

GreenFinanceSF Commercial Program Update

**National Association of Regulatory
Utility Commissioners Webinar
April 8, 2011**

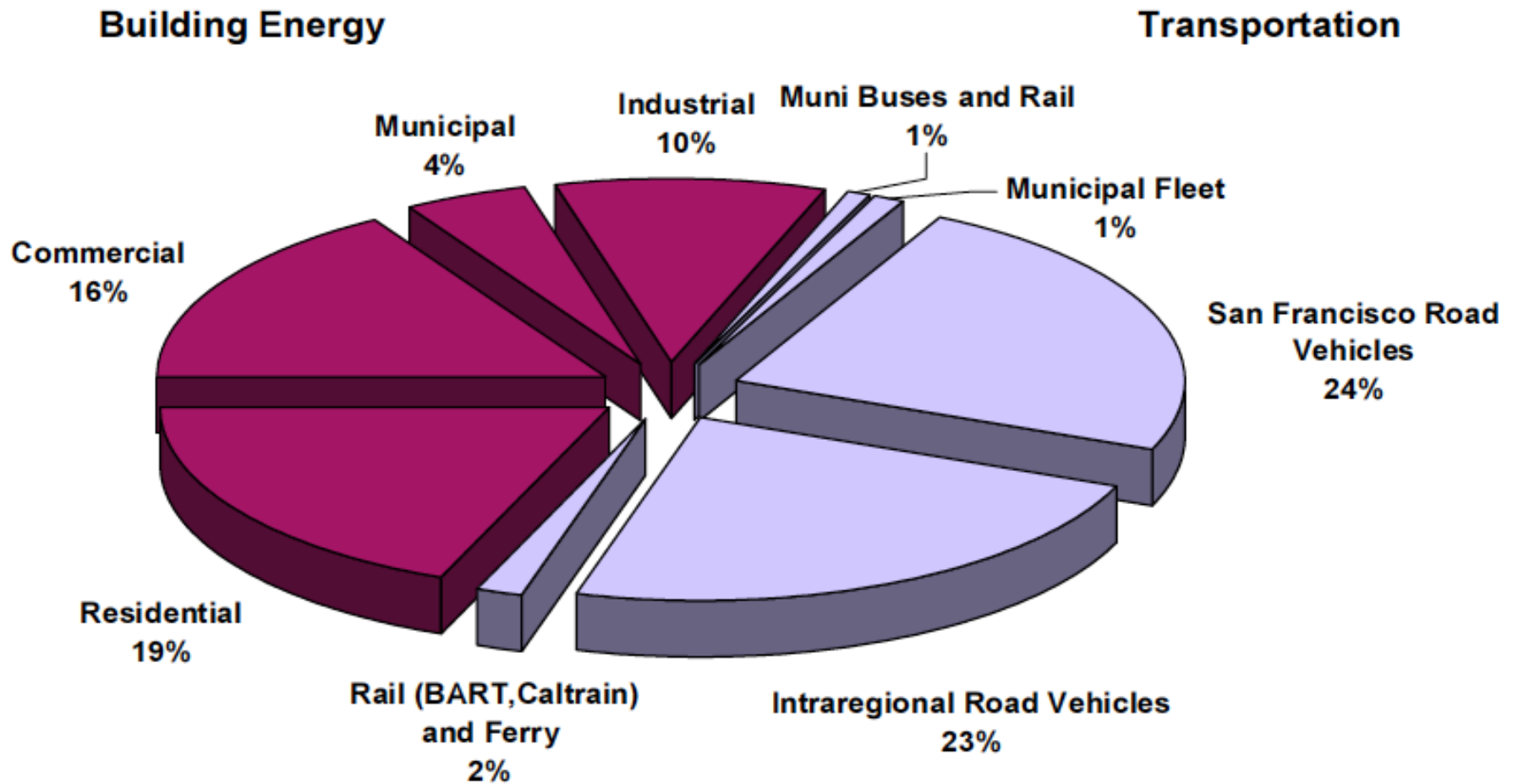
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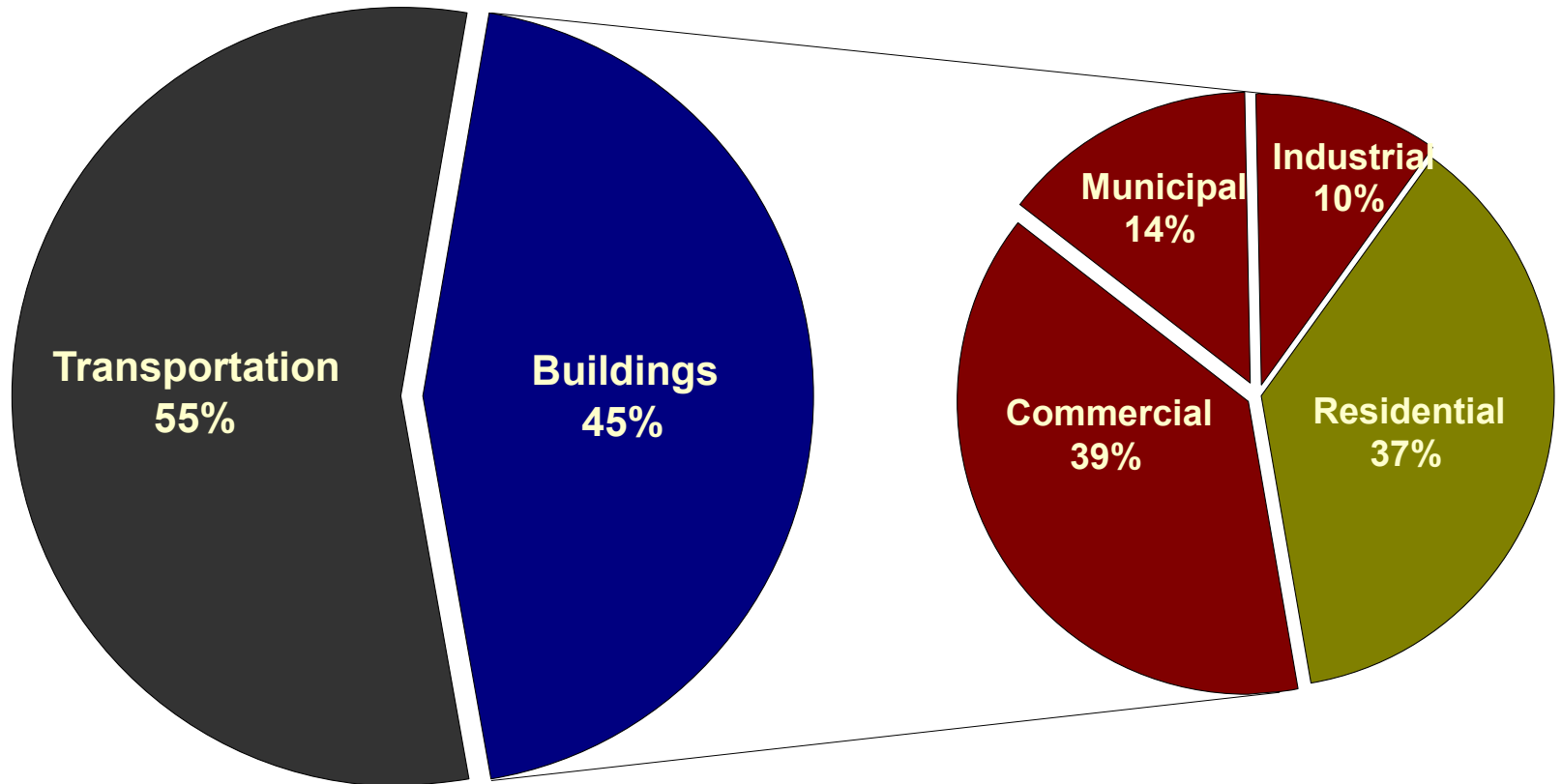


SF Carbon Footprint



Sources: PG&E, Hetch Hetchy Water and Power, CA. Dept of Transportation, MTC, Muni, BART.

SF Carbon Footprint - Buildings



Sources: PG&E, Hetch Hetchy Water and Power, CA. Dept of Transportation, MTC, Muni, BART.

Existing Buildings - Programs

SF Energy Watch: delivered 6 MW energy efficiency savings (~ 6,000+ homes)

SF Green Business Program: www.sfgreenbiz.org

GoSolarSF: 3.8 MW of solar power installed or in progress from 1100 applications (38 new jobs)

SFPUC Water Conservation Program: ~500M gallons saved through 13,500 fixture rebates and 60,000 free water-saving devices; 1,200 Water-Wise evaluations



Existing Buildings - Policies

2009 Water Conservation Ordinance (SFPUC)

- Housing and building code amendments require retrofitting with water efficient fixtures and repairing leaks.
- Residential properties are required to be retrofitted upon resale.
- All commercial buildings must be retrofitted by 2017.

2010 Lighting Performance Ordinance

- 81 lumens/watt for common linear fluorescents, ≤ 5 mg of mercury for 4' tubes, or 10 mg for 8' tubes by 12/31/11.

2011 Existing Commercial Buildings Energy Performance Ordinance

- Mandatory annual benchmarking and reporting with ESPM (non-res)
- Mandatory audits (>10K SF)

Existing Commercial Buildings Energy Performance Ordinance

Audit Schedule

	Up to 4 months After Approval	Year 1 (12 mo. later)	Year 2	Year 3
Identify Cost- effective Savings				

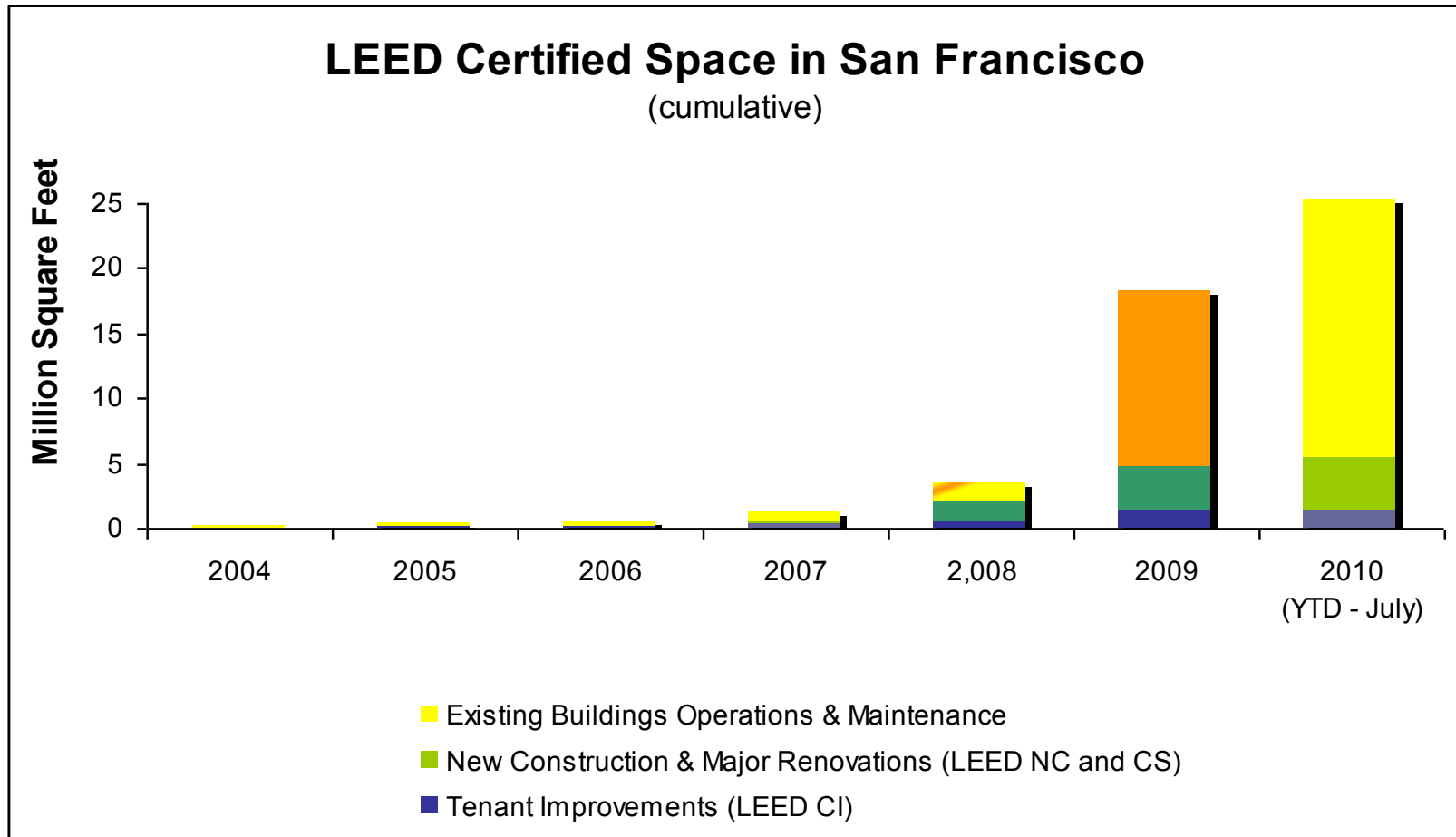
**...100% have
clear plan
for energy
savings**

* once every 5 years
after initial audit

Benchmarking Schedule

	Passage of Ordinance	2011	2012	2013	2014
Energy Benchmark and Disclosure					

S.F. Green Building Market



GreenFinanceSF



Website: A one-stop shop w/hom...
education, contractor di... online
application process. ...
3-month period.

Targeted Outreach: C... 40,000
targeted homeo... via mailers and
robo-calls.

Internet Town Hall: Internet Town Hall
w/Mayor News... day of launch.

Community Events: Community
outreach events i... month period.

Projects (April 12-June 10)

- 20 active applicat...
- 13 others denied or w...
- \$862,120 total requested
- \$26,125 average request

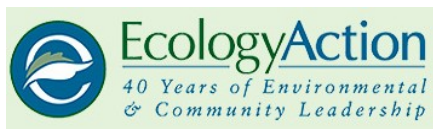




GreenFinanceSF



Saving You Money, Energy and Water



SF Environment
Our home. Our city. Our planet.



Contract 400-10-003 *

Administration	\$946,000
Implementation and Sustainability Plans	\$437,000
Creation and Maintenance of Financing Clearinghouse and Finance Subsidy	\$6.5 million
Design and Maintain Web Portal and Tools	\$4.1 million
Workforce Development Incentives	\$3.5 million
Quality Assurance	\$749,000
Outreach, Marketing and Customer Support	\$2.25 million
Tracking and Reporting	\$2.1 million
Regional Coordination and Development	\$3.6 million
Regional Pilot Programs	
• Residential PACE Program	\$3 million
• Commercial PACE Program	\$5.5 million
Total	\$33 million

* Superseded by contract approved by CEC on 10/21/10

EUC – Commercial PACE Pilots

- Leverage \$30 million in ARRA SEP Municipal and Commercial Building Targeted Measure Retrofit Programs
- PACE commercial financing pilot programs in **City of Los Angeles, Placer County, and San Francisco**, in partnership with the Clinton Climate Initiative.
- Replicability plan for statewide scaling (best practices, template documents, etc.)
- Coordination with future commercial rebate programs, on-bill financing, financing section of EUC web portal.



Three Financing Pathways

Pathway	Description
Pooled Bond	PACE applications are aggregated, and a revenue bond is issued to fund proposed projects
Stand-Alone Bond	For sufficiently large projects, a revenue bond is issued to fund an individual (or small number of) projects
Owner-Arranged Bond	An owner arranges project financing with a private lender and the lender accepts PACE securitization and payback framework

Commercial PACE Financing Potential

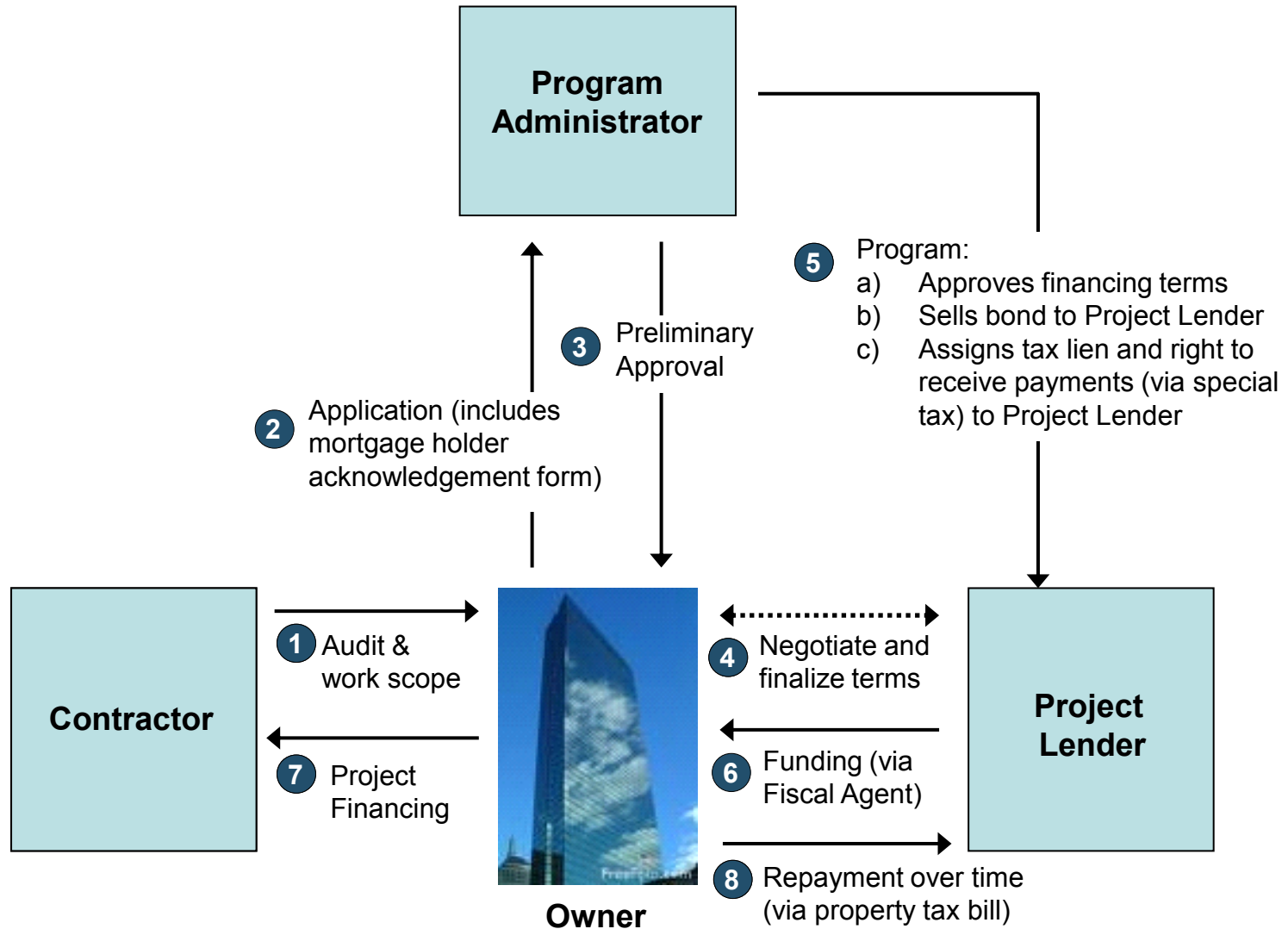
\$2.5-\$7.5 billion annually by 2015*

\$88-180 billion opportunity in large commercial buildings alone**

•www.pikeresearch.com/newsroom/u-s-energy-service-company-market-to-increase-250-by-2020

**Financing Retrofits in Large Commercial Buildings Through PACE Loans, Clinton Climate Initiative, February 2010

Owner Arranged Process Flow (general)



Application

- Application package to require:
 - Application form
 - Mortgage holder acknowledgment form
 - Program terms and disclosures
 - Project financial analysis (template provided)
 - Energy audit results
 - Bid estimates
- Available early summer 2011

Commercial Open Issues

- OCC et al.
- Mortgage holder acknowledgment/consent
- DSRF amounts
- Program administration costs
- AB X1-14 and AB 1054
- Overall demand



Thank You!