



AlabamaSAVES

Commercial Energy Efficiency Finance Program Overview for NASEO

August 5, 2011





- Abundant Power Solutions focuses on the needs of energy efficiency financing programs nationwide.
- Primary clients are state and local governments as well as utilities.
- Abundant Power Solutions brings unique services to this emerging space:
 - Financial Program Design
 - Program Implementation and Marketing
 - Loan Administration
 - Energy Loan Underwriting
 - Financial Partner Development
- APS has developed its senior management team from relevant parallel industries in capital markets, loan origination and underwriting, consumer finance and energy efficiency engineering.

ALABAMA **SAVES**™

Sustainable and Verifiable Energy Savings



Leveraged Structure



- \$25M State Energy Program grant for revolving loan fund:
 - Direct loans
 - Credit enhancement
- Credit enhancement approach
 - Interest rate buy-down to 2%
 - Loan loss reserve
- Financing partners
 - Bank of America
 - Metrus Energy
 - Philips Lighting
- Leveraged structure expected to expand funding pool from \$25M to \$60M
- Revolving structure, coupled with leverage, enables \$121M loaned over 20 years



- Stakeholder communication and partnerships
 - Economic Development groups
 - Industry groups (Forestry, Aerospace, etc.)
 - Utilities
- Promotion
 - Press releases
 - Events
 - Co-marketing with stakeholders
- Contractor marketing partner
 - Project development
 - Contractor training
 - Supported by engineering/energy efficiency expertise
- Dedicated website: www.alabamasaves.com

Streamlined Process



- Streamlined loan origination process broadens program access and increases activity
- Simplified technical requirements
 - Justification of energy savings from a range of providers (contractors, vendors, engineers)
- Key metric focuses on simply 10 year payback
 - Exceeds DOE goal for energy efficiency projects
 - Provides flexibility on annual payback at project level

Abundant Power Solutions



Abundant Power is currently designing, administering and financing these selected energy efficiency programs:

- *State of Alabama, Alabama Department of Economic and Community Affairs.* Abundant Power designed and is administering a statewide revolving loan fund for commercial and industrial properties in Alabama, following our selection via an RFP process, based on the SAVES™ platform. The fund was initially capitalized with \$25 million through the federally supported State Energy Program, and we structured the program to bring in over \$35 million of additional private capital. One of the first such programs in the Southeast.
- *City of Charleston, South Carolina.* Abundant Power is providing a full set of design, marketing, product development, administration and finance services for residential and commercial energy efficiency financing program through a \$10 million QECB allocation and program development.
- *Washington, D.C.* Exclusive Financial Advisor to the District's commercial property assessed clean energy financing program administered by Urban Atlantic. The program is targeting \$30M in loans in 2011, growing to \$200M in 2012.
- *St. Louis County, Missouri.* Administering a \$10.4 million residential financing program for the County funded by the County's issuance of a Qualified Energy Conservation Bond.

Energy Loan Underwriting



- *SAVES™ (Sustainable and Verifiable Energy Savings)* is Abundant Power's proprietary, core energy financing platform for designing and administering programs:
 - Credit and financial underwriting standards incorporating multiple security instruments, repayment mechanisms and consumer protections.
 - High quality origination and loan servicing standards that create transparency and meet or exceed requirements of secondary markets.
 - Energy underwriting protocols, including prescriptive and performance options to maximize energy savings and ensure most favorable cash flows.
 - Energy measurement and verification, including QA/QC protocols, as well as contractor and auditor standards and monitoring and overall process management.
- Loan program types include:
 - Government insured.
 - Unsecured third party programs.
 - On-bill utility programs.
 - Property assessed clean energy (PACE) programs, both junior and senior lien.
 - Revolving loan funds.
- Using best-in-class processes and partners, APS' proprietary SAVES™ platform can be leveraged with many finance programs already in place.
- Opportunities include providing energy underwriting services for banks, loan originators, utilities and government agencies.

Contact Information

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Appendix: Team

Organizational Chart

Board of Advisors



Capital

Blake Clifton
Principal

Scott Pearson
Principal

Solutions

Dank Pinckney
Managing Director

Derek McGarry
Director –Energy Operations

Brad Gebert
Technology



Shannon Smith – Founder and Managing Partner

- Founded Abundant Power in 2008, responsible for day to day operations.
- 20 years experience in investing in a broad array of industries, performing transaction structuring, capital formation and investment negotiations.
- Partner, 10 years experience at Bowles Hollowell Conner & Co., a leading mergers and acquisitions advisory firm.
- In 1998, opened Private Equity office for Blue Point Capital Partners to focus on investments in the Southeast.
- Two \$400 million plus funds successfully raised.
- Successful investment track record with Fund returns in excess of 25%.
- Board Member, Environmental Defense Fund.
- Member, American Council of Renewable Energy.
- Served on over 20 boards of privately held companies.
- BA in philosophy and economics, Wheaton College; Rotary Scholar, University de Lille; MBA – University of Virginia.
- 47 years old, married, 4 children, civic and charity involvement.



Lori Collins – Managing Director

- 20 years consumer financial services experience – sales, marketing, product development
- LendingTree General Manager - grew revenues from \$7MM to \$496MM
- SVP Marketing at Bank of America
- VP Marketing at Fidelity Investments; grew new business line from zero to \$9billion in assets
- Director of Marketing – American Express
- MBA from Kellogg; BA from UNC – Chapel Hill
- LEED AP