Challenges and some answers (opportunities)
Low hanging fruit – but heavy lifting

Level 1
(from initial uptake to…)

• Split incentive
  green leases (sub-meters)

• Tenor length
  PACE

• Aggregation/transaction cost
  Delaware SEU

Level 2
(secondary market/liquidity)

• Debt limits/capacity
  operational encumbrance

• Less tangible benefits
  health and space (valuation)

• Distribution of benefits
  asset building/CRA
Multiple Market Segments – Unique Conditions/Needs
Citi Energy Efficiency Working Group

Goal: develop a suite of complementary products and services to help jurisdictions, and their residents, businesses and institutions realize their energy efficiency goals

- Municipal Securities
- Commercial Finance
- Commercial Real Estate
- CitiCommunity Capital
- CitiMortgage
- Corporate Banking
- Operations & Technology
- Export Agency Finance
- Cards
- Financial Education
Case: Municipal Securities
Delaware Sustainable Energy Utility (SEU): bond issuance

• Delaware SEU is a non-profit corporation develops end-user markets for energy efficiency and conservation, customer-sited renewable energy, and affordable energy services for LMI families.

• $30MM bond is not guaranteed by the credit of the state; investors will be repaid from a portion of the SEU's shared earnings generated from the customers' energy savings and RECs. The tax-exempt bonds will not add to the State’s General Obligation Bonding.

• In addition to the issuance of the bond, Delaware's SEU will be funded by a 36 cents per month surcharge on electric bills. No new taxes; no ratepayer impact beyond surcharge.

• SEU will invest in voluntary participants energy needs at a rate equal to the full incremental cost of purchasing cost-effective high-efficiency and customer-sited renewables options compared to current market prices (no economic difference for purchaser).