Is Efficiency an Asset Class?
Building Investor Confidence in Energy Efficiency

Wednesday, 3:45 – 5:00 PM
Efficiency as an Asset Class

Today’s speakers:
- Panama Bartholomy, Investor Confidence Project Europe
- Bruce Schlein, Citi
An asset class is a group of securities that exhibit similar characteristics, behave similarly in the marketplace, and are subject to the same laws and regulations.

-Investopedia.com
“exhibit similar characteristics”

• Developed and built in a consistent manner
• Documented in a consistent manner
“behave similarly in the marketplace”

• Maintained consistently
• Measured in a standardized way
“subject to the same laws and regulations”

- Installed, maintained and verified consistently
- Data collected consistently
Energy Efficiency Asset Class

Projects are developed, delivered, maintained, verified and measured in a consistent manner.
Energy Efficiency Today
Project Professionals

- Auditor
- Savings calculator
- Modeller
- Project developer
- Commissioning agent
- Property management
- Verifier
Document Sets
Data Collection
Energy Efficiency Asset Class
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Energy Efficiency Asset Class

Projects are developed, delivered, maintained, verified and measured in a consistent manner.
Near-Term: Increase Deal-Flow
• Increase Confidence in Savings
• Reduce Transaction Costs
• Streamline Origination Process

Long-Term: Market Transformation
• Standardized Performance Data
• Project Finance Underwriting
• Enable Portfolios and Securitization
Energy Efficiency Today
Investor Confidence Project Protocols

Baselining
- Existing Building
- Drawings
- Weather File
- Energy Usage
- Energy Rates
- Occupancy

Savings Projections
- Model File
- Calibration Data
- Bid Packages
- Certifications

Design, Construction, Commissioning
- Cx Plan
- Cx Authority
- Test Procedures
- Facilities Req.

Operations, Maintenance, Monitoring
- BMS Points
- Fault Plan
- Maintenance Plan

Measurement & Verification (M&V)
- M&V Model
- Regression Model
- Adjustments
- Impact
- Baseline Adjustments
Protocol Building Types

- **Large**
  Whole building retrofit, dynamic modeling

- **Standard**
  Whole building retrofit, no dynamic modeling

- **Targeted**
  Single or limited number of EE measures

Google: ICP Protocols
Investor Ready Energy Efficiency™

IREE is the logo in the lobby, like LEED but for a building retrofit project.
IREE™ Workflow - Origination

ORIGINATION
Energy efficiency projects will come from a range of channels, programs, and businesses.
IREE™ Workflow – Project Development

PROJECT DEVELOPMENT

Credentialed Project Developer develops and documents projects according to ICP Protocols.
CERTIFICATION

Independent Credentialed Quality Assurance Provider reviews project for ICP compliance and certifies qualifying projects as Investor Ready Energy Efficiency™.
INVESTMENT
Building owners and investors can make investment decisions with increased confidence based on predicted savings.
IREE™ Workflow – Performance

PERFORMANCE
Building’s energy performance is optimized and energy savings from retrofit are measured and verified according to ICP Protocols.
If you are not here, you should be. Become an Ally!

keeperformance.org/allies

Or Google “ICP Ally”
Outlook for 2017
Better Buildings 2016: Energy Efficiency as an Asset Class

An asset class is established when 1) the cycle below is complete; 2) multiple cycles have been realized; 3) the flow of capital and activity have increased; and, 4) the cost of capital in the primary market has decreased.

1. Primary Market (no secondary w/o primary)
   - Regional and local programs and lenders originate EE loans at X% (scale constrained by inability to access the capital markets)

2. Warehouse (accumulate and standardize)
   - Intermediary provides warehouse facility (a line of credit) to purchase and accumulate loans, and put them in a securitizable format

3. Secondary Market (securitize)
   - Institutional Investors want to deploy capital to EE, but need appropriate vehicle to do so – a security (asset-backed security or ABS)

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Intermediary provides warehouse facility (a line of credit) to purchase and accumulate loans, and put them in a securitizable format

Institutional Investors want to deploy capital to EE, but need appropriate vehicle to do so – a security (asset-backed security or ABS)
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