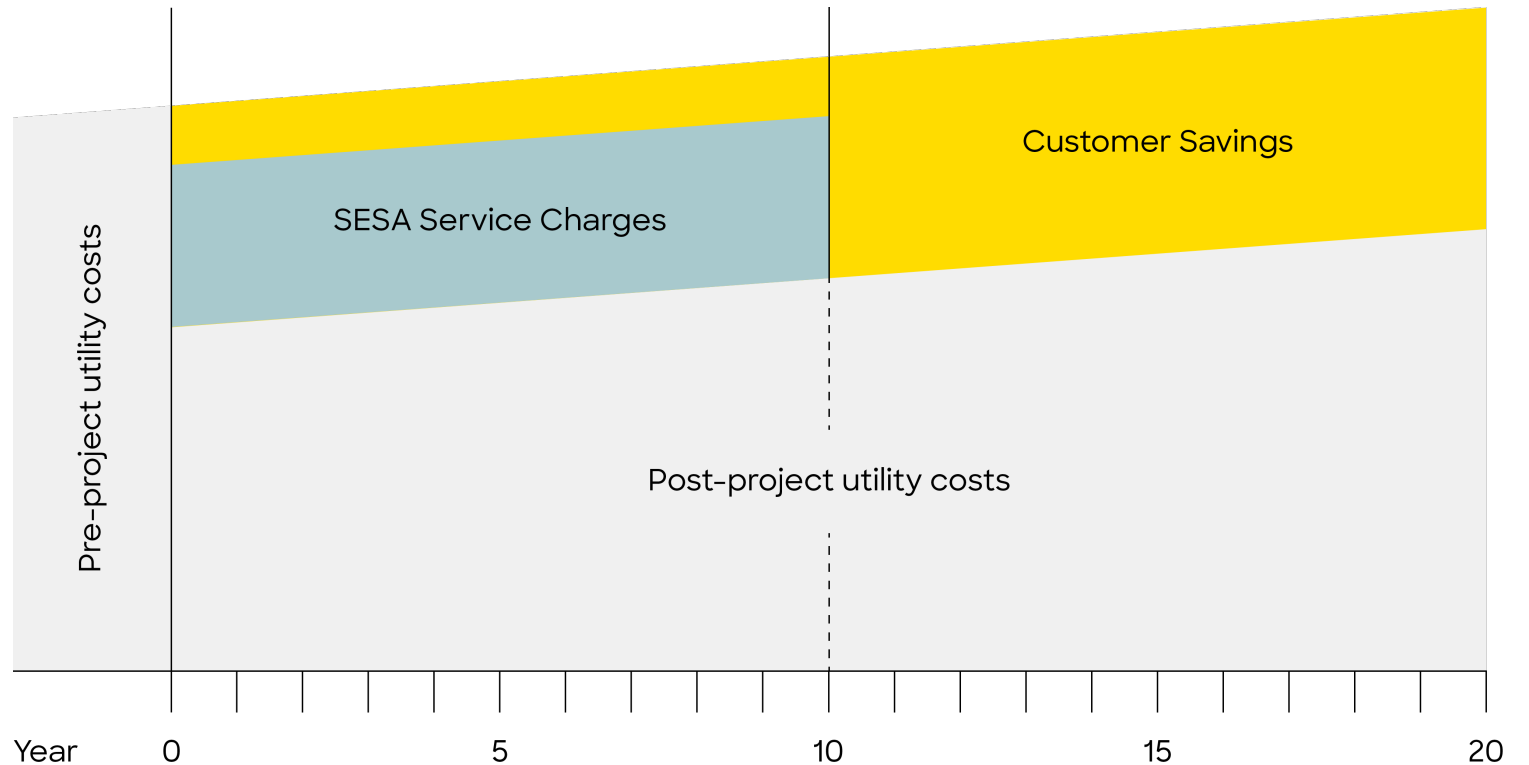
IDEAL TARGET

Vertical market focus is C&I, higher education and healthcare



SESA Enables Customers To Remain Cash Flow Positive

- ✔ We fund all project costs, with no capital outlay by the customer
- ✔ During construction, we pay the ESCO for work as it is completed
- ✔ Customers remain cash flow positive for the duration of the SESA contract
- ✔ During the SESA term, we pay the ESCO for project maintenance and monitoring
- ✔ After the project term, customers can purchase the EE assets from us and receive 100% of savings



NOTES: (i) SESA service charges and utility costs are assumed to escalate over time; (ii) Assumes customer purchases EE assets at the end of SESA term; (iii) Useful life of efficiency assets varies but is typically 10 to 25 years


Upcoming Events

Urban Green Live: Pathways to Electrification (w/ Ian Shapiro)
April 19 | 10 am – 11 am

Register at urbangreencouncil.org/events

URBAN
GREEN

Thank You

 @UrbanGreen

 urbangreencouncil.org



Contact NYC Accelerator

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Phone: 212-656-9202