

Residential Solar Photovoltaic (PV) Financing

January 23, 2014



Agenda

3:30 p.m. - Green Jobs-Green New York (GJGNY) Program Summary

3:40 p.m. *Jennifer Shauger – Assistant Project Manager, NYSERDA*

3:40 p.m. - GJGNY Financing

4:15 p.m. *Dan Streit – Program Manager, Energy Finance Solutions (EFS)*

4:15 p.m. - PON 2112 Program Process

4:20 p.m. *Frank Mace – Senior Project Manager, NYSERDA*

4:20 p.m. – PV Proforma Tool

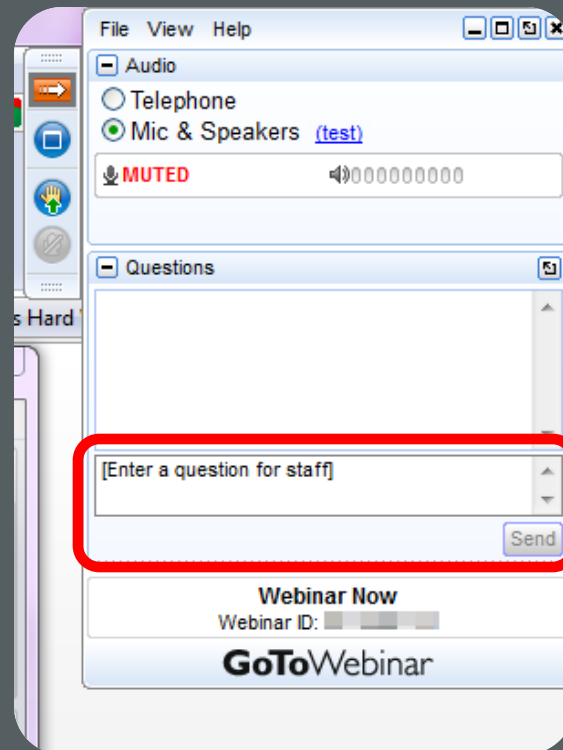
4:30 p.m. *Shelley Leatherwood - Program Operations Supervisor, Conservation Services Group (CSG)*

4:30 p.m. - Questions

5:00 p.m.

Questions?

To ask a question, type into the *[Enter a question for staff]* field and click **Send**.



Green Jobs-Green New York Program

GJGNY Legislation

- Green Jobs-Green New York Act of 2009
 - Provided low or no-cost audits
 - Provided access to low-cost financing
 - Smart Energy Loans up to \$13,000
- Power NY Act 2011
 - Mandated On-Bill Recovery (OBR) Loan Program
 - Increased loan limit to \$25,000

Green Jobs-Green New York Program

GJGNY Legislation

- Amendment to Green Jobs-Green New York Act of 2009
 - Allows technologies eligible for net metering eligible for GJGNY financing

Green Jobs-Green New York Program

Smart Energy Loans & On-Bill Recovery Loans

- Offer up to \$13,000 per applicant, or up to \$25,000 if the project meets higher cost-effectiveness standards
- Repayment periods of 5, 10, or 15 years

Green Jobs-Green New York Program

Smart Energy Loans

- Current interest rate of 3.99%*
 - 3.49% if customer pays through automatic withdrawal
- Monthly payments are similar to a conventional loan and are made to NYSERDA's loan servicer

*Interest rates are subject to change

Green Jobs-Green New York Program

On-Bill Recovery Loans

- Current interest rate of 3.49%*
- Convenient – no separate bill to pay
- Annual energy savings are estimated to cover annual loan repayments
- Requires a declaration to be signed and filed by NYSERDA
- Transferrable upon sale of the property
- Utility customers of: Central Hudson, Con Edison, NYSEG, National Grid, Orange & Rockland, Rochester Gas & Electric, and LIPA/PSEG

*Interest rates are subject to change

Green Jobs-Green New York Program

GJGNY Loan Portfolio

- Smart Energy Loans (Nov. 2010)
 - 7,482 applications received
 - 71% approval rate
 - 3,218 loans closed
 - Average loan amount \$9,300
- On-Bill Recovery Loans (Jan. 2012)
 - 4,633 applications received
 - 68% approval rate
 - 1,289 loans closed
 - Average loan amount \$10,600

Overview of Green Jobs- Green New York Financing

Dan Streit
Program Manager
Energy Finance Solutions (EFS)

Registering with EFS

Required Forms and Documents

1. EFS Contractor Application
2. EFS Participation Agreement
3. ACH Authorization Form (may opt-out)
4. IRS form W-9
5. Certificate of Insurance

(Note: Forms 1, 2, and 3 were attached to the January 15th program announcement)

Registering with EFS

Submitting the EFS Contractor Application Docs

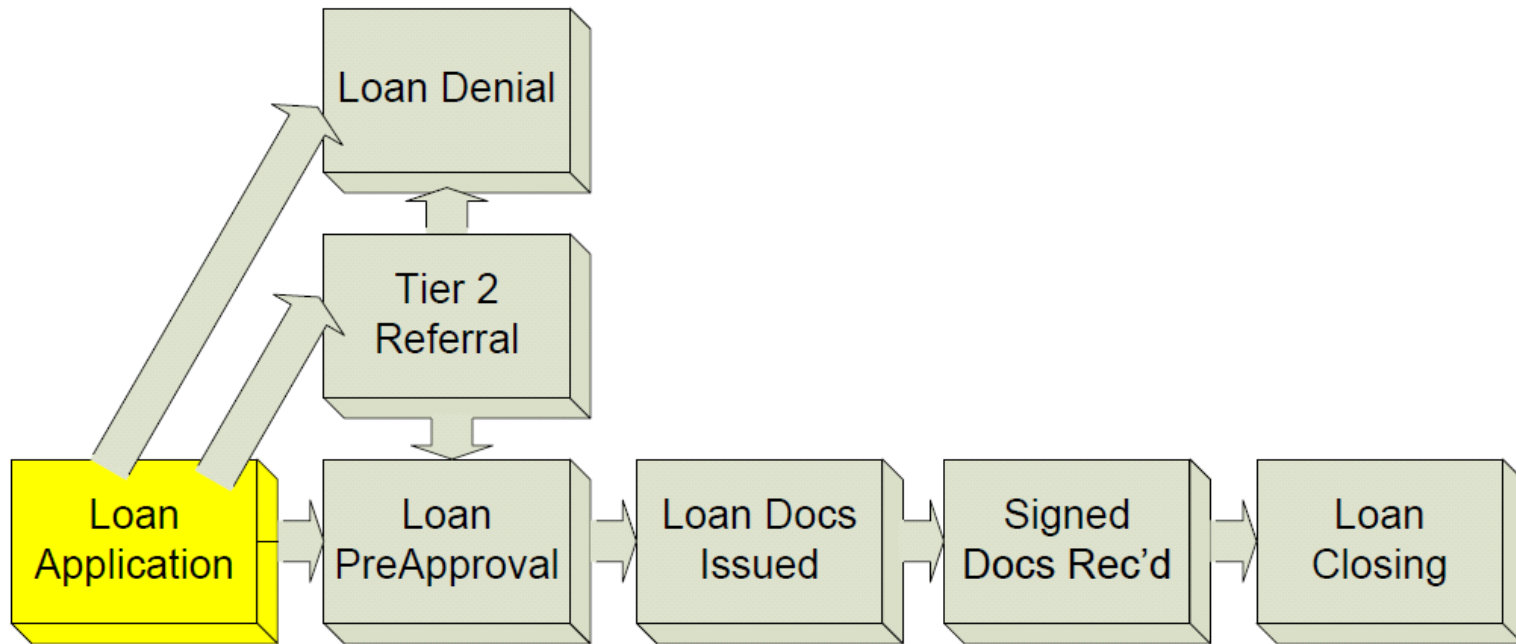
- Email complete application packages to efs@energyfinancesolutions.com
- Expect a response within five business days
 - Notice of Approval
 - Request for additional information

Loan Process

Effectively Leveraging GJGNY Financing

- Use financing to qualify leads
- Sell financing as part of the incentive package
- Financing as 'Sticker Shock Insurance'
- Access the power of bill neutrality

Loan Process



Loan Process

Submitting a Loan Application

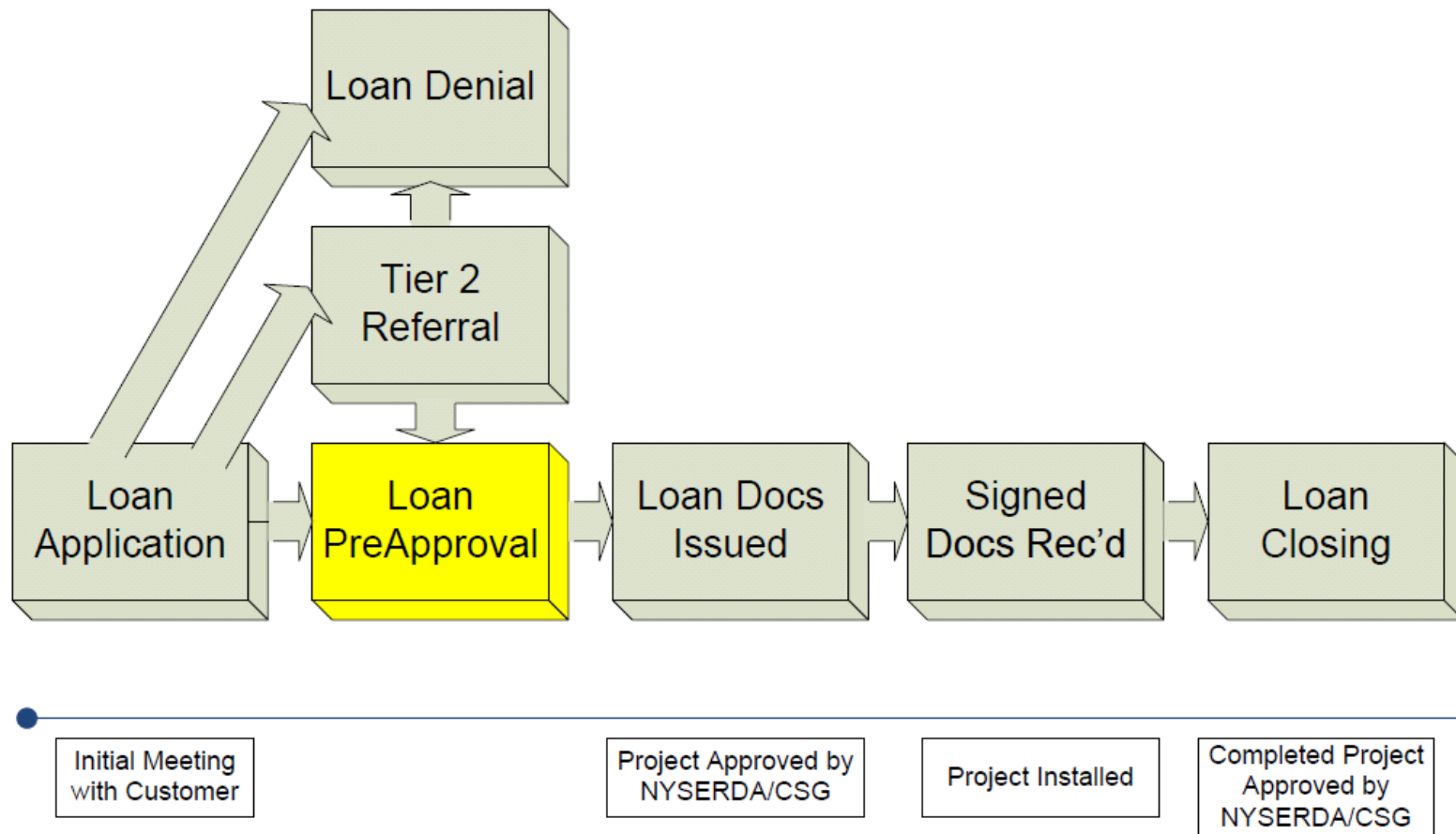
- Customers may apply online or download an application at www.energyfinancesolutions.com
 - Navigate the HP vs. PV dialogue box (coming soon)
 - Allows customers to upload supporting documents
- Submit applications via mail, fax, or email
 - Streamline the process by including supporting documents, when available

Loan Process

Submitting a Loan Application

- Application has four pages
 - Borrower information
 - Property Information
 - Income statement
 - Authorization and disclosure
- Please encourage customers to submit complete loan applications
 - Faster decisions
 - Reduces risk of reversal

Loan Process



An Independent Contractor to:

Loan Process

Notice of Decision

Application Response Options

- Loan pre-approval
- Tier 2 Referral
- Denial
- Pending

Customer and Contractor are notified of the decision

- Non-disclosure of confidential credit information

Loan Process

Document Type	Smart Energy Loan	On-Bill Recovery Loan
Complete Application	X	X
Income Documentation	X	X
Recent Utility Bill		X
24 Month Utility Payment History	Required for Tier 2 approval only	Required for Tier 2 approval only
Property Tax Bill	Required if no mortgage on the CR or if not owner-occupied	
ACH Authorization Form	X	
Check for Processing Fee	Required if fee is not financed	Required if fee is not financed

An Independent Contractor to:

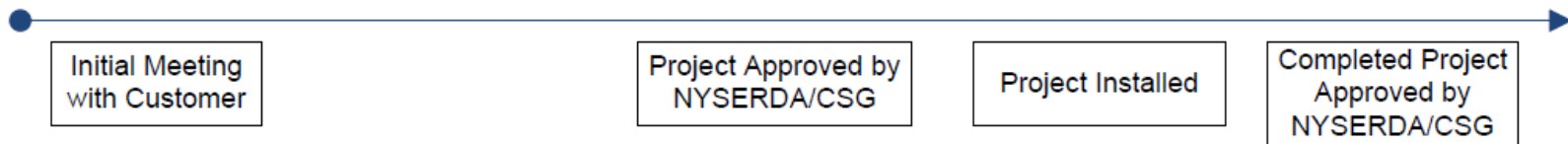
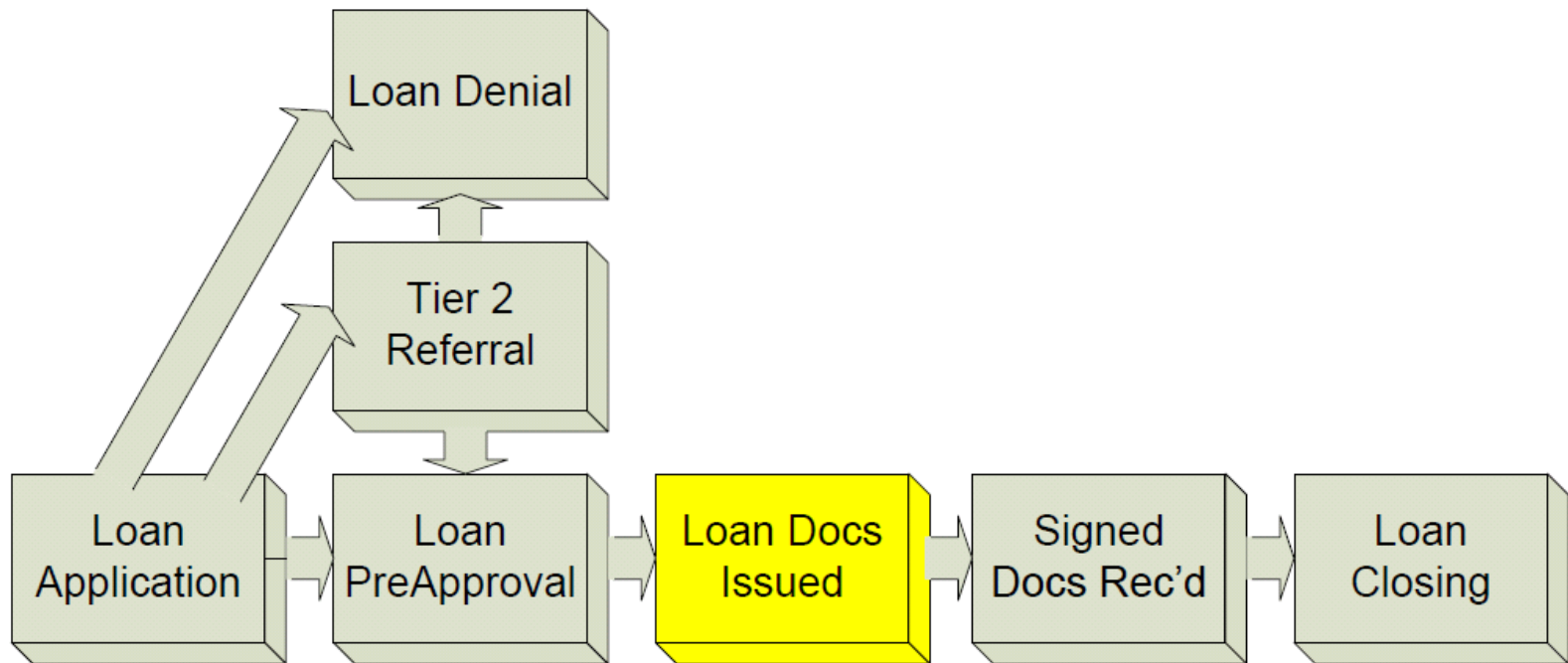


Loan Process – Documenting Income

Income Type	Option 1	Option 2
Wages	Tax return*	Pay stub showing YTD gross dated within the past 30 days
Self-Employment	Tax return*	Tax return or 12 month profit and loss statement
IRA/401 (k)	Tax return*	Account statement showing YTD distributions
Pension/Annuity/ Social Security	Tax return*	Award letter or bank statement showing direct deposit of benefit
Rental Income	Tax return*	Current lease
Worker's Compensation	N/A	Award letter

*Customers who filed a joint tax return, but are applying individually for a loan must also provide the W-2 and/or 1099 statements supporting their income.

Loan Process



Loan Process

Loan Document Preparation

Reminder: Loans are written for the net project cost

Total Project Cost	\$30,000
- NYSERDA Incentives	\$7,500
- Customer Down Payment	\$3,000
+ EFS Process Fee (if financed)	\$150
<hr/>	
Loan Amount	\$19,650

Loan Process

Project Review and Approval

- Submit proposed project to NYSERDA
(indicate financing on project submission)
- NYSERDA reviews and approves project
- NYSERDA sends weekly notice of approved projects to EFS
- IF all loan pre-approval conditions have been satisfied, EFS issues loan documents upon receipt of project approval.

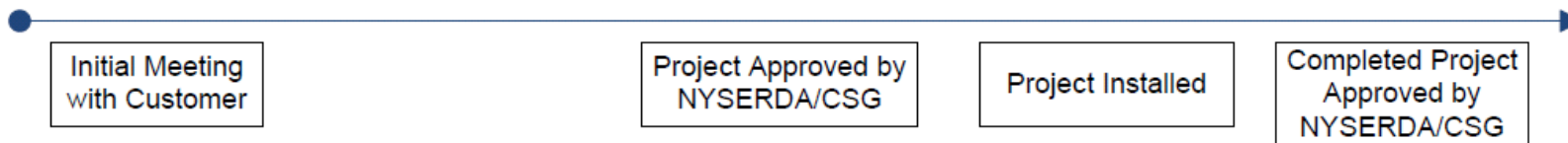
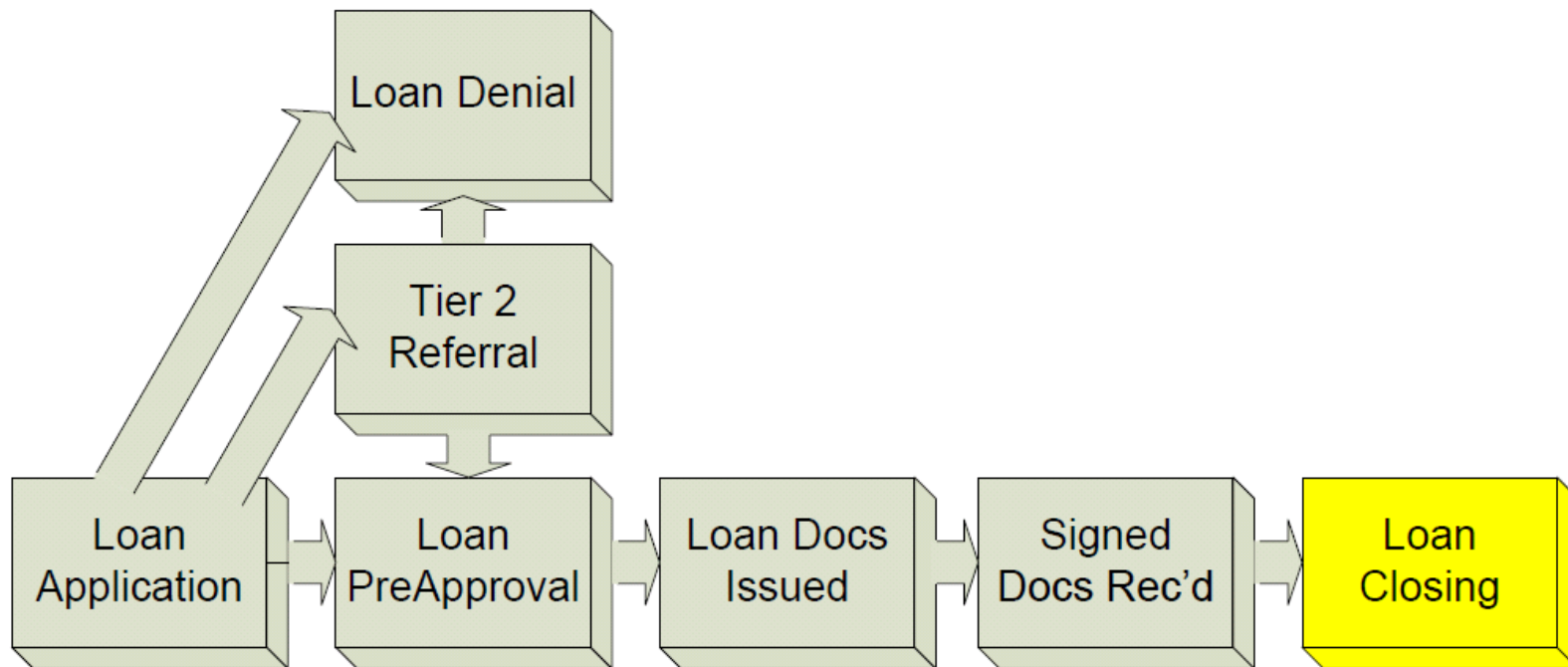
Loan Process

Loan Documents



	On-Bill Recovery	Smart Energy Loan
Promissory Note	Sign and Notarize	Sign
Program Declaration	Sign and Notarize	N/A
Notice of Right to Cancel	Sign and Date	N/A
Notice to Borrower	Sign and Date	Sign and Date
Minor Conditions	Possible	Possible

Loan Process



Loan Process

Loan Closing and Funding



- NYSERDA/CSG reviews and approves the completed project
- NYSERDA transmits a list of completed projects to EFS each week
- IF signed loan documents and all outstanding conditions have been received, EFS funds loan within two business days
- Payment made via check or ACH
- Incentive issued separately by NYSERDA

Additional Information

- Residential Financing Product Information Sheet (coming soon)
- New page at www.energyfinancesolutions.com dedicated to GJGNY financing for PV projects (coming soon)
- Visit the EFS booth at the ACI Conference in Saratoga Springs (Feb. 11-12)
- Follow-up webinar to be scheduled week of Feb. 17

PON 2112 Program Process

Frank Mace
Senior Project Manager
NYSERDA

PON 2112 Program Process

Contractor Application Process

- Participation is by the Contractor not the Installer
- Contractors participating in PON 2112 must complete and submit the GJGNY Contractor Application Package to participate in GJGNY financing
- The GJGNY Contractor Application Package will be labeled Exhibit 17 in Rev 12 of the PON documents

PON 2112 Program Process

Loan Application Process

- Contractors may assist customers when applying for the loan
- If your customer has already applied for the loan, request a copy of their pre-approval letter

PON 2112 Program Process

PV Application Process

- Follow the normal PowerClerk process with a few modifications
- Refer to PON 2112 Rev 12 for GJGNY procedures and naming conventions
- Attachment B & B-1 will have a space to indicate participation in GJGNY financing
- Attachment B-2 will be the PV Proforma Tool

PON 2112 Program Process

PV Application Process

- When the project reaches “Received” status you will be sent an e-mail from PowerClerk indicating you must send the PV Proforma Tool (B-2) and the pre-approval letter to pvforms@nyserda.ny.gov
- Customer name on the PV Proforma Tool (B-2) must exactly match the name on B (or B-1)
- The project cannot move forward to Design Review without these documents

PON 2112 Program Process

PON 2112 Program Process

- As part of the Design Review, the PV Proforma Tool will be evaluated in association with the shading analysis to verify annual kWh generation
- The application will be marked “Pending Review” or you will receive a Design Review e-mail requesting that you revise and resubmit

PON 2112 Program Process

Summary of Changes

- Submit Contractor Application Package (Exhibit 17)
- Indicate GJGNY on PV Application (B, B-1)
- Submit pre-approval letter and PV Proforma Tool (B-2) to pvforms@nyserda.ny.gov

PV Proforma Tool

Shelley Leatherwood
Program Operations Supervisor
Conservation Services Group (CSG)

Loan Cost Effectiveness

- Savings to Investment Ratio (SIR) 1.0 or greater.
- Loans over \$13,000 must meet simple payback requirement of 15 years or less.
- OBR Loans - The monthly loan payment may not exceed $1/12^{\text{th}}$ of the estimated annual energy cost savings over the loan term ($1/12^{\text{th}}$ Rule).
- Customer can contribute funds out of pocket to reduce the loan amount to the point that it becomes cost effective

Loan Cost Effectiveness

- If \$150 loan processing fee is being financed, it must be included in the loan cost effectiveness calculations.
- Be aware this will reduce the maximum principal amount that can be financed.
 - For example, if the total loan amount is \$25,000 (including the \$150 processing fee), the contractor will be paid \$24,850 by EFS upon completion of the work.
 - The contractor should ensure that the customer is informed of the correct out of pocket amount in order to pay for the work in full.

PV Proforma Tool

KEY
Yellow Cells are Required Input



Project Information	
\$150 Processing Fee Financed?	Yes
Total Cost of Project	\$34,200.00
*WARNING: Loan Amount Exceeds \$25,000	
NYSERDA PV Incentive	\$9,000.00
Annual kWh Produced by System	9,797
Customer Utility	NYSEG
Customer Contribution	
Annual Value of kWh Generated (Estimated)	\$1,302.02
Average Measure Life (Years)	20.00

Customer Information	
Name:	Jane Smith
Address:	123 Central St
City, State, Zip:	Syracuse, NY 12345

PV Installer/Contractor Information	
Name:	ABC Contractor

	On-Bill Recovery Loan at 3.49% APR			Smart Energy Loan at 3.49% APR			Smart Energy Loan at 3.99% APR			
	5 Year	10 Year	15 Year	5 Year	10 Year	15 Year	5 Year	10 Year	15 Year	
Loan Eligibility Criteria	SIR	1.02	0.94	0.86	1.02	0.94	0.86	1.00	0.91	0.83
	Required Customer Contribution		\$1,644	\$3,484		\$1,644	\$3,484		\$2,196	\$4,218
	-or- Required FY Savings		\$1,393	\$1,510		\$1,393	\$1,510		\$1,426	\$1,562
Cash Flow Eligibility	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Loans >\$13,000 Payback Must be <=15 Years										
OBR- 1/12th Rule										
Smart Energy - loan term <= average measure life										
Required Customer Contribution	\$19,288	\$13,969	\$9,282	\$5,820	\$5,820	\$5,820	\$5,820	\$5,820	\$5,820	\$5,820
-or- Required FY Savings	\$5,445	\$2,901	\$2,055	\$1,690	\$1,690	\$1,690	\$1,690	\$1,690	\$1,690	\$1,690

*Note: The monthly payment is an estimate and may be adjusted in the Loan Agreement. The annual value of kWh generated will vary based upon your system operation and the cost per kWh which is subject to change.

Loan Calculator			
	On-Bill Recovery Loan	Smart Energy Loan	Personal Loan
Loan Information			
Loan Amount (Above)	\$25,350.00		
Term in Years	15		
Interest	3.49%	3.49%	12.00%
Payment Information			
Monthly Payment	\$181.10	\$181.10	\$304.24
Total Invested	\$32,597.69	\$32,597.69	\$54,763.67
Interest Accrued	\$7,247.69	\$7,247.69	\$29,413.67

Combined HPwES Projects

- Contractors who participate in both the PV and HPwES Programs can submit additional Home Performance work to CSG to be combined on the same loan with PV.
- Combined maximum loan amount is still \$25,000 and must meet cost effectiveness.
- Please contact your HPwES Technical Field Rep (TFR) for additional information.

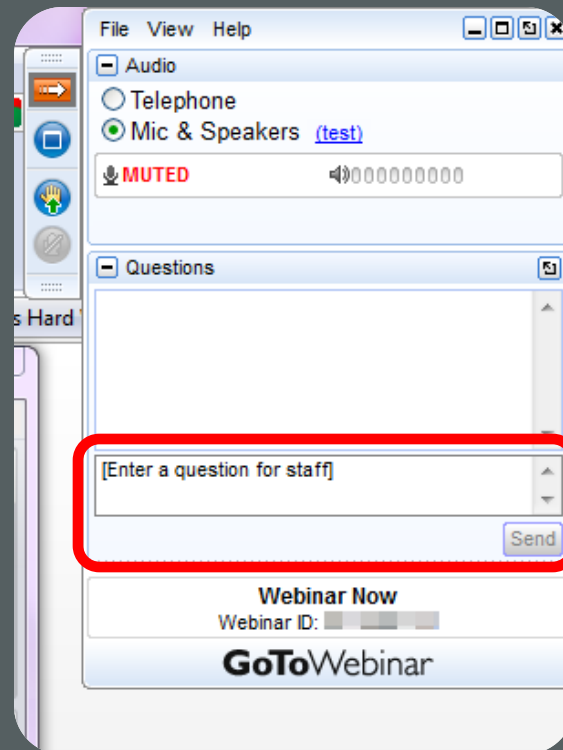
Residential Solar PV Financing

Launch Date – February 3, 2014

- Program Announcement will be provided upon launch and will include
 - Link to review this webinar
 - Link to the new page at www.energyfinancesolutions.com dedicated to GJGNY financing for PV projects
 - Frequently Asked Questions (FAQs)

Questions?

To ask a question, type into the *[Enter a question for staff]* field and click **Send**.



Contact Information

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