

**NASEO State Energy Financing Committee Call
Wednesday, May 21, 2014; 3:00pm-4:00pm ET**

Attendees

Alaska Energy Authority	Maryland Energy Administration
American Gas Association	Missouri Division of Energy
California Energy Commission	Nebraska Energy Office
Connecticut Department of Energy and Environmental Protection	New Hampshire Office of Energy and Planning
Cree	New York State Energy Research and Development Authority
Efficiency Energy LLC	Pennsylvania Department of Environmental Protection
Electric Power Research Institute	Renewable Funding
Georgia Environmental Finance Authority	Rhode Island Office of Energy Resources
Guam Energy Office	SRA International
ICF	Tennessee Office of Energy Programs
Idaho Office of Energy Resources	U.S. Department of Energy
Iowa Energy Division	Vermont Energy Investment Corporation
Kentucky Department for Energy Development and Independence	Virginia DMME Energy Division
Kentucky Housing	Washington Energy Office
Kilowatt Financial	Wisconsin State Energy Office

Announcements

Financing Committee Co-Chairs Al Christopher, Energy Division Director in Virginia, and Jeff Pitkin, NYSERDA Treasurer, opened the call and reviewed the agenda.

Affiliates Update

As a follow-up to the July 2013 committee call focused on the 2005 Energy Policy Act, Will Volker, Partner at Efficiency Energy LLC, discussed a recent 179(d) transaction from the Los Angeles Unified School District (LAUSD). Earlier in May, LAUSD announced that it had secured over \$200,000 in return for the allocation of the 179(d) tax deduction for recent building energy upgrades. LAUSD engaged Efficiency Energy LLC, a NASEO Affiliate, in 2012 to establish and administer the process.

The 2005 Energy Policy Act established the tax deduction, and while the law expired at the end of 2013; it still applies to projects completed between 2010 and 2013. In July 2013, Will presented to the committee on opportunities for states to take advantage of the 179(d) tax deduction. His July 2013 presentation is available at <http://naseo.org/Data/Sites/1/documents/committees/financing/notes/2013-07-11-volker.pdf> and a summary of the discussion is available at <http://naseo.org/Data/Sites/1/documents/committees/financing/notes/2013-07-11-call-notes.pdf>.

Strategies in Residential Energy Efficiency Financing

The main presentations during this call focused on options available to states to scale-up residential energy efficiency lending and attract secondary market financing for home energy projects. Emeline Minor, Director of Kilowatt Financial, first discussed her company's partnership with Citi to finance a \$100 million debt facility for home energy efficiency loans. Emeline discussed opportunities for states to leverage public funds and incentives with private investment, enabling contractors, consumers, and lenders to access larger amounts of capital and more flexible and attractive terms.

Additionally, Elizabeth Bellis, Counsel for the Energy Programs Consortium (EPC) and Joanna Karger, Chief Financial Officer of Renewable Funding, discussed EPC's partnership with Citi to launch the Warehouse for Energy Efficiency Loans (WHEEL). WHEEL began purchasing loans in sponsoring jurisdictions (Pennsylvania and Kentucky) in April, and has acquired over \$13 million in unsecured residential energy efficiency loans. Elizabeth and Joanna provided an overview of how WHEEL uses sponsor (a.k.a. state, local, or utility) capital as a subordinate investment that allows these loans to access capital provided by institutional investors.

Both presentations are available at <http://naseo.org/committee-financing> under the "Past Events" tab.

Committee Action Items

Please contact Sandy Fazeli (sfazeli@naseo.org) if you have questions about state energy financing or would like to share your story with the committee.