



Montgomery County
GreenBank

Your partner for clean energy TM

*Lifting Off: Our Initial Product
and Our Next Generation Ideas*

Tom Deyo, CEO and Bonnie Norman and Bob Sahadi of Board of Directors



What are we covering today?

- The **mission** of the Montgomery County Green Bank and efforts underway.
- An **update** on our current offering and how to take advantage of it.
- Our **ideas** under consideration – let's hear your input!



Who are we?

Montgomery County Green Bank: Your Partner for Clean Energy

- The nation's FIRST County-level green bank, designated in July 2016, chartered by the County in 2015
- Not a Bank, **a Fund.**
- Independent, 501(c)3 non-profit corporation; 11 member board (2 County members)
- Capital opportunity of \$14 million (County settlement from Pepco-Exelon merger)



What are we trying to do?

In partnership, grow the clean energy market
in Montgomery County.

Cascade of results:

More Capital =

More Projects / Jobs =

Greater Energy Savings =

Better Financial Security =

Less Energy Demand =

Lower Greenhouse Gas Emissions



How Do We Approach Our Work?



Find gaps in the existing market for private sector financing products (e.g., loans) offered to property owners for energy efficiency/renewable energy projects.



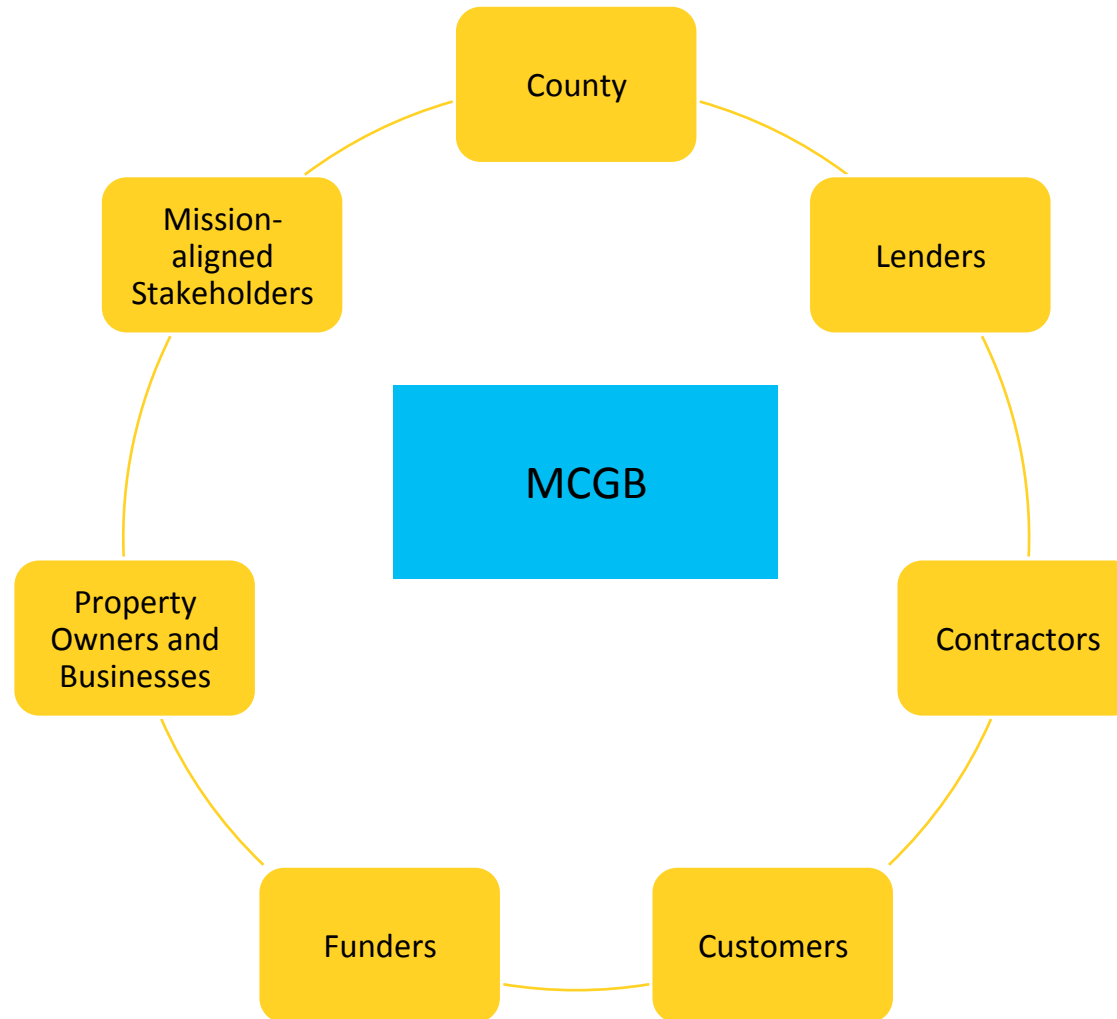
Partner with private lenders to co-invest Green Bank capital, reducing their risk in order to attract private capital into the market.



Achieve transformation when private lenders become comfortable with investing in these projects.



What is Key to Our Success? Partnerships



Before Lift Off: Looking for Gaps

Commercial and Industrial Sector

Market Assessment

- C-PACE serves larger investments - \$250,000 and above.
- Pepco's Small Business Advance Program serves smaller businesses with grants and 0% financing.
- Contractors identified gap in financing for medium-sized businesses between Pepco Small Business Advance and C-PACE.
- Lenders are not proactive in this market and do not desire to underwrite the energy savings.

Montgomery County Green Bank Response

- Develop a product that works in this identified gap.
- Reduce the risk for lenders by offering to cover initial losses incurred by lenders, making loans for energy efficiency and eliminate the concern on underwriting on energy savings.
- Leverage Green Bank funds by at least 10:1 using a loan loss reserve structure.
- Partner with contractors to deliver product to customers and close more projects.

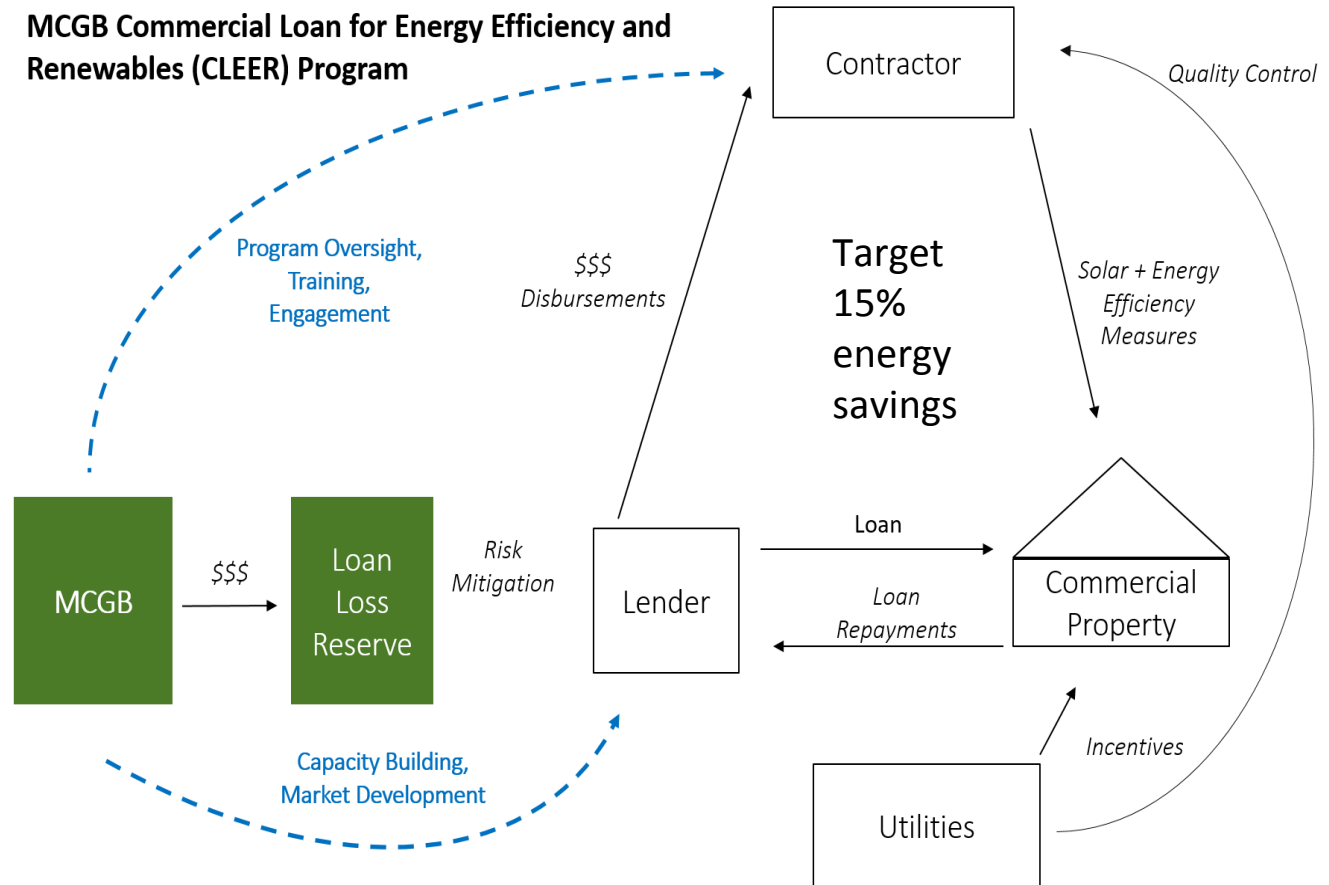


Responding With A Construct:

How the Green Bank Works

Structure:

- We stand behind lender for losses
- We authorize contractors for program
- Lenders make loans on specific energy efficiency and renewable scopes of work
- Borrowers approved on credit; but savings support payments
- We provide oversight



Lift Off: Our First Product

Commercial Loan for Energy Efficiency and Renewables (CLEER)

- Revere Bank (local) and Ascentium Capital LLC (national) lenders in pilot
- Commercial buildings and businesses (include multifamily properties)
- Scope of work – energy efficiency, Co-Gen, Solar PV, Energy Storage, water conservation
- Contractors are on PEPCO list for Commercial and Industrial Program

CLEER Terms

- Loans generally between \$10,000 to \$250,000; lower interest rates
- 100% financing for retrofits
- Up to 12 years – helps match savings to loan payment
- Not secured by property
- Customer underwritten for credit and not energy savings



Accessing the CLEER Product

Contractors

- Become Pepco approved contractor for Energy Savings for Business Program
- Focus on low and moderate income households
- Sign Green Bank's Contractor Agreement

Property Owners and Businesses

- Contact Authorized Contractor OR Revere Bank/Ascentium Capital

Lenders

- In Pilot Program for 12 months
- Looking for partners for other products



Financial Products in the Pipeline

Residential Energy Efficiency and Renewables

- Homeowners throughout County
- Focus on low and moderate income households

Community Solar

- Supports market and low and moderate income communities
- Various models under review

Affordable Rental

- Low and moderate income communities
- Technical assistance support being evaluated

Commercial PACE

- Large-scale commercial properties



Residential Loan – Thoughts on a Product

Type of Loan

- Secured
- Unsecured

Interest Rates

- Fixed, Variable
- Percent

Energy Savings

- % improvement

Contractors

- Credentials
- Quality Control

Limited and Moderate Income Needs

- Special considerations

Solar

- With or Without Energy Efficiency



Affordable Rental Considerations

- ☐ What are key factors to consider?
- ☐ What would make a product unworkable?
- ☐ What energy efficiency measures are most important?
- ☐ Is solar a possibility?
- ☐ What would be some key terms for a product?



Community Solar: What Role is Needed?

- ☐ Is it feasible in Montgomery County?
- ☐ What is needed to make it feasible?
- ☐ How can it work for limited and moderate-income households?
- ☐ Where can it be situated in the county?
- ☐ Where can the Green Bank be most effective?



Commercial PACE: Helping with Scale

- ❑ Complement to CLEER
- ❑ Goal of increasing lenders in program
- ❑ Identifying impediments to broader use
- ❑ Looking at means to bridge construction period



Engage and Learn with Montgomery County Green Bank

- ☐ See our website – www.mcgreenbank.org
- ☐ Sign up for our newsletter on the website (bottom of homepage)
- ☐ Follow us on:
 - Twitter: @mcgreenbank
 - Facebook
 - LinkedIn
- ☐ Find us at GreenFest on May 5.
- ☐ Call us



Thank you for connecting with MCGB

County Executive

County Council

Regional Center Directors

City of Takoma Park

City of Rockville

City of Gaithersburg

One Montgomery Green

Poolesville Green

Bethesda Green

Montgomery County Economic Development Corporation

Dept of Transportation

Dept of Environmental Protection

Dept of Finance

Dept of Housing and Community Affairs

Town Creek Foundation

Assoc of Baltimore Area Grantmakers

Washington Region Assoc of Grantmakers

MD DHCD

MD Clean Energy Center

MD Energy Administration

Montgomery County Chamber of Commerce

Sierra Club of Montgomery County

Greater Silver Spring Chamber of Commerce

Wheaton-Kensington Chamber of Commerce

Rotary Club - Silver Spring Chapter

USGBC - MD Chapter

Apartment and Office Building Association

Institute for Energy and Environmental Research

Environmental Finance Fund

Climate Xchange

Energy Efficiency for All

NHT

New Ecology

Montgomery Housing Partnership

Commons Energy

NCLC

GRID Alternatives

MD Sun

Groundswell

Neighborhood Sun

Government Finance Officers Association

Maryland Bankers Association

Sandy Spring Bank

United Bank

Revere Bank

PNC Bank

Ascentium Capital

Citi Bank

John Marshall Bank

Eagle Bank

NASA Credit Union

Educational Systems Fed CU

City First

Calvert Foundation

Pace Financial Services

Greenworks

Urban Ingenuity

Pepco

ICF

Lockheed Martin





Montgomery County
GreenBank

Your partner for clean energy

Contact Information:

Tom Deyo, CEO

tdeyo@mcgreenbank.org

www.mcgreenbank.org

240-453-9000

follow us on Twitter @MCGreenbank.org

