CDFA
COMMUNITY DEVELOPMENT FINANCE AUTHORITY

CDFA Clean Energy Fund Summary

Background on CDFA

CDFA is a statewide nonprofit public authority established by New Hampshire state law (RSA 162-L). The organization is governed by an 11-member Board of Directors, each appointed by the governor. This structure provides New Hampshire communities substantial financial and technical resources via CDFA's development and management of several community, economic development and clean energy initiatives with minimal State investment and budgetary impact.

CDFA's investment in the creation of the Clean Energy Fund is based in the organization's beliefs that:

VISION We see New Hampshire's future with economically and socially resilient communities that reflect and respect their natural surroundings and represent places where people want to live and work.

MISSION CDFA invests in the people of NH by:

- Enabling its partners to make transformational and sustainable changes;
- Meeting the evolving needs of New Hampshire communities;
- Deploying a well-tuned, effective investment system which directly impacts local communities; and
- Taking an innovative and collaborative approach to development finance.

In various forms since its inception in 1983, CDFA has grown over time to currently manage nearly $60 million annually in deployed and managed community resources consisting of grants, loan products, and tax credit equity allocations. CDFA operates an all online grant application, review, and monitoring system; maintains accounting and bookkeeping for multiple separately-sourced and regulated funding sources; and conducts regular competitive application and review rounds for projects throughout New Hampshire. The organization's three major programs include the New Hampshire Community Development Investment Program (tax credits), the federal Community Development Block Grant (CDBG) program, and the Clean Energy Fund, which includes a blend of state and federal resources.

As a result of managing public resources, CDFA is regularly subjected to public audits and monitoring, and all are routinely positive. The CDFA Board contracts an annual third-party audit, the U.S. Department of Housing and Urban Development's Community Planning and Development office in Boston conducts regular monitoring of the CDBG program, and the HUD Office of Inspector General conducts audits. Our CDBG program deployment ratio regularly places within the top six programs nationally. Much of the Clean Energy Fund is composed of federal resources from the U.S. Department of Energy and is subject to required federal reporting and reviews. On the state level, CDFA is subject to review by the Legislative Budget Assistant's office as well.

Clean Energy Fund Programmatic Summary

The Clean Energy Fund is comprised of four individual revolving loan funds dedicated to financing energy-efficiency improvements and clean / renewable energy initiatives and merges the requirements of multiple funding sources into an efficient, deployable resource. While the eligibility requirements and restrictions of each component fund vary, a borrower can apply to the broader Clean Energy Fund, resulting in a more efficient user experience. The Clean Energy Fund also:

- Provides technical assistance to borrowers and contractors;
- Develops public-private partnerships, de-risking private investment;
- Coordinates with other funding sources to enable a creative approach to financing; and
- Structures loans to ensure project savings are equal to or greater than annual debt service payments.

CDFA's investments provide financing for businesses, non-profit organizations, and public entities to complete renewable energy and energy efficiency projects in New Hampshire that meet the following criteria:

- Financed projects are required to result in at last 15% energy savings
- Energy Efficiency work requires a Level II energy audit
- Total savings must be greater than cost of project
- Term of loan may not exceed the estimated useful life of project
- Energy audits are eligible expenses

Since 2015, the Clean Energy Fund has deployed $5.2M in financing to support 32 clean energy projects throughout New Hampshire. Collectively, these projects are estimated to save over $588,000 per year in energy expenses.

- Average Loan Amount: $158,000
- Range of Loan Size: $17,000 - $470,000
- Total Number of Loans Awarded: 32

Market	# of Loans
Business	18
Non-Profit	3
Municipality	11

Loan Type	# of Loans
EE Only	11
RE Only	17
Mix	4

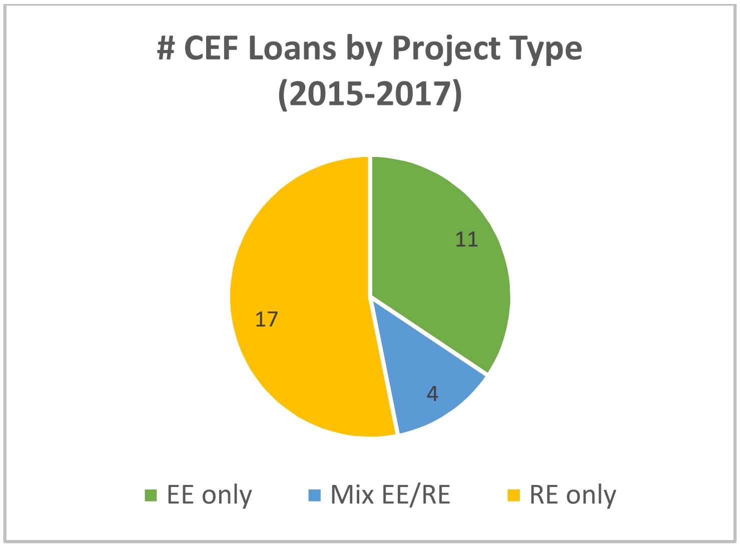
Clean Energy Fund - Funding Pools

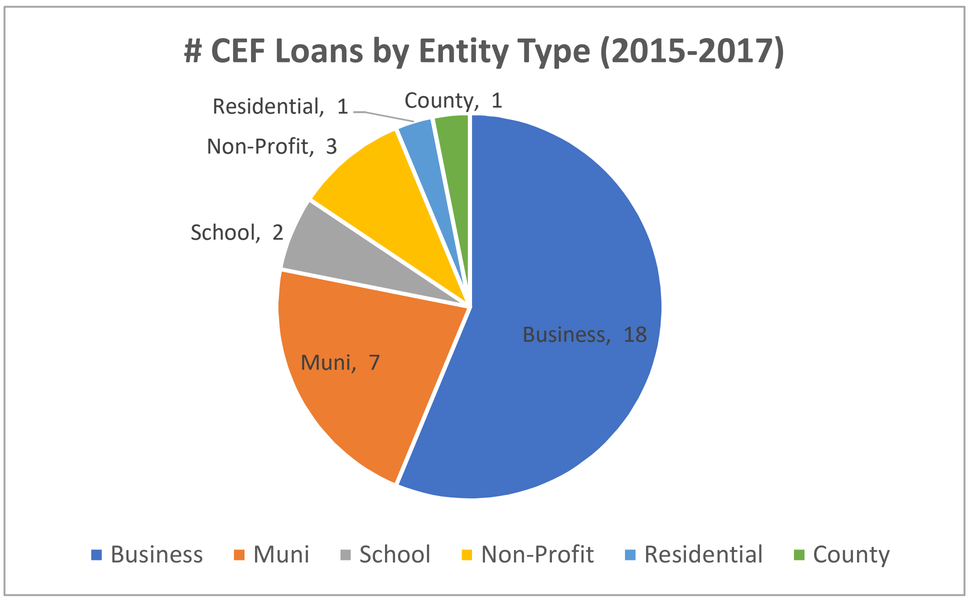
Fund	Funding	Market
Unrestricted	CDFA - Unrestricted	All
MERF	State	Municipal (no Schools)
EEF	Federal	Commercial Non-Profit
BetterBuildings	Federal	Commercial Non-Profit Municipal Resi - Multifamily

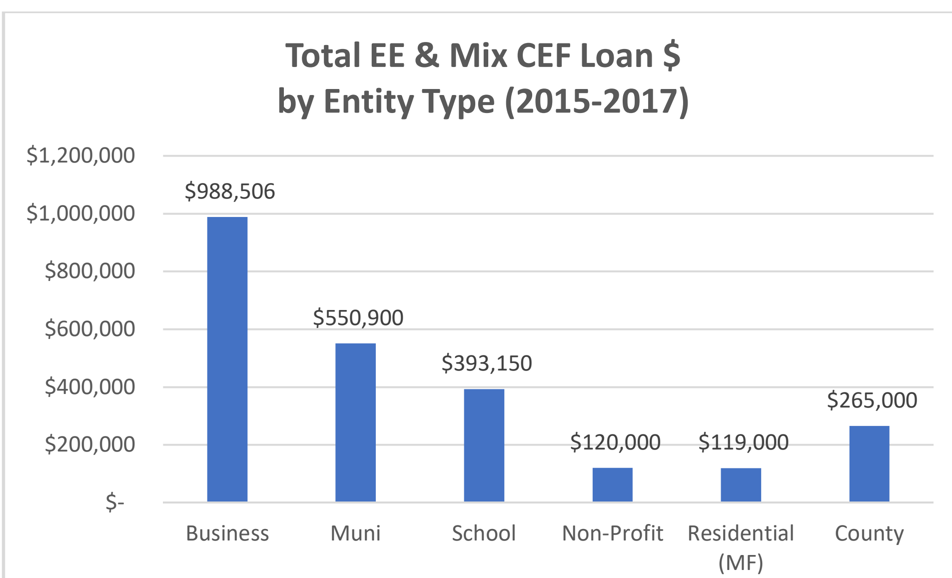
Small Business Energy Audit Fund

In 2017, CDFA launched an Energy Audit Program under the Clean Energy Fund. Using resources competitively awarded to CDFA from the USDA Rural Energy for America Program (REAP), the Clean Energy Fund now deploys funds to assist agricultural producers and rural small businesses in obtaining comprehensive energy audits. CDFA works closely with recipients of these energy audits in order to facilitate implementation of the recommended energy upgrades by offering financing opportunities via the Clean Energy Fund.

CDFA Clean Energy Fund Loan Metrics 2015-2017







CDFA Clean Energy Fund

Strengths
- Loan Flexibility & ability to service most entities (business, non-profit, muni, schools, county)
- Loan terms (up to 10 yr+)
- Technical Assistance
- Credit Committee (includes some banking community members)
- Visibility – referrals from multiple entities (USDA, Utilities, Contractors, Auditors, State, LESWG, Word of Mouth)
- Communications/partnerships with above entities to coordinate financial stack
- Co-marketing with other CDFA programs (CEF can finance non-grant portions of energy projects)
- Public-Private partnerships (PPAs, tax credit projects with energy components)
- Innovation (i.e. T-RECs)

Obstacles
- Compartmentalized Capital (some with Federal "strings")
- Possibly capital limitations
- Higher cost of admin (especially for smaller and more complex projects – due to energy review)
- Low loan volume (relative to banks)
- No planned capacity for 1-4 unit residential financing.

Opportunities
- Ability to provide credit enhancements
- Potential collaborations with Banks for loan referrals, 2ndary market for single or aggregated loans, etc.
- Other Partnerships for additional capitalization
- Supporting projects with new/trending technologies (Storage, Phase change, EV's, etc)

Overall obstacles to NH EE projects
- Split Incentive (Residential and Commercial)
- Financial knowledge of customers (see beyond simple payback)
- Timing of complex projects and coordinating the financial stack