



Financing for Energy Retrofits

**Metropolitan Washington Council of Governments
Climate, Energy and Environmental Policy Committee**



May 22, 2013

Bostonia Group

Bostonia Partners

- The investment bank

\$10 billion of financing since Bostonia's founding in 1998

Ranked 6th among all banks for domestic private placements between 2009 and 2012

Recent Local Projects



FDA White Oak,
Montgomery County



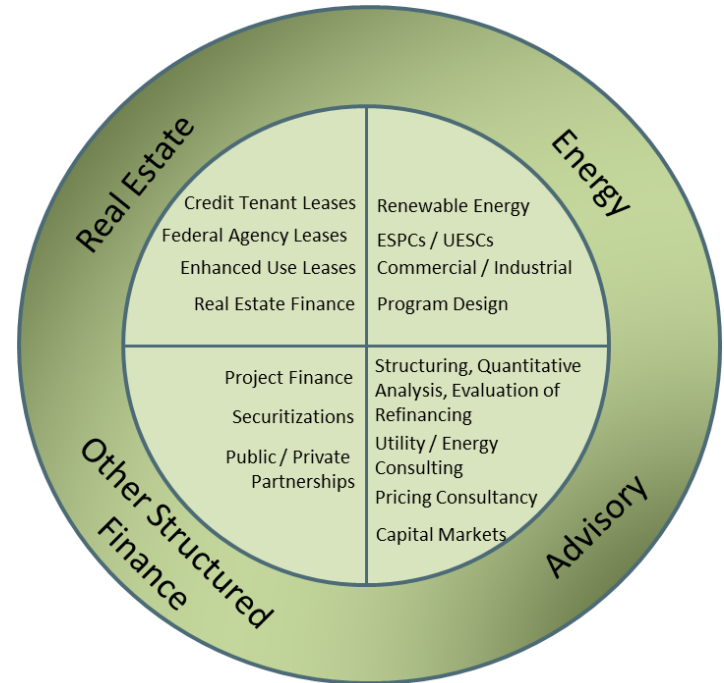
Dulles Discovery,
Fairfax County



FBI Resident Agency,
Prince William County

Bostonia Global Securities

- The broker/dealer



Bostonia's Representative Clients



State of the Market for Energy Efficiency Financing

- Investment Grade (IG) Sponsors with projects of size can obtain cost-effective financing
- Non-IG Sponsors with smaller projects are the challenge: residential, affordable housing, commercial & industrial, and MUSH
- Cost effective solutions for Non-IG Sponsors are in process or development:
 - MUSH Pools
 - C-PACE
 - Warehousing followed by capital markets securitization
 - Alternative funding models (e.g., REITS/MLPs)
 - Residential loan secondary market sales

Be Encouraged and Rally the Troops!

- Substantial Private Sector Resources are being devoted to this Market
- Deals Done or In Development
 - Pennsylvania Keystone HELP: \$28 million secondary market sale of 4,900 consumer EE loans for State Treasurer (www.bostonia.com)
 - Citizens Energy: \$35 million pooled tax and sponsor equity and debt for multi-municipality 7MW PV solar facilities (www.bostonia.com)
 - C-PACE: DC, California and Wisconsin with Connecticut as model for a group of Mid-Atlantic and New England States
 - Multi-state Residential EE loans warehouse and securitization (WHEEL)
 - NYSERDA's CWA Revolving Fund: EPA approved equity release to secure EE bonds
 - REITs & MLPs

Financing Options

Investment Grade

- Federal/MUSH/Large C&I Sectors
- Size/Credit allow for stand-alone Transactions
- Lower coverage and reserves

Tax-Exempt and Taxable Bank and Capital Market Debt On-Balance Sheet

Taxable Contract Securitizations On- or Off-Balance Sheet

Taxable C-PACE for Large C&I

Taxable Private Placements for MUSH and Equity Funds for Renewables

Non-Investment Grade

- MUSH/Small C&I/Residential/Affordable Housing Sectors
- Size/Credit Requires Pools, Senior-Sub Structures and/or Reserves, and Higher Coverage

Tax-Exempt MUSH Pools

Taxable C-PACE for Small C&I

REITs & MLPs

Community Bank Partners for Residential/Affordable Housing Pools

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