

Leveraging Public and Private Investment in Designing and Implementing Comprehensive Energy Retrofit Projects



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Use it or Lose It!

- Meeting the due dates to obligate the stimulus monies
- Start at the Source!
 - <http://www.recovery.gov/>



RECOVERY.GOV

Use it or Lose It!



- State specific funding and timelines:
 - <http://www.recovery.gov/?q=content/state-recovery-page>
- Over 86 direct grant opportunities
 - <http://www07.grants.gov/search/search.do;jsessionid=?mode=CATSEARCH&fundActivity=RA>
- A vast library of loan programs
 - http://www.govloans.gov/govloans_en.portal

Use it or Lose It!



- ESPC Specific

- <http://www.eere.energy.gov/>

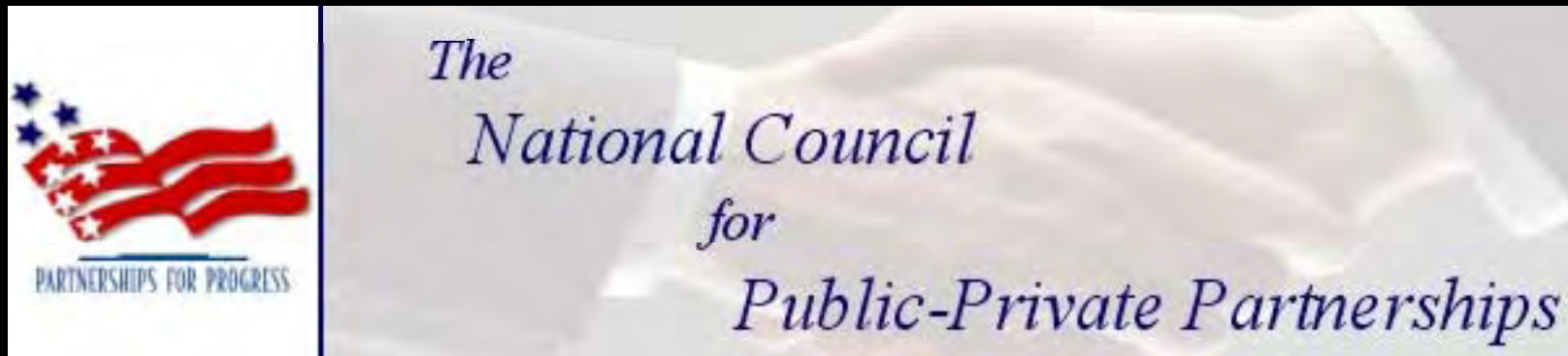
The key is persistence and networking...Google isn't your only answer:

- <http://www.colorado.gov/energy/>

- http://apps1.eere.energy.gov/state_energy_program/projects_all_state.cfm

Use it or Lose It!

- And in the context of “P³”:
 - <http://www.ncppp.org/>



Employing loan guarantee options

- H. R. 1—31
 - http://www.whitehouse.gov/the_press_office/ARRA_public_review/#TB_inline?height=220&width=370&inlineId=tb_external
 - <http://www.recovery.gov/?q=content/agency-recovery-plans>
 - SEC. 406. RENEWABLE ENERGY AND ELECTRIC POWER TRANSMISSION LOAN GUARANTEE PROGRAM.
 - (c) EQUIPMENT AND MATERIALS FOR ENERGY EFFICIENCY MEASURES AND RENEWABLE ENERGY MEASURES.—No limitation on the percentage of funding that may be used for the purchase and installation of equipment and materials for energy efficiency measures and renewable energy measures under grants provided under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq.) shall apply to assistance provided under this section.
- <http://www.nrcs.usda.gov/technical/energy/>
 - Rural Deployment
- <http://www.lgprogram.energy.gov/>
 - Technology Deployment
- <http://www.rurdev.usda.gov/mn/RBS/Section%209006%20Renewable%20Energy%20Program.htm>
 - -Rural Deployment
- <http://www.recovery.gov/?q=content/agency-recovery-plans>

Employing loan guarantee options




- As with all Federal programs – expertise and access are key:
 - This is and should be a full time job!
 - In House
 - Outsourced
 - Consultants
 - Law firms
 - Lobbyists

The challenges and opportunities of combining allocated stimulus funding
and private investment



- Where should you focus:
 - Jobs
 - Local hire
 - Taxes
 - Local spend
 - Time
 - “Shovel Ready”
- What are the clear prohibitions:
 - Operating expenses
 - Debt repayment

The challenges and opportunities of combining allocated stimulus funding
and private investment



- The goals are project...
 - Expansion
 - Acceleration
- Leverage is permitted, i.e:

The challenges and opportunities of combining allocated stimulus funding and private investment



- Example
- \$10 Million project with a 15 Year Financing
- 100% Debt = \$980K per year
 - \$2 Million ARRA Money = \$784K per year
 - \$4 Million ARRA Money = \$588K per year
- The match can be tailored to the project
- The match can be tailored to your customer resources
- Assess your priorities under the stated ARRA guidelines
- Quantify and qualify the benefits that can't be seen as well as building, bricks and mortar:
 - Jobs
 - Taxes
 - Sales tax
- Then do cash flow analysis to measure the impact to the project and to the community

Are equity requirements coming back?

Moody's: Majority of U.S. Banks Will Be Unprofitable in 2009

Thursday, June 04, 2009

Moody's Investors Service said in its yearly report that both the U.S. banking industry rating outlook and the industry's broader fundamental credit outlook continue to be negative because of the sharp economic recession that is cutting deeply into U.S. bank balance sheets.

Moody's rated U.S. banks hold approximately 85% of the nation's total banking assets. In the report, titled "Banking System Outlook: United States of America 2009," Moody's states that it expects U.S. rated banks will incur a total of approximately \$470 billion (pre-tax) of loan and security losses and write-downs in 2009 and 2010. The lending portion of this estimated loss is \$415 billion, or 8% of the industry's outstanding loans at the end of last year.

Are equity requirements coming back?



- Overall loan volume is down
 - All sectors:
 - C&I
 - Municipal
 - All sectors and all forms
 - Federal

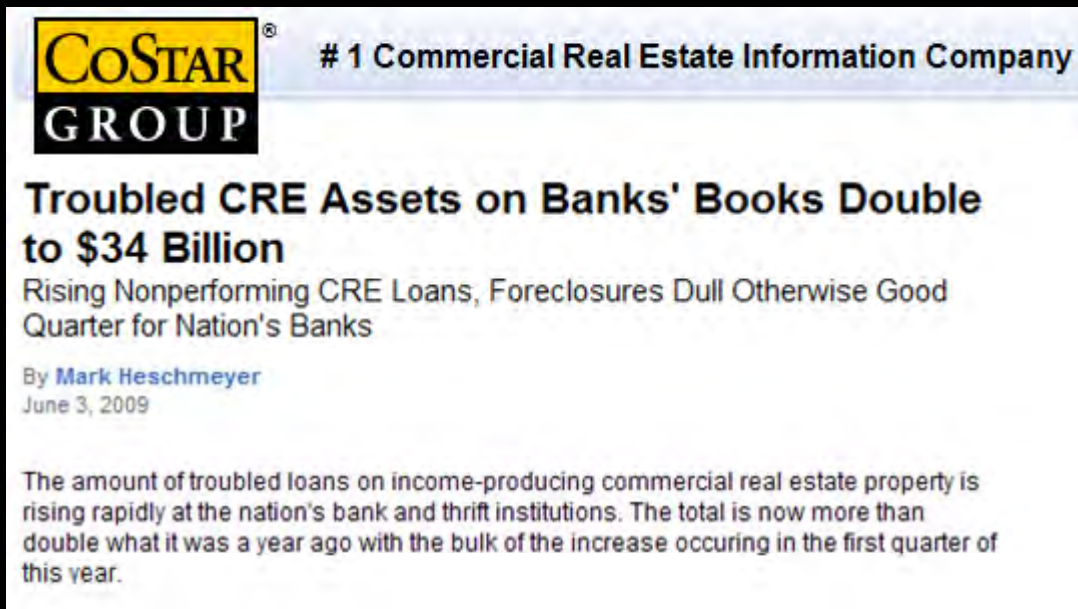
Are equity requirements coming back?



- Municipal
 - It's not so much equity as it's quality
 - Greater due diligence
 - Project
 - ESCO
 - Customer
- Federal
 - Declining audience of buyer

Are equity requirements coming back?

- Commercial
 - The looming CRE Loan Crises says it all:



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Troubled CRE Assets on Banks' Books Double to \$34 Billion
Rising Nonperforming CRE Loans, Foreclosures Dull Otherwise Good Quarter for Nation's Banks

By [Mark Heschmeyer](#)
June 3, 2009

The amount of troubled loans on income-producing commercial real estate property is rising rapidly at the nation's bank and thrift institutions. The total is now more than double what it was a year ago with the bulk of the increase occurring in the first quarter of this year.

In summary...



- Access the ARRA markets with careful planning and intel
 - Local
 - National
- Carefully document your projects
 - Being more prepared = More Capital Access
- Find the right capital partners

Thank you!

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