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ACEEE Energy Efficiency Finance Forum *Building Momentum and Driving Demand*

Have We Arrived? How Would That Look? Reflections on the State of Energy Efficiency Financing

Presented By:

Marshal Salant

Managing Director, Global Head

Alternative Energy Finance

“So much dialogue, so little financing!” *is changing*

- Ratio: Conferences / Deals should be less than 1
- Some developers seek low-cost Energy Efficiency financing, then decide it is cheaper to finance on balance sheet
- Some developers seek low-cost Energy Efficiency financing, cannot obtain it, and don't move forward with their projects
- Many developers have unrealistic expectations about what can be financed today
- However, many developers are realistic and are financing Energy Efficiency projects today and working with Citi (and other financial intermediaries) to develop new structures for the future
- One possible solution is Green Bonds
- **Massive progress over the last 2 years in growing EE solution set**
- **Importance of new products**

Product Development

- New structures will be required
- Citi will work with Issuers and Investors to develop new structures
- Citi will work with Rating Agencies
- Danger of not understanding Client / Investor objectives
- Product development process can be lengthy and frustrating
 - Economic issues / risk sharing
 - Regulatory, tax, legal, accounting, and other implications
 - Easier to start with a doable segment and expand vs. “leap” to new segment
 - Incremental change vs. radical leap forward

Energy Efficiency Financing Solutions

<i>PRODUCT / SOLUTION</i>	<i>PROPERTY TYPE / SECTOR</i>			
	MUSH	Single Family	Commercial	Corporate/ Industrial
Large Single Project				
Pooled Asset Deal				
ESCO/ESA/Two Factor Credit				
PACE				
On-Bill (OBR)				
Sustainable Energy Utility				
Microfinance				

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Energy Efficiency Financing Solutions

PROPERTY TYPE / SECTOR

<i>PRODUCT / SOLUTION</i>	MUSH	Federal/ DOD	Single Family	Multifamily	Commercial	Corporate/ Industrial
Large Single Project	Yes	Yes	N/A	Yes	Yes	Yes
Pooled Asset Deal	Yes Green Campus	Yes	Yes Kilowatt, WHEEL	Difficult HPET	Difficult Hybrids	Yes
ESCO/ESA/Two Factor Credit	Yes	Yes	N/A	Difficult NYCEEC	Difficult NYCEEC	Yes Citi London
PACE	Yes C-PACE	N/A	Yes—On hold CAHERO	Yes	Yes	Yes
On-Bill (OBR)	Yes	N/A	Yes NYSERDA	Yes	Yes	Yes
Stranded Cost Tariff	Yes	N/A	Yes	Yes	Yes	Yes
Green Bond	Yes	N/A	N/A	N/A	N/A	Yes Unilever
Sustainable Energy Utility	Yes Delaware	N/A	N/A	N/A	N/A	N/A
Microfinance	N/A	N/A	Yes Mongolia	N/A	Yes	N/A

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Citi works with its clients in greenhouse gas intensive industries to evaluate emerging risks from climate change and, where appropriate, to mitigate those risks.

efficiency, renewable energy and mitigation