

A Blue-Green Approach to Financing Clean Energy Infrastructure

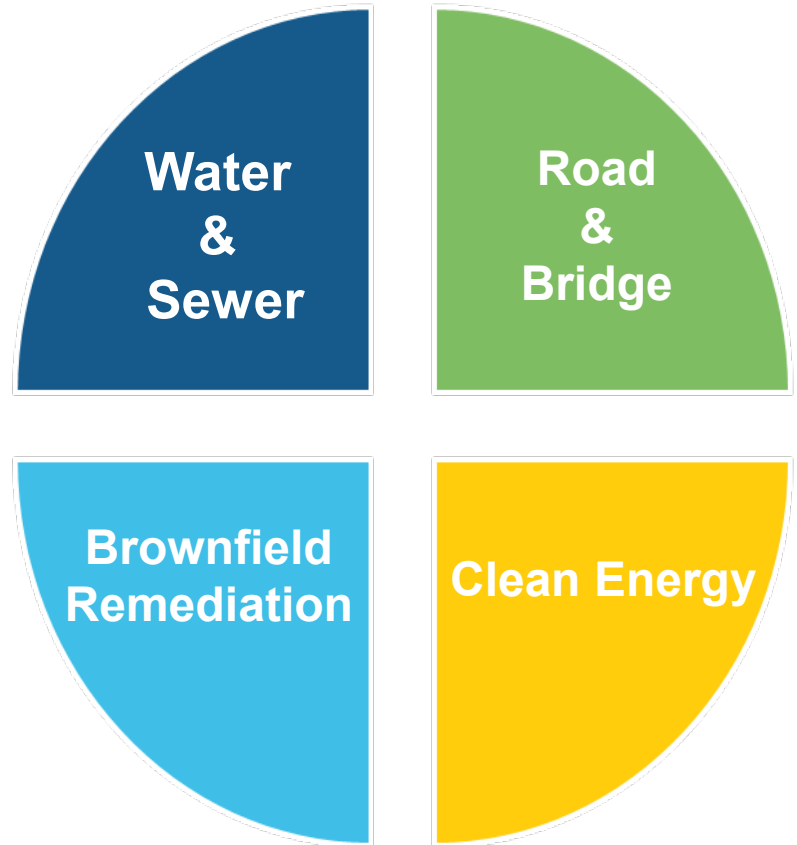


**RHODE ISLAND
INFRASTRUCTURE BANK**

***NAESCO Technology & Financing Conference
June 14, 2019***

About the Infrastructure Bank

**Rhode Island's
Blue/Green Bank
and central hub
for local
infrastructure
investment**



Our History



1989

The Rhode Island Clean Water Finance Agency is founded to manage RI's Clean Water State Revolving Fund

The Agency begins administering loans through the Drinking Water State Revolving Fund

1998



The agency is re-branded as Rhode Island Infrastructure Bank and has its mandate expanded to cover clean energy



2015

The Bank is admitted to the International Green Bank Network and becomes a founding member of the American Green Bank Council

2019

GREEN BANK NETWORK

Our Clients



Local Municipal

- Wastewater, stormwater, drinking water, clean energy, public building improvements, roads and bridges, brownfield remediation, dams



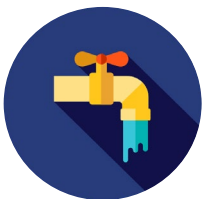
Quasi-state agencies and public colleges

- Stormwater, wastewater, drinking water, clean energy, brownfield remediation, public building improvements



Commercial Entities

- Energy efficiency, renewable energy, brownfield remediation, stormwater and wastewater



Residents

- Septic system improvements, sewer tie-in

Our Impact Since 2015



\$370 MM in new lending, 66% from private capital sources



Supported Roughly 9,000 jobs



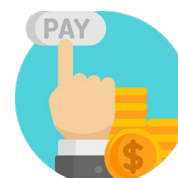
We have generated \$126 MM in financial and energy savings for local communities



Greenhouse gas emission reduction equivalent to 131 MM miles driven by the average passenger car



C-PACE program saving small businesses \$8.1 MM in energy costs



Fully deployed new financial & loan management software



Awards from EPA for clean water project at TF Green Airport & GFOA for excellence in financial reporting and transparency

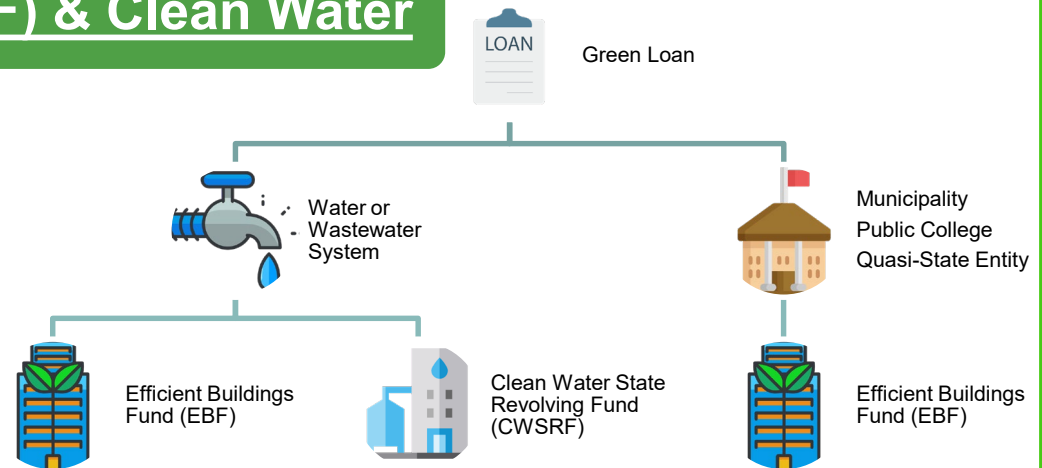


Proactive customer & stakeholder engagement strategy

Public Sector Offerings

Efficient Buildings Fund (EBF) & Clean Water

- 100% financing
- Below-market interest rates
- Longer Borrowing Terms
 - Clean Water: Up to 20 Years
 - EBF: Up to 15 Years



Examples

- Narragansett Bay Commission Wind Turbines
- West Warwick Wind Turbines
- North Kingstown street Lights

Case Study: Edgewood Highland School

Improved learning environment through consistent ambient temperature, lower noise and cleaner air

- \$2.2 million EBF loan to Cranston Public Schools for energy efficiency improvements at Edgewood Highland Elementary School
 - New boilers and chillers, new HVAC units, low noise blowers, air filters and a digital control system
 - Expected to reduce energy consumption at the school by more than 40%
- Debt service for the project is equal to the annual savings provided by the energy efficiency improvements made to the school



Private Sector Offering

Commercial property Assessed Clean Energy (C- PACE)

- A financing tool for Commercial property owners to complete energy efficiency or renewable energy upgrades
- Long-term financing at competitive fixed-rates
- Eligible for further grants and tax incentives (State and Federal)

Immediate Cash Flow

- ✓ 100% financing
- ✓ Long payback period, fixed rate, no-balloon
- ✓ Preserves debt-service ratio (bank perspective)
- ✓ Covers all hard and soft costs

Flexibility

- ✓ No personal or corporate guarantee
- ✓ Transfers on sale
- ✓ Expense can be passed through to tenants
- ✓ Preserves borrowing capacity

Applicability

- ✓ Qualify based on property value
- ✓ Funds most energy and water projects
- ✓ All standard commercial property types

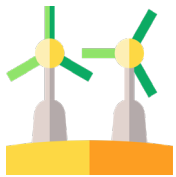
Case Study: Providence Public Library

- C-PACE financing
- \$1.6 MM in PACE financing, 6% of total development costs
- Capital Stack
 - Mortgage Debt
 - New Market Tax Credits
 - State Grants
 - Private Contributions
 - PACE Capital
- PACE Improvements
 - HVAC
 - Windows

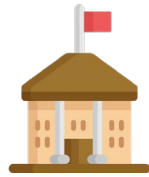


Our Results

EBF | Municipalities



Municipally-owned wind turbines and solar investments

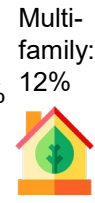


Energy efficiency improvements in municipal facilities across 36% of municipalities

C-PACE | Building Type



Golf Courses: 6%



Multi-family: 12%



Multi-use: 12%



Non-profits: 13%

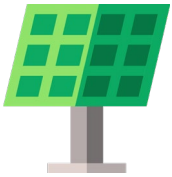


Retail: 13%



Office: 44%

EBF | Improvement Type

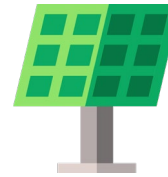


Renewable Energy: 28%



Energy Efficiency: 72%

C-PACE | Improvement Type



Renewable Energy: 87.5%



Energy Efficiency: 12.5%

EBF | Savings



Emission reduction equivalent to the annual carbon footprint of 3,400 homes



Over \$66 MM USD in savings to local governments

C-PACE | Savings



Emission reduction equivalent to the annual carbon footprint of 1,700 homes



Over \$8 MM USD in savings to small / mid sized businesses

The Bottom Line: How ESCO's Can Use Our Finance Offerings

- Non-traditional project accelerator
 - Favorable borrowing terms empower capital constrained clients to complete a greater number of projects in the near-term
 - Generates consistent service income, with no performance-based risk
 - The energy-cost savings secure the loan, rather than a performance based payment

Example:

- The energy service company's, AGI Energy & ENE Systems performed design-build services for the City of Providence to complete a suite of energy efficiency projects on City assets, like the Dexter Street Parking Garage
 - Financed through the Efficient Buildings Fund (EBF)

Questions & Contact Information

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