



Efficiency Maine Green Bank

RFPs for Lending Services

Bidders' Informational Webinar

February 13, 2024

Agenda

1. Background on the Efficiency Maine Trust & Efficiency Maine Green Bank
2. New funding and finance initiative expansion plans
3. Key platform/servicing requirements
4. Anticipated process workflows
5. Compliance and contract requirements
6. Q & A

About the Efficiency Maine Trust

"Efficiency Maine" or "EMT"

- Independent, quasi-state agency
- Statewide administrator of energy efficiency programs
- Provides rebates, discounts, financing, technical assistance, consumer information, marketing support, and a registry of vendors
- Funding sources include electricity and natural gas ratepayer assessments, Regional Greenhouse Gas Initiative (RGGI) revenues, ISO New England Forward Capacity Market revenues, federal grants, state funds, and settlements
- Governed by Board of Trustees with oversight from ME Public Utilities Commission

More info at: www.energymaine.com

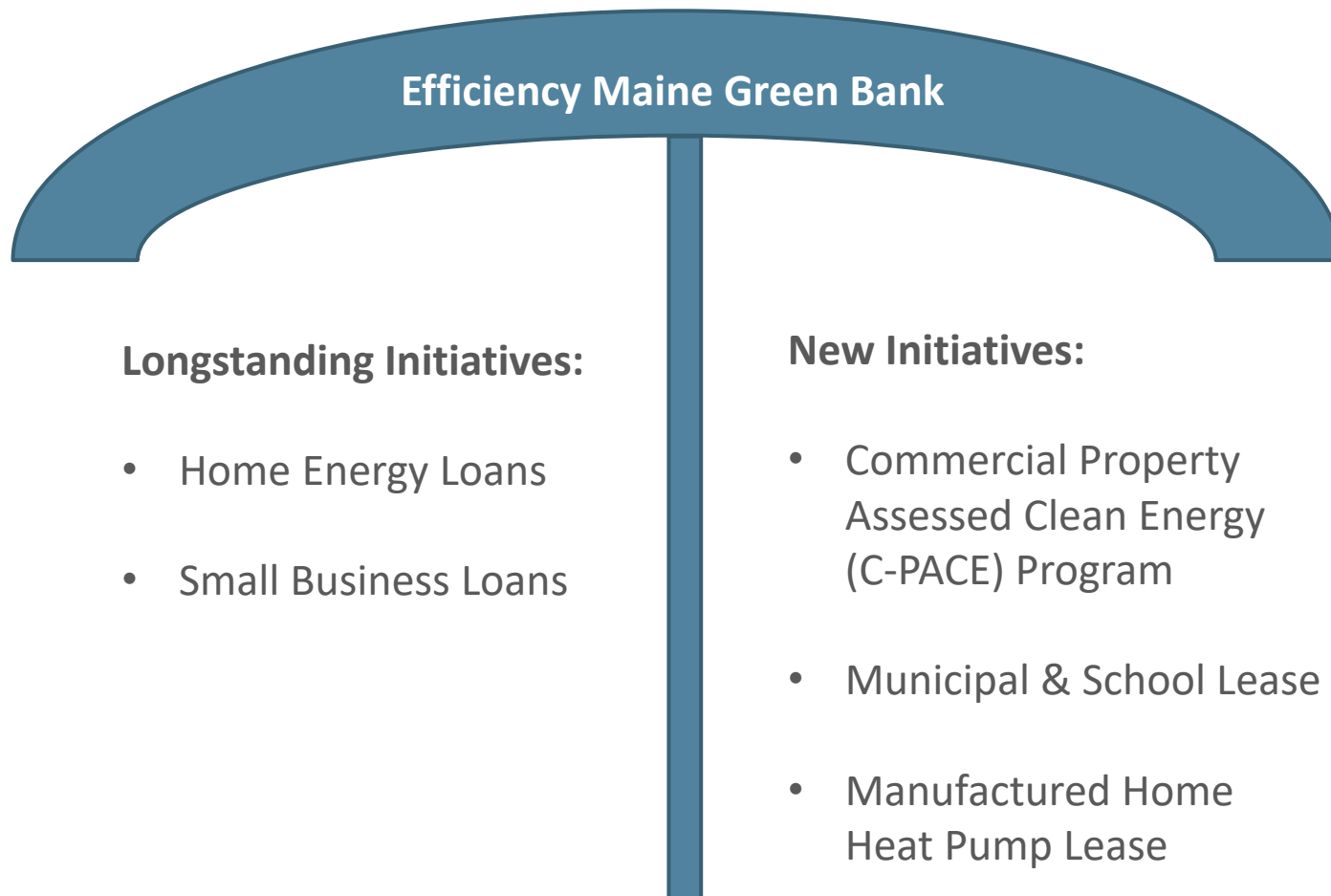
Efficiency Maine Green Bank (EMGB)

- 2012 – EMT launches its first suite of loan products
- 2021 – Maine Legislature passes LD 1659, *An Act To Create the Maine Clean Energy and Sustainability Accelerator*, establishing a dedicated, specialized finance program at EMT designed to drive private capital into market gaps for goods and services producing low or zero GHG emissions.

EMT (and EMGB) implementation priorities:

- achieving energy savings
- transforming the market
- reducing the environmental impacts of energy
- maintaining fairness and promoting equity
- leveraging the private sector

Efficiency Maine Green Bank (EMGB)



Playbook:

- Promote EMT program rebates
- Add financing for co-pays
- Expand finance initiatives
- Revolve funds with third-party capital

EMGB Fund Sources

Anticipated Total Portfolio Size: ~\$60 M

Currently Available

- **American Recovery and Reinvestment Act (ARRA):** ~\$19M for loans and credit enhancements of *home energy efficiency projects*
- **Regional Greenhouse Gas Initiative (RGGI):** EMGB may use RGGI funds to capitalize loan and lease products or to provide credit enhancements

Anticipated in FY2025

- **Greenhouse Gas Reduction Fund (GGRF) | National Clean Investment Fund (NCIF):** ~\$30M for *commercial or residential energy efficiency and renewable energy projects* with 40% of the funds to be deployed to low-income and disadvantaged communities (LIDACs)
- **GGRF | Clean Communities Investment Accelerator (CCIA):** ~\$10M for *commercial or residential energy efficiency and renewable energy projects* with 100% of the funds to be deployed to LIDACs
- **Bipartisan Infrastructure Law | Energy Efficiency Revolving Loan Fund (EE RLF):** ~\$800k for energy audits and heat pump systems in *congregate housing facilities*

Finance Initiative Expansion

PROJECT TYPES:

- Expand beyond EMT-incentivized projects (energy storage/batteries, EV charging infrastructure, Solar PV)
- Expand financing for heat pumps and weatherization

TERMS: adjust to standardize and make more favorable

- Increase borrowing amounts
- Accommodate tax credits and other incentives (e.g., 0% interest on ITC)

SECTORS:

- Residential – Enable a one-stop-shop allowing for comprehensive loans and lease products that are focused on LIDACs
- Small Business – Expand borrowing amount and simplify application
- Commercial Properties – Expand underwriting criteria and means of collateral (e.g., unsecured, personal guarantees, property, C-PACE)
- Custom Program – Enable pathway for large scale projects

Finance Product Examples:

- Residential
 - Unsecured Loans
 - Equipment Leases
- C&I
 - Loans
 - Equipment Leases
 - Custom Finance Products

LIDAC Focus

LIDAC = Low-Income and Disadvantaged Communities

The Green Bank community and anticipated fund sources have placed a focus on deploying capital to LIDACs

- Lending platform and services should enable EMGB in:
 - (a) identifying geographically dispersed low-income customers
 - (b) integrating with available screening and mapping tools
 - (c) employing other tools and resources needed to identify LIDAC borrowers (e.g., geocoders)



■ LIDAC census tracts
(per the Climate and Environmental
Justice Screening Tool [[CEJST](#)])

Trade Ally Network

- EMT has a network of 1,000+ “Trade allies” -- the participating contractors (e.g., plumbers, electricians, HVAC technicians, insulation installers, builders and vendors) that facilitate Maine consumers purchasing, installing and operating high-efficiency products and systems through EMT programs.
- Residential Registered Vendors (RRVs) serve the residential sector and Qualified Partners (QPs) serve the commercial sector.
- Certification process requires training, signing codes of conduct, and providing proof of relevant credentials
- EMT maintains online locator tools for each (See [RRV Locator](#) and [QP Locator](#))
- Trade allies are a critical piece of EMT's marketing and outreach strategy, helping drive demand for projects
- Upon project completion, EMT will pay a rebate either a) directly to a customer or b) directly to the trade ally (who flows the relevant discount through to the customer)

Benefits to a "One Stop Shop" Financing Suite

- Trade Ally Benefits
 - Access a suite of finance products for the customer at the kitchen table
 - Reach more customers faster
 - Enhance their sales process
 - Streamline their offerings
 - Increase the likelihood of customer satisfaction
 - Enhanced offerings for rural areas and LIDAC communities can increase the market size and validity of expanding geographic reach
 - Reduces need to duplicate platform and vendor usage to offer LIDAC specific products
- Customer Benefits
 - Greater likelihood of being approved for financing
 - Simpler process
- LIDAC Benefits
 - Attract more LIDAC borrowers under one streamlined application tool
 - Entice trade allies to pursue LIDACs with preferred terms and enhanced borrowing opportunities
- Administrative Benefits
 - Easier to administer one large program than multiple smaller programs



APPLY NOW



LIDAC LOANS

LIDAC LEASES

ALL-INCOME LOANS

Customer and Trade Ally Experience

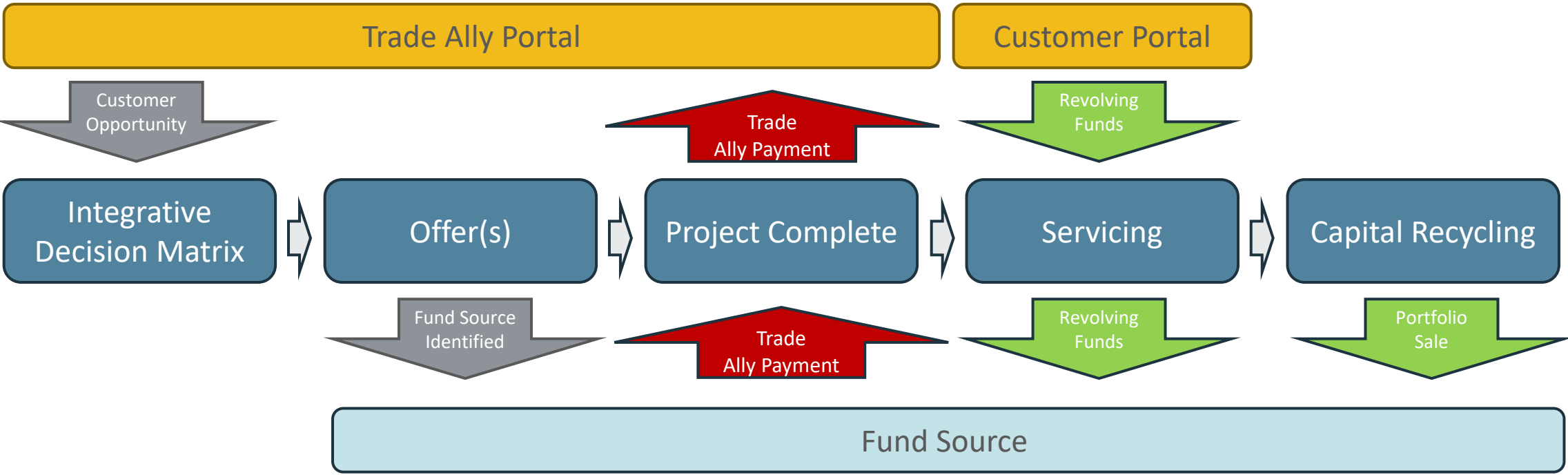
Customer/Borrower:

- Application Needs:
 - Minimal documentation requirements
 - Simple and quick process
- Offers:
 - Clear presentation of finance opportunities
- Closing Needs:
 - Easy document completion process
- Ongoing Needs:
 - Accessing documents
 - Reviewing ongoing statements
 - Making payments (including off-schedule payments)
 - Adjusting payment methods

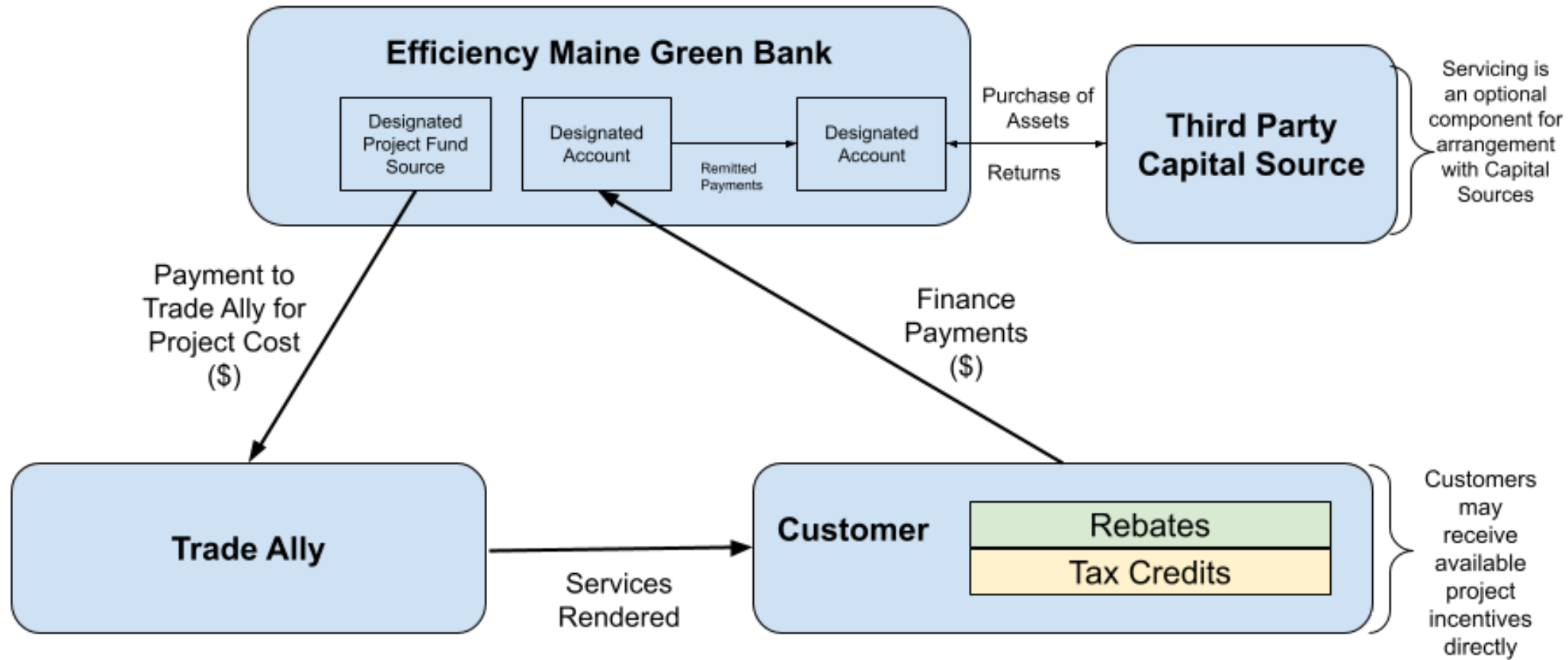
Trade Ally (RRV/QP):

- Application Needs:
 - Minimal documentation requirements
 - Simple and quick process
 - Transparency in customer eligibility
- Project Management Needs:
 - Easy document completion process
 - Insights into changes in customer eligibility
 - Payment collection
- User Needs:
 - Uploading documents
 - Reviewing customer application status
 - Accounting and payment management
 - Record keeping

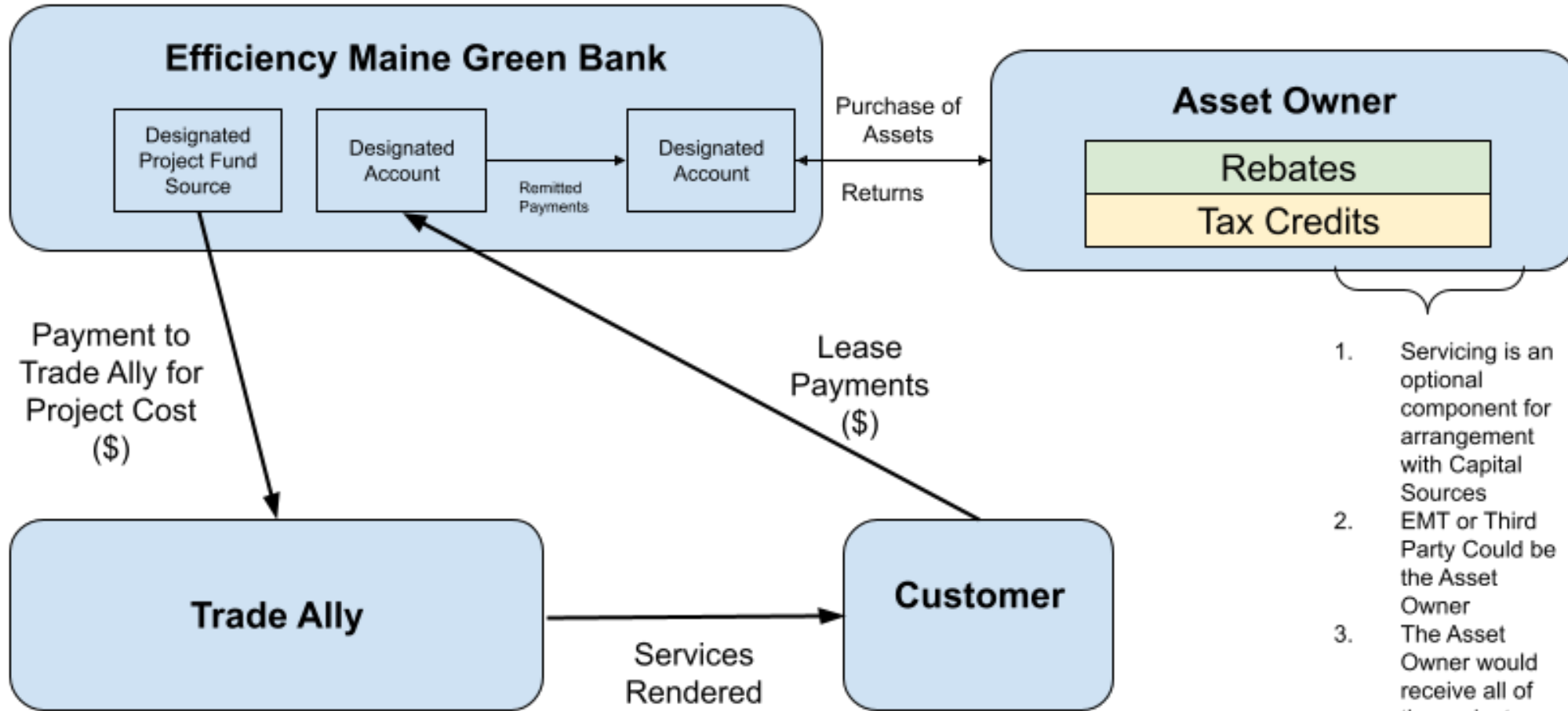
Sample Process Overview



Sample Loan Graphic



Sample Lease Graphic



1. Servicing is an optional component for arrangement with Capital Sources
2. EMT or Third Party Could be the Asset Owner
3. The Asset Owner would receive all of the project incentives

Third-Party Capital

Third Party Capital Sources:

- Alignment with GGRF lead applicants
 - Additional debt or low-cost working capital
 - Asset sale or asset purchase agreement
- Working with other Green Banks
 - Working groups
 - Accessing bond markets
 - Creating or establishing credit facilities
 - National product standardization
- Establishment of a Credit Union Service Organization "CUSO"
- Alignment with existing partners and associated investor communities

Additional Finance Initiatives:

- Credit Enhancements (Loan Guarantees, Loss Reserves)
- Warehouse
- Aggregation

Maine Consumer Lending Regulations

Maine Bureau of Consumer Protection

- The Maine Consumer Credit Code (“MCCC”) ([9-A M.R.S. section 1-101 thru section 16-111](#)) governs the regulation of “creditors” making “credit sales” to consumers in Maine.
- Maine law at [9-A M.R.S. section 1-202 “Exclusions”](#) provides an exclusion to the MCCC “relating to extensions of credit to consumers by governments or governmental agencies, instrumentalities or organizations.” However, the exclusion granted to “governmental agencies” “does not apply to . . . Article 8-A” of the MCCC. Article 8-A of the MCCC is known as the "[Maine Consumer Credit Code - Truth-in-Lending](#).” Because Efficiency Maine is defined as a “governmental agency or a governmental organization,” all of Title 9-A is excluded *except* for Maine’s version of the Truth-in-Lending Act.
- Maine law at [9-A M.R.S. section 8-503](#), incorporates the federal Truth-in-Lending Act and its implementing regulations, [Reg. Z](#).
- Sample (not all inclusive) of the various federal regulations that will apply to Efficiency Maine’s credit operations:
 - USA Patriot Act: <https://www.fincen.gov/resources/statutes-regulations/usa-patriot-act>
 - FTC Red Flags Rule: <https://www.ftc.gov/business-guidance/privacy-security/red-flags-rule>
 - FTC Safeguards Rule: <https://www.ftc.gov/business-guidance/resources/ftc-safeguards-rule-what-your-business-needs-know>.
 - Fair Credit Reporting Act: <https://www.ecfr.gov/current/title-12/chapter-X/part-1022>.
 - Equal Opportunity Act: <https://www.ecfr.gov/current/title-12/chapter-X/part-1002>.
 - Fair Debt Collection Practices Act: <https://www.ecfr.gov/current/title-12/chapter-X/part-1006>.
 - Regulations connected to the “safeguarding” of consumer information (Cyber security)

Compliance

For Services:

- Accepting proposals in which the bidder is considered the Lender
 - Bidder must provide evidence of their authority to lend in Maine and capability of maintaining compliance with relevant lending regulations
- Accepting proposals in which the bidder is NOT considered the Lender (instead, EMT is the Lender)
 - Bidder would simply be performing administrative servicing functions on behalf of EMT

For Platforms:

- Bidders should clarify their capability of maintaining compliance with relevant lending regulations (e.g., FTC Safeguards Rule)
- Bidders should highlight their platform's capability of providing tools or supporting integrations that aid EMGB in maintaining compliance (e.g., "Know Your Customer" requirements)

Federal Contract Provisions

- Contracts will carry certain federally prescribed terms and conditions (such as Appendix II to 2 CFR Part 200 “Contract Provisions for Non-Federal Entity Contracts Under Federal Awards” and additional requirements).

For example, contractors will be required to:

- Purchase, acquire, and use goods, products, and materials produced in the United States, to the extent that it is legal and practicable to do so. (See 2 C.F.R. § 200.322).
 - Avoid using telecommunications equipment produced by certain companies specified in the federal regulations (2 C.F.R. § 200.216) as a substantial component, essential component, or critical technology in any system. (See 2 C.F.R. § 200.216).
 - Required to file a certification under the “Byrd Anti-Lobbying Amendment” and require subcontractors to do the same. (31 U.S.C. § 1352).
 - Required to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. §§ 7401–7671q) and the Clean Water Act (33 U.S.C. §§ 1251–1387).
- The required federal flow down contract provisions will be dictated by the terms of the primary federal grant award (due March).
 - EPA may be issuing some additional guidance on certain contract requirements (at least as to the applicability of “Build American – Buy American”).

Cost Form & Other Clarifications

Cost Forms:

- Please complete provided cost forms for each RFP
- You may provide additional context and information as to your pricing

Other Clarifications:

- We are accepting proposals from bidders who intend to act as the lender as well as those who do not
- We are accepting proposals that respond to both RFPs including those in which the Platform and Services cannot be separated

Schedule

	Milestone	Platform RFP Dates/Deadlines	Services RFP Dates/Deadlines
1	RFP Issued	1/24/2024	
2	Bidders' Informational Webinar	02/07/2024, 11:00 a.m. – 12:00 p.m	02/13/2024, 11:00 a.m. – 12:00 p.m
3	Questions Due	02/14/2024	02/22/2024
4	Responses to Questions Posted	02/20/2024	03/05/2024
5	Proposals Due	03/19/2024, 11:59 p.m. Eastern Time (US)	03/28/2024, 11:59 p.m. Eastern Time (US)
6	Anticipated Award Date	04/05/2024	04/18/2024
7	Anticipated Contractor Start	04/22/2024	05/03/2024



Q & A

