PACE FINANCING HITS ITS STRIDE

SEEC 2014  June 18-19  San Diego
Latest Developments

Residential
- Statewide Loan Loss Reserve
- FHFA May 1 Response Letter
- Legislative Appropriation of Loan Loss Reserve
- CaliforniaFIRST Soft Launch in June

Commercial
- Los Angeles County Program ($7,205,000 complete; $42,354,324 in the pipeline)
- Uptick in CaliforniaFIRST applications
- Fig Tree portfolio expansion

ALSO - AB 1883 (Skinner) allows transfer of rights in and to contractual assessments and facilitates “bundling” of projects
Commercial Model That Works

“All the Arrows In the Quiver” Model

- Owner/Operator-facing collateral
- Contractor-facing collateral
- Tools/Strategies for Identifying Target Audience
- Audit Incentives
- Loss Risk Tool
- Project Generation Teams
- Flexible and Responsive Financing Models
- Post-Retrofit Tracking & Monitoring
Residential Model That Works

Products
Solar * HVAC * Roofing * Windows * Insulation
Artificial Turf * Pool Pumps * Water Savings

Features
- Contractor Training
- Automated Proposals
- Quality Control
- Approvals Based On Home Equity
- Long-Term Low Fixed Interest Rates
- Private Equity Investment
 Contractor Survey / Polling

“TOP 3” PROGRAM DESIGN RECOMMENDATIONS

1. Streamline Documentation/Automate
2. Reduce Program Model Criteria
3. Reduce Potential for Unexpected Consumer Surprises That Reduce Energy Savings and Erase Incentives
<table>
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<tr>
<th>HERO Economic Impact</th>
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<tr>
<td>Registered Local Contractors</td>
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<td>Applications Submitted</td>
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<td>Applications Approved</td>
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<td>Approved Projects</td>
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<td>Total Funded Projects</td>
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<td>Annual Energy Saved (GwH)</td>
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<td>Annual Reduction in Emission (tons)</td>
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<td>Annual Savings</td>
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<td>Annual Jobs Created</td>
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<td>Annual Economic Impact</td>
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<td>Life Time Energy Saved (GwH)</td>
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<td>Life Time Annual Economic Impact</td>
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Energy savings and carbon emission reduction is based on US Department Of Energy, EPA and the California Solar Initiative calculators, tools and resources. Jobs created and annual economic impact estimates are based on study performed by Dr. Pan and based on the number of projects funded over the last 30 days.