

WHEEL

Warehouse for Energy Efficiency Loans

Introductory Presentation

April 02, 2015

WHEEL Overview



- The Warehouse for Energy Efficiency Loans is a turnkey financing platform that provides low-cost capital to homeowners for energy efficiency and water conservation improvements
- WHEEL includes:
 - Leverage of public capital with private institutional capital
 - Multi-state aggregation of loans to capture economies of scale and reduce risk
 - Leading to lower interest rates for borrowers
 - Private-sector driven marketing, QA/QC, and contractor oversight
 - Eliminating a state's need to develop and implement its own program
 - Job creation and energy & water outcomes reporting (data & analysis) provided to participating states

WHEEL Partners



WHEEL Principles: Uniform Underwriting, Qualified Contractors & Qualified Projects

WHEEL delivers the benefits of capital markets and structured financing to the broadest possible population of borrowers via managed contractor networks. A solution for every type of home energy project: from emergency HVAC replacement to comprehensive retrofits with combined solar, water and energy efficiency improvements

Product	Credit/Description	Qualified Projects	Qualified Contractors
WHEEL Loan	<ul style="list-style-type: none">▪ Unsecured personal debt▪ 640+ FICOs▪ Max DTI: 45%▪ Terms of 3, 5, 7 or 10 years▪ \$1,000 - \$20,000▪ Consumer rate: mid single digits* <p>*88% of homeowners don't have a home equity line of credit. Across the country, most homeowners typically pay 13-18% interest to finance home energy and water improvements.</p>	 <p>The image shows two HVAC units (a furnace and an air conditioner) and a cutaway diagram of a house with solar panels installed on the roof.</p>	 <p>The image shows a smiling male contractor wearing a yellow hard hat and holding a power tool, and a photograph of a house under construction with workers on the site.</p>

WHEEL: Why It Works

WHEEL meets the market where it is and creates a financial incentive for homeowners to choose the most efficient products rather than the cheapest products

Inside the \$50+ billion/year Home Energy Improvement Market



HVAC
\$18 B



Clothes Washers
\$7 B



Windows Doors & Roofs
\$22 B



Home Performance & Solar
\$2.9 B

Proactive Performance Market

Reactive Replacement Market



Example: Replacement HVAC

WHEEL delivers favorable financing to overcome higher upfront costs so that homeowners can benefit from energy savings and lower overall ownership costs



Lifecycle Cost Savings – Central Air Conditioning*

Net Lifecycle Savings:	\$1,186
Simple payback (yrs):	3.4
Energy savings (kwh):	20,461
CO2 reductions (lbs):	31,509

* Energy Star-rated appliance compared to “cheaper” inefficient appliance

WHEEL Impacts

WHEEL delivers excellent economic outcomes, including job creation, increased local investment and energy & water savings.

Projected Annual Impacts From Every \$1M of Investment

• Leveraged Private Capital	\$4 million ¹
• Total Project Funding	\$5 million
• Total Projects (@\$8K each)	625
• Jobs Created ²	100
• HHs Electricity Savings (MWHs) ³	750
• HHs Nat Gas Savings (therms)	40,000
• HHs Water savings (gls)	10,000,000
• CO2 reductions (MTons)	700



¹ The basic WHEEL financing structure provides five to one leverage.

² <http://aceee.org/files/pdf/fact-sheet/ee-job-creation.pdf>

³ Savings estimates for electricity, natural gas, and water are on an annual basis

WHEEL: Key Facts

- WHEEL is based on Pennsylvania's Keystone HELP model
 - In 2006, Pennsylvania launched Keystone HELP, a residential energy efficiency financing program
 - Keystone HELP established uniform underwriting criteria, eligible measures and a managed network of contractors
 - So far Keystone HELP has deployed \$100M and benefitted over 13,500+ homeowners
- WHEEL launched in April 2014 with programs in PA and KY
- In Q2 of 2015, WHEEL will complete its first capital markets transaction and launch new programs in FL, IN, NY and VA
- WHEEL is a market-driven financing platform specifically designed for contractors who upgrade homes

Next Steps in Florida

- We need your help!
 - Can you help us identify contractors who might be interested in this new loan program?
 - The first contractor training will take place in 2-3 weeks
 - Can you help us identify a good candidate for our launch announcement?
 - We're looking for a homeowner whose energy equipment failed and benefitted from Florida's WHEEL financing.
 - Can you help us make your customers aware of the new program?
 - Suggestions welcome!

Thank You

Colin Bishopp
VP, Renewable Funding
colin@renewfund.com
(202) 550-7570