



Clean Energy Financial Innovation Program



Background

The Department of Energy and Environmental Protection, pursuant to the American Recovery and Reinvestment Act (ARRA) State Energy Program Formula (SEP) Grant, made an award to the Clean Energy Finance and Investment Authority ("CEFIA") of ONE MILLION TWO HUNDRED AND FIFTY THOUSAND DOLLARS to invest in financing strategies to scale-up the deployment of residential clean energy (the "Program"). The financing strategies with the greatest potential to attract and deploy capital to help Connecticut meet its clean energy goals will be provided with credit enhancement funds through the Program.

Uses of funds might include the buy-down of interest rates, support for loan losses, or third party insurance.

GOALS OF THE PROGRAM

1. Create a competition that incites financial innovation around residential clean energy financing;
2. Transition away from the subsidy model towards financing of clean energy.

Areas that financial innovation might be able to address include, but are not limited to, credit enhancements for financial products that:

- Encourage third party lenders to extend credit to currently underserved low and moderate income households;
- Support financing that uses non-traditional underwriting, such as the use of utility bill payment history as a proxy for credit;
- Enable micro-loans for low and middle income households seeking financing for clean energy projects and qualification of financial institutions for CRA credits;
- Create insurance products that guaranty the energy savings for households to demonstrate the value of energy efficiency and renewable energy savings covering debt service payments and reducing risk;
- Provide households with an opportunity to realize the economic value of solar PV systems through ownership versus a lease;
- Finance energy efficiency upgrades, including the conversion of heating oil to natural gas, enabling households to save on cleaner energy resources; and
- Provide loans for automobile owners to install electric vehicle recharging stations in combination with renewable energy resources at home.

Expected Number of Projects / Credit Enhancements to be Supported: **Up to 3**

Expected Interest Rate: **5.99% APR** (or best rate to attract consumer demand for financing)

Expected Program Launch: **June 2012**

About the Clean Energy Finance and Investment Authority

CEFIA was established by Connecticut's General Assembly on July 1, 2011 as a part of Public Act 11-80. This new quasi-public agency supersedes the former Connecticut Clean Energy Fund. CEFIA's mission is to help ensure Connecticut's energy security and community prosperity by realizing its environmental and economic opportunities through clean energy finance and investments. As the nation's first full-scale clean energy finance authority, CEFIA will leverage public and private funds to drive investment and scale-up clean energy deployment in Connecticut.

The Authority invests its resources in an array of enterprises, initiatives and projects aimed to:

- Attract and deploy capital to finance the clean energy goals of Connecticut
 - Help Connecticut become the most energy efficient state in the nation
 - Help scale-up the deployment of renewable energy in the state
 - Provide support for the infrastructure needed to lead the clean energy economy
- Develop and implement strategies that bring down the cost of clean energy in order to make it more accessible and affordable to consumers
- Reduce reliance on grants, rebate and other subsidies and move towards innovative low-cost financing of clean energy deployment

PROJECT SCHEDULE

RFP ISSUED	APRIL 12
PRE-BID CONFERENCE CALL	APRIL 25
PROPOSALS DUE	MAY 30
PROJECTS SELECTED FOR NEGOTIATION	JUNE 13



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