California Infrastructure and Economic Development Bank

7th Annual
Statewide Energy Efficiency Forum

Innovative Financing for Energy Efficiency:
A Comparative Study



Nancee Trombley, Chief Deputy Executive Director June 15th, 2016

Financing New Vision for Sustainable Communities

IBank Programs



Infrastructure State Revolving Fund (ISRF)



California Lending for Energy and Environmental Needs Center (CLEEN Center)



Tax and Tax-Exempt Conduit Bonds and Industrial Development Bonds (Bonds)



Small Business Finance Center (SBFC) Credit Enhancement Programs





ISRF Direct Loan Program

funding ranging

\$50,000 to \$25 million

(or more with Board approval)

Terms for the useful-life of the project up to 30-years

Up to 100% of the project costs



MUSH Borrowers



M Municipalities



Universities



S Schools



H Hospitals



Eligible Municipalities



BERIA

Counties

Special Districts

Assessment Districts

Other State and Local Governmental Entities

Nonprofit public benefit organizations (with a sponsor)





Eligible ISRF Projects



Water, Sewage, Flood Control

Streets, Highways and Public Transit







Power and Communication

Schools, Ports, Parks, Cultural







Credit Underwriting and Selection Criteria

- Financial Condition (CAFR)
- **▶** Sources of Repayment:
 - Enterprise Revenues
 - Rate payer fees; water, sewer, other
 - General Fund revenues
 - Property assessments
 - Other recurring revenues acceptable to IBank



Pico Water District Infrastructure Replacement

\$5.25 Million

- Relieve water pressure inadequacies in Pico Rivera, L.A. County
- Replace more than 31 thousand-feet of pipe
- Install 5 new fire hydrants
- Create 25 construction jobs, improve safety with increased fire flow protection and save energy needed to move the water
- Provide improved water service to more than five-thousand households and businesses



City of Redlands Street Upgrades

Pavement Accelerated Repair Implementation Strategy

\$3.5 Million

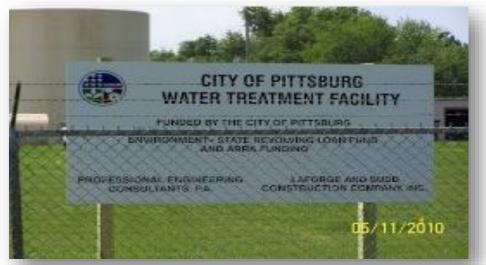
- Upgrades 2/3 of all Redland streets
- Rehabilitate the equivalent of 40 miles of public streets in major economic areas
- Enhancing curb appeal for existing businesses attracting new businesses
- Greater ease of access for customers
- Making Redlands a destination-- bringing an influx of investment to the City





City of Pittsburg Water Treatment Plant

- •\$11.4 million
- Construct and renovate modifications to existing plant
- Resulting in improved water quality and production and reliability
- Will help City meet fire flow requirements







California Lending for **Energy and Environmental Needs Center**



CLEEN Center Goals

- ✓ Assist in achieving California's Greenhouse Gas Reduction Goals
- ✓ Drive down the cost of clean energy, water conservation and environmental projects
- ✓ Enhance market confidence in green investing





CLEEN CENTER



Generation

• Solar, Wind, Biomass, Hydroelectric



Conservation

EE Retrofits, LED lights, Building automation and controls



Other

Energy storage, transmission, and distribution; EV charging stations





Statewide Energy Efficiency Program

SWEEP



Comprehensive energy efficiency improvements to new and existing facilities, for example:

- Light Emitting Diode (LED) Street Lighting
- Advance metering systems
- Data Center, information technology, communications
- Energy management and/or control systems
- Heating, ventilation and air conditioning system
- Thermal and electric energy storage





Direct Financing



Funding available in amounts ranging from

\$500,000 to \$30 million

(or more with Board approval)

Can finance 100% of project costs

Terms for the useful-life of the project





Low cost direct financing

Interest Rate Methodology

- Benchmarked to Thompson Reuters MMD Index
- General Subsidy (25%), plus additional subsidy for SWEEP and CLEEN project's contributing to GHG Reduction Goals

CLEEN Center financing generally offers total costs below a public offering



City of Huntington Beach Street Light Acquisition and Light Emitting Diode (LED) Retrofit Project

- Nearly \$7.7 million direct financing
- Acquisition of 11,181 high pressure sodium street lights
- •Retrofit with new LED Technology consumes 50% less energy
- Decreases energy consumption and reduces greenhouse gases
- Saves the City money, creates jobs and supports local small businesses









California Lending for Energy and Environmental Needs Center



Application Process

1. Call us so we can give you personal attention and discuss your plans

3. In about 3-4 months, goes to the Board for Approval

2. IBank staff will analyze your project for eligibility and feasibility (several weeks)

Applications are taken continuously



INFRASTRUCTURE STATE REVOLVING FUND

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CLEEN Center

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