



## TODAY'S CALL TOPIC

### Financing Energy Efficiency Building Retrofits – BetterBuildings NW Ohio

#### Speaker:



Kevin Moyer  
Executive Director – Energy Programs  
Toledo-Lucas County Port Authority



#### Stay Connected with Climate Communities

Beginning August 4, Climate Communities' weekly training webinars will be limited to **members only**.

Contact Andrew Seth at [andy@climatecommunities.us](mailto:andy@climatecommunities.us) for membership details.

July 7, 2011

For more information: [www.climatecommunities.us](http://www.climatecommunities.us)

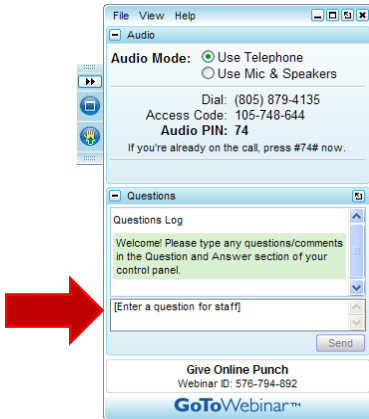


## Upcoming Webinars

- July 14:** St. Louis, MO on utilizing QECBs for Residential Retrofits
- July 21:** CLEAN Programs: Making Clean Local Energy Accessible Now
- July 28:** Fort Worth, TX on Utilizing Performance Contracting to Reduce Energy Consumption and Save Money
- August 4:** DOT TIGER III Grant Program



## Asking questions



At any point during the presentation, you can type your question into the question text box and click send. All questions will be read aloud and answered at the end of the presentations, as long as time permits.

### BetterBuildings NW Ohio (BBNWO)

*A DOE Better Buildings Community  
Upgrade Program Partner for Energy  
Efficiency & Alternative Energy.*

**Climate Communities  
Energy Efficiency  
Revolving Loan Fund Webinar  
July 7, 2011**



Kevin P. Moyer, Executive Director  
BetterBuildings Northwest Ohio

## Webinar Agenda

- Organization Introduction & Structure.
- Program Mission & Objectives.
- Marketing, Communication & Outreach.
- Energy Efficiency Financing Structures.
- Keys to Success & Lesson's Learned.



## Organization Introduction & Structure



## Toledo-Lucas County Port Authority Overview

**National Reputation** – for innovative business financing, assisting close to 300 economic development projects representing a total investment of more than \$1 billion while helping to create and retain more than 15,000 jobs.

- **Transportation & Logistics**
- **Financing Opportunities**
  - Energy Efficiency & Alternative Energy Financing - "BetterBuildings Northwest Ohio"
  - Northwest Ohio Bond Fund
  - SBA 504 & Ohio 166 Loans
- **Community Economic Development**
  - Brownfield Re-Development



## Organization Competency

- Operations Management
- Economic Development
- Financing
- Project Development and Management
- Grant Management
- Broad Collaboration
- Job Creation



## Port Authority BetterBuildings Program Support & Roles

- Functional Support – Accounting, HR, Legal
- Business Development
- Professional Marketing & Communication
- Financing Coordination
- Project and Construction Management
- Grant Management & Reporting
- Executive Leadership



## BetterBuildings NW Ohio Program Office – MLK Plaza

- Point of contact for the energy program.
- Day to day coordination of resources, projects, transactions and financing.
- Lead on marketing and business development of the program.
- Develop processes, documentation, data collection, verification, project and transaction management.
- Support external advisors for legal, tax & accounting, technical and financial.



# Program Mission & Objectives



## BetterBuildings NWOHio Mission

***“ Transform energy use and conservation through innovative, cost effective and sustainable energy efficiency and alternative energy program delivery and financing for commercial and residential markets.”***



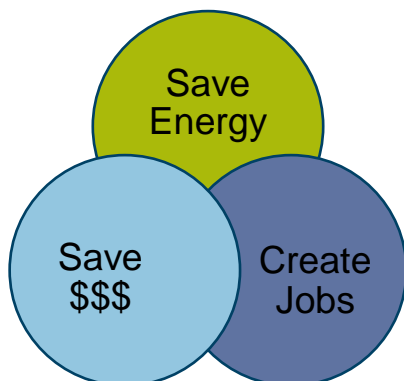
## Program Objectives

- **PARTNER** with local jurisdictions, planning agencies, local energy providers, community groups, small business, school districts and other support agencies.
- **PRIORITIZE** energy efficiency and conservation before investments are made in cost effective renewable energy.
- **DELIVER** significant verifiable energy savings from a variety of projects, buildings, sectors and communities.
- **ACHIEVE** measurable stretch goals, broad market participation and greater efficiency savings from building retrofits that can serve as models.
- **MAXIMIZE** the creation/retention of jobs in NW Ohio and the US; and provide training for entry or advanced energy-related jobs.



### Energy Efficiency & Alternative Energy Programs

## “Impact Objectives”



- \$100 Million In New Projects
- \$20 Million In Annual Cost Savings
- 2,000 New Jobs
- Target Paybacks < 5 Years
- 50% Deep Retrofits With 30%+ Energy Savings
- Reduce CO2 2000 MMT



# Marketing, Communication & Outreach



## Marketing, Communication & Outreach – Demand Creation

- BetterBuildings branded website and materials.
- Direct Marketing supported by Website / Multi-media.
- Marketing of Program to and by Energy Management Companies, Engineering Firms, Contractors, Architects.
- Multi-media campaign – News events, local stories, media.
- Industry Organizations, Economic Development Groups, Business Park Associations, Government, Action Groups, Schools, Trade Shows and Events.
- Through Partners and Affiliations.



# Branding



## Message to the Customer: Benefits & How it Works

- What's in it for you?
- Why do it?
- What makes a good project?
- Process Guidance
- Eligibility
- Requirements
- Measurement
- Project Results Examples



## Messages for the Local Media

- High degree of interest in “Green” Stories.
- NW Ohio has a focus on alternative technologies such as solar & wind, as well as sustainable building management & construction.
- Extremely interested in any story that has to do with job creation!
- Personal and business interest stories.



## Workforce Development

- High Commercial & Industrial Standards.
- Generally ASHRAE Level 2 with investment grade measures. CEM, CEP, M&V, PE and lighting specialists.
- Professional & Commercial Contracting Standards.
- BPI for Residential.
- Foster in the field training and experience for University and Community College trade schools and new energy professionals.
- Partnerships with Owens Community College, University of Toledo, Columbia Gas, Conservation Services Group.



## Future Outreach

- Continual Website Updates – Feature Stories/Projects
- Social Media/Networking
- E-newsletter Launch & Tie-ins
- Explore Partnerships With:
  - First Energy Rebate Program
  - Ohio Manufacturing Association
- Continue Flow of Media Opportunities:
  - Local Television Stations
  - Local Newspapers & Publications



**FirstEnergy**



## Energy Efficiency Financing Options



## Commercial Financing Summary



*“The BetterBuildings Program NW Ohio provides competitive and creative financing programs for the evaluation, construction and implementation of energy efficiency projects in buildings across a broad spectrum of commercial accounts, both public and private, from \$25,000 to over \$1,000,000. A Revolving Loan Fund provides on the spot financing and the flexibility to begin construction immediately as well as acting as a financial warehousing mechanism to bundle smaller transactions for long term bond financing. The NW Ohio Bond fund provides the access to long term investment grade bond financing over 7, 10 and 15 year terms as well as the option of having the project placed in an Energy Special Improvement District and the energy improvements paid through a special assessment on the property.”*



## Commercial Financing Options - BetterBuildings Revolving Loan Fund



- \$3,000,000 Drawn and Capitalized November 2010.
- Segregated and managed by Port/BBNWO.
- Provides on the spot financing and flexibility.
- Begin construction immediately.
- Provides smaller transactions less than \$1 million access to investment grade, long-term, fixed rate bond financing.
- Competitive short-term rates – 3% or less.
- Adding local lenders partners to increase capacity of RLF – now at \$6,000,000.



## Commercial Financing Options - NW Ohio Bond Fund



- Bond Fund has exceptional 20+ year history.
- Investment grade rated BBB+ (taxable & tax-exempt)
- Long term fixed rate financing for \$3-15 million.
- Terms up to 15 years on equipment.
- Preferred rate program for taxable bonds secured through Prudential.
- 7yr. 4.75%, 10yr. 4.90%, 15yr. 5.50%
- R.W. Baird Placement Agent.
- 10% Deposit/Reserve required.
- \$7.5M Letter of Credit supporting energy efficiency transactions - \$30M capacity.



## Commercial Financing Options - Toledo Advanced Energy SID or (PACE)



- Port Board approved the Ports role in sponsoring, forming and managing.
- Port MLK Plaza Train Station, BBNWO home, is the sponsoring project to petition the City to form the ESID – Council approved 5-17-11.
- BBNWO – RLF and NWOBF will provide the funding to make the energy efficiency improvements.
- Building owners option to join.
- Special assessment levied on property and billed by Lucas County semi-annually.
- Same rates / terms plus Lucas County fee.



## Other Financing Options – Leveraging or “Bring All the Money.”



- Private Tax Equity.
- Tax Credits.
- 1603 Grants.
- Private Lending Programs and Participations.
- Direct Contributions.
- Utility Rebates.
- Manufacture Rebates.
- Procurement Discounts.
- Enhance Rates with QECB's



## Other Financing Options – Public / Private Partnerships



- Designed for government & non-profit entities.
- Brings value of depreciation & tax credits to the pricing of public projects.
- Uses BBNWO and NWOBF in conjunction with other equity, grants and tax credits.
- Owned initially by a private owner that can utilize the tax benefits & provides for ultimate asset control & reasonable purchase options for the public entity.
- Generally for larger, complex projects with significant tax credits, such as, wind, solar, biomass and geothermal.



# Keys to Success & Lessons Learned



## Key Factors to Success

- Strong leadership
- Strategic focus
- Involve cross-functional teams
- Create organizational structure & documents
- Provide project management discipline
- Strong branding & benefits messaging
- Utilize partners
- Keep it simple



## Lessons Learned

- These are all construction projects of varying degrees of complexity - Building energy assessments can be a bottleneck.
- Make it easy for businesses and public entities to say yes by solving budget, cash flow, timing and approval issues and by demonstrating project value and providing financing and support services.
- You will have challenges that you will need solutions to overcome.
- Keep it simple and continually communicate and improve.



## Create Success Stories: Toledo Jet Center

*“Energy Efficiency In Small Business”*

**TOLEDO JET**  
CENTER



**GEM**  
INC.

- \$105,000 Retrofit - 39,000 Sq. Ft.
- Energy Assessment – Energy Conservation Measures Identified
- Objectives: Reduce Energy Cost and Carbon Footprint
- HVAC / Lighting / Air Compressors
- 24% Energy Reduction – 3.7 Year Payback, 3%+ Maintenance Savings
- Savings Based on 1 shift operation; Savings for 2<sup>nd</sup> shift operation = 40%!
- Supports Business Growth: 19 Jobs Expanding To 35 In 3 Years



# Thank-you.

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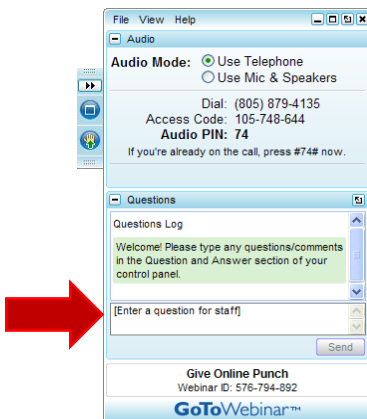
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# Questions?