

Small Business Energy Savings Support Contractor's Guide



Want to help customers reopen – and win more jobs? Many energy retrofit projects have stalled due to the pandemic, the economy, and the inability fully access utility incentives. To restart projects, reopen small businesses, and keep your project pipeline growing, the Montgomery County Green Bank and City First Enterprises are offering financing to respond to the new requirements of the recovery.

The Small Business Energy Savings Support product will cover the upfront costs of energy efficiency retrofits **AND** a portion can be used for non-energy systems necessary to keep people safe. Help your customers improve indoor air quality, prioritize health and safety, and lower operating costs, reducing the impact from future economic volatility.

A Financing Solution for your Small Business Customers

The Green Bank is offering a financing solution tailored for your small business customers.

- Project loans of \$10,000-\$150,000 (greater amounts by special approval)
- Up to a 5-year term, Interest rates between 3-5%¹
- Flexible repayment options available
- **For Contractors: Full upfront payment, not dependent on timing of incentives**

Example LED Retrofit Project

	Customer Cash	2-year Utility Financing at 0%	3-year Green Bank Loan at 4.25% *
Project Cost	\$44,000.00	\$44,000.00	\$44,000.00
Less: Customer Utility Incentives	(\$10,000.00)	(\$10,000.00)	(\$10,000.00)
Project Funding Need	\$34,000.00	\$34,000.00	\$34,000.00
Fees	n/a	n/a	\$250.00
Amount Financed	n/a	\$34,000.00	\$34,250.00
Upfront Cash	(\$44,000.00)	(\$0)	(\$0)
Monthly Loan Payment	n/a	\$1,416.67	\$1,013.72
Monthly Energy Cost Savings	\$1,191.75	\$1,191.75	\$1,191.75
Monthly Cash Flow After Loan Payment	n/a	(\$224.92)	\$178.03
Cash Recovery	2.60 years	n/a	n/a

* As compared to bank lending rates of 6.5%+ among the limited banks that focus on smaller transactions.

¹ Each loan will have a closing fee of \$250 for loans up to \$25,000, \$500 for larger transactions up to \$50,000, \$750 for larger transactions up to \$75,000, and \$1,000 for transactions greater than \$75,000.

Eligible Clean Energy Systems and More

The Small Business Energy Savings Support covers two types of measures:

- Energy systems: Projects must include a clean energy or energy efficiency component that generates energy savings or cost savings benefits, and constitutes 70% or more of the borrowed principal.
- Non-energy systems: Projects may include up to 30% of non-energy improvements, such as health and safety upgrades and other measures critical to restart business operations.²

Eligible Business Customers

Entities are eligible to participate if they are:

- Small businesses, defined as businesses with less than 65 kW demand, fewer than 500 employees, or based on a definition of the U.S. Small Business Administration. Other business types may be approved on a case-by-case basis.
- Based within Montgomery County, Maryland
- A Pepco customer³

Borrowers will be underwritten on a streamlined basis using their capacity for undertaking the loan and the energy savings from the energy systems.

How Contractors Can Participate

To participate, contractors simply need to:

- Provide appropriate licenses and insurance to operate in the County.
- Be registered as a service provider/trade ally for Pepco's EmPOWER programs.
- Estimate the energy impacts (e.g., manufacturer cutsheets or other tools).
- Report to the Green Bank at project completion on final budgets and energy savings.

If you have a customer with a project that could qualify, start by reaching out to the Green Bank at (240) 453-9000 or info@mcgreenbank.org. *This financing is available for a limited period through January 2021, after which terms may change.*

Program Sponsors

City First Enterprises is a financial institution working at the intersection of financial innovation and impact investment, in the quest for a more equitable economy. We are risk entrepreneurs investing in underserved communities, centering their focus on the people and places historically overlooked by mainstream finance.

Montgomery County Green Bank is an independent nonprofit dedicated to catalyzing clean energy and energy efficiency investment in Montgomery County. The Green Bank works with businesses seeking to become more energy efficient or implement clean energy measures with efficient financing structures that bring long term economic benefits to those businesses and support the County's climate goals.

² The Green Bank supports a wide range of needs. Example eligible projects could include upgrading to a more effective and efficient air ventilation system or technologies to improve indoor air quality, efficient HVAC, hot water, cooking/kitchen installations, infrastructure to enhance public health, or other investments critical to operations.

³ Customers in other utility territories may be considered on a case by case basis.