

Multifamily Energy Efficiency: Opportunities & Barriers

About Eutectics®

- Mission-driven company
- Operate Clean Energy Financing Hubs across U.S.
- Facilitate efficiency and solar financing for underserved and untapped markets
- \$86M + in completed projects to date



Multifamily EE Opportunity & Barriers

- Significant investment opportunity:
 - \$34 Bn in potential investment
 - 347 TBtu annual energy savings
- Multifamily buildings have complex financing structures
 - Tax credits
 - Multiple investors and lenders
- Pre-development challenge:
 - Minnesota has good energy audit resources
 - Building owner capacity for taking on new projects limited

Source: "United States Building Energy Efficiency Retrofits," Deutsche Bank/Rockefeller Foundation, March 2012

Eutectics Methodology

- Segment buildings and projects into categories:
 1. Good Condition or Positive Cash-flow
 - *Manageably underwritten*
 2. Tougher projects
 - *Utilize credit enhancement mechanism*
- Option to turn capital expense into operating expense:
 - Lease
 - Power purchase agreement
- Who is the real owner? **Decision-maker

Case Study – California Portfolio of Multifamily Buildings

ENERGY EFFICIENCY & WATER SAVINGS

PROPERTIES WITH A SIMPLE PAYBACK LESS THAN 7 YRS, AFTER REBATE:

	<i>Efficiency Payback in less than 7 Years, after rebates</i>	<i># Units</i>	<i>Net Capital Cost for Efficiency Measures</i>	<i>Simple Payback on Efficiency Measures (in years)</i>
Abel Gonzalez Apartments	✓	30	\$ 715	0.2
Alcantara Court Apartments	✓	50	\$ 47,393	5.1
Altamont Hotel				
Apollo Hotel				
Bayview Commons Apartments	✓	30	\$ 64,599	6.0
Betel	✓	50	\$ 44,881	2.4
Colosimo				
Del Carlo Court Apartments				
Dunleavy Plaza Apartments	✓	49	\$ 105,511	6.9
Esperanza				
Good Samaritan Apartments	✓	20	\$ 43,066	4.5
Juan PP	✓	30	\$ 44,820	3.1
Madrid				
Maria Alicia Apartments	✓	20	\$ 23,034	2.5
Mariposa Gardens Apartments	✓	63	\$ 135,657	5.0
Parkview				
Plaza Del Sol Apartments	✓	59	\$ 56,568	2.3
Rich Sorro Commons Apartments	✓	100	\$ 215,329	3.8
Valencia Gardens	✓	260	\$ 559,855	4.8
Scattered Sites	✓	75	\$ 161,497	4.9

13 PROPS.

ENERGY EFFICIENCY & WATER SAVINGS

PROPERTIES WITH A SIMPLE PAYBACK LESS THAN 7 YRS, AFTER REBATE
-AND- WITH 2013 AUDITS SHOWING POSITIVE CASH FLOW:

	<i>Efficiency Payback in less than 7 years, after rebates</i>	<i>Cash Flowing Property through FY2013 audit</i>	<i># Units</i>	<i>Net Capital Cost for Efficiency Measures</i>	<i>Simple Payback on Efficiency Measures (in years)</i>
Abel Gonzalez Apartments	✓		30	\$ 715	0.2
Alcantara Court Apartments			50	\$ 47,393	5.1
Altamont Hotel			89	\$ 191,643	11.6
Apollo Hotel		✓	81	\$ 121,014	11.9
Bayview Commons Apartments	✓	✓	30	\$ 64,599	6.0
Betel	✓	✓	50	\$ 44,881	2.4
Colosimo			11	\$ -	0.0
Del Carlo Court Apartments			25	\$ 144,340	8.2
Dunleavy Plaza Apartments	✓		49	\$ 105,511	6.9
Esperanza		✓	39	\$ -	-
Good Samaritan Apartments	✓	✓	20	\$ 43,066	4.5
Juan PP	✓	✓	30	\$ 44,820	3.1
Madrid			44	\$ 121,122	13.4
Maria Alicia Apartments	✓		20	\$ 23,034	2.5
Mariposa Gardens Apartments	✓	✓	63	\$ 135,657	5.0
Parkview			41	\$ 61,254	11.1
Plaza Del Sol Apartments	✓		59	\$ 56,568	2.3
Rich Sorro Commons Apartments	✓	✓	100	\$ 215,329	3.8
Valencia Gardens	✓	✓	260	\$ 559,855	4.8
Scattered Sites	✓		75	\$ 161,497	4.9

GROUP A:

7 PROPS.

ENERGY EFFICIENCY & WATER SAVINGS

PROPERTIES WITH A SIMPLE PAYBACK LESS THAN 7 YRS, AFTER REBATE
-AND- WITH 2013 AUDITS SHOWING POSITIVE CASH FLOW
- AND – NOT PROJECTED FOR RESYNDICATION IN 2015 OR 2016:

	<i>Efficiency Payback in less than 7 Years, after rebates</i>	<i>Cash Flowing Property through FY2013 audit</i>	<i># Units</i>	<i>Net Capital Cost for Efficiency Measures</i>	<i>Simple Payback on Efficiency Measures (in years)</i>
Abel Gonzalez Apartments	✓		30	\$ 715	0.2
Alcantara Court Apartments	✓		50	\$ 47,393	5.1
Altamont Hotel					
Apollo Hotel		✓			
Bayview Commons Apartments	✓	✓	30	\$ 64,599	6.0
Betel	✓	✓	50	\$ 44,881	2.4
Colosimo					
Del Carlo Court Apartments					
Dunleavy Plaza Apartments	✓		49	\$ 105,511	6.9
Esperanza		✓			
Good Samaritan Apartments	✓	✓	20	\$ 43,066	4.5
Juan PP	✓	✓	30	\$ 44,820	3.1
Madrid					
Maria Alicia Apartments	✓		20	\$ 23,034	2.5
Mariposa Gardens Apartments	✓	✓	63	\$ 135,657	5.0
Parkview					
Plaza Del Sol Apartments	✓		59	\$ 56,568	2.3
Rich Sorro Commons Apartments	✓	✓	100	\$ 215,329	3.8
Valencia Gardens	✓	✓	260	\$ 559,855	4.8
Scattered Sites	✓		75	\$ 161,497	4.9

GROUP A:

5 PROPS.

ENERGY EFFICIENCY & WATER SAVINGS

PROPERTIES WITH A SIMPLE PAYBACK LESS THAN 7 YRS, AFTER REBATE
-AND- WITH 2013 AUDITS SHOWING POSITIVE CASH FLOW
- AND – NOT PROJECTED FOR RESYNDICATION IN 2015 OR 2016:

	<i>Efficiency Payback in less than 7 Years, after rebates</i>	<i>Cash Flowing Property through FY2013 audit</i>	<i># Units</i>	<i>Net Capital Cost for Efficiency Measures</i>	<i>Simple Payback on Efficiency Measures (in years)</i>
Abel Gonzalez Apartments	✓		30	\$ 715	0.2
Alcantara Court Apartments	✓		50	\$ 47,393	5.1
Altamont Hotel					
Apollo Hotel		✓			
Bayview Commons Apartments	✓	✓	30	\$ 64,599	6.0
Betel	✓	✓	50	\$ 44,881	2.4
Colosimo					
Del Carlo Court Apartments					
Dunleavy Plaza Apartments	✓		49	\$ 105,511	6.9
Esperanza		✓			
Good Samaritan Apartments	✓	✓	20	\$ 43,066	4.5
Juan PP	✓	✓	30	\$ 44,820	3.1
Madrid					
Maria Alicia Apartments	✓		20	\$ 23,034	2.5
Mariposa Gardens Apartments	✓	✓	63	\$ 135,657	5.0
Parkview					
Plaza Del Sol Apartments	✓		59	\$ 56,568	2.3
Rich Sorro Commons Apartments	✓	✓	100	\$ 215,329	3.8
Valencia Gardens	✓	✓	260	\$ 559,855	4.8
Scattered Sites	✓		75	\$ 161,497	4.9

GROUP A:

6 PROPS.

INCL.

ABEL GONZ.

ENERGY EFFICIENCY & WATER SAVINGS

PROPERTIES WITH A SIMPLE PAYBACK LESS THAN 7 YRS, AFTER REBATE
-AND- WITH 2013 AUDITS SHOWING POSITIVE CASH FLOW
- AND – NOT PROJECTED FOR RESYNDICATION IN 2015 OR 2016:

	<i>Efficiency Payback in less than 7 Years, after rebates</i>	<i>Cash Flowing Property through FY2013 audit</i>	<i># Units</i>	<i>Net Capital Cost for Efficiency Measures</i>	<i>Simple Payback on Efficiency Measures (in years)</i>
Abel Gonzalez Apartments	✓		30	\$ 715	0.2
Alcantara Court Apartments	✓		50	\$ 47,393	5.1
Altamont Hotel					
Apollo Hotel		✓			
Bayview Commons Apartments	✓	✓	30	\$ 64,599	6.0
Betel	✓	✓	50	\$ 44,881	2.4
Colosimo					
Del Carlo Court Apartments					
Dunleavy Plaza Apartments	✓		49	\$ 105,511	6.9
Esperanza		✓			
Good Samaritan Apartments	✓	✓	20	\$ 43,066	4.5
Juan PP	✓	✓	30	\$ 44,820	3.1
Madrid					
Maria Alicia Apartments	✓		20	\$ 23,034	2.5
Mariposa Gardens Apartments	✓	✓	63	\$ 135,657	5.0
Parkview					
Plaza Del Sol Apartments	✓		59	\$ 56,568	2.3
Rich Sorro Commons Apartments	✓	✓	100	\$ 215,329	3.8
Valencia Gardens	✓	✓	260	\$ 559,855	4.8
Scattered Sites	✓		75	\$ 161,497	4.9

GROUP A:

6 PROPS.

INCL.

ABEL GONZ.

TOTAL:

503 UNITS

\$ 1,372,942

COST

\$ 373,500

REBATE

\$ 999,442

NET COST

ENERGY EFFICIENCY & WATER SAVINGS

PROPERTIES WITH A SIMPLE PAYBACK LESS THAN 7 YRS, AFTER REBATE
-BUT- NEEDING THIRD-PARTY CREDIT ENHANCEMENT / GUARANTOR:

	<i>Paybacks Under 7 years, not-cash-flowing properties</i>	<i># Units</i>	<i>Net Capital Cost for Efficiency Measures</i>	<i>Simple Payback on Efficiency Measures (in years)</i>
Abel Gonzalez Apartments				
Alcantara Court Apartments	✓	50	\$ 47,393	5.1
Altamont Hotel				
Apollo Hotel				
Bayview Commons Apartments				
Betel				
Colosimo				
Del Carlo Court Apartments				
Dunleavy Plaza Apartments	✓	25	\$ 105,511	6.9
Esperanza				
Good Samaritan Apartments				
Juan PP				
Madrid				
Maria Alicia Apartments	✓	44	\$ 23,034	2.5
Mariposa Gardens Apartments				
Parkview				
Plaza Del Sol Apartments	✓	41	\$ 56,568	2.3
Rich Sorro Commons Apartments				
Valencia Gardens				
Scattered Sites	✓	260	\$ 161,497	4.9

GROUP B:

5 PROPS.

TOTAL:

420 UNITS

\$ 709,003
COST

\$ 315,000
REBATE

\$ 394,003
NET COST

SOLAR PV

SOLAR PV POWER PURCHASE AGREEMENTS AT 12 PROPERTIES

ZERO-DOWN, CASH-FLOW-POSITIVE CONTRACTS WITH QUALIFIED THIRD-PARTY SOLAR DEVELOPER.

	<i>Solar PV?</i>	<i>Solar PV kW</i>
Abel Gonzalez Apartments	✓	24
Alcantara Court Apartments	✓	36
Altamont Hotel		
Apollo Hotel		
Bayview Commons Apartments	✓	20
Betel	✓	15
Colosimo		
Del Carlo Court Apartments	✓	23
Dunleavy Plaza Apartments	✓	40
Esperanza	✓	25
Good Samaritan Apartments	✓	15
Juan PP		
Madrid		
Maria Alicia Apartments	✓	24
Mariposa Gardens Apartments	✓	30
Parkview		
Plaza Del Sol Apartments	✓	50
Rich Sorro Commons Apartments	✓	140
Valencia Gardens		
Scattered Sites		

SOLAR PV:
12 PROPS.

TOTAL:
442 KW

\$ COST 0

\$ REBATE TBD

\$ NET COST 0

ENERGY EFFICIENCY, WATER & SOLAR

	Efficiency Payback in less than 7 years, after rebates	Solar PV?
Abel Gonzalez Apartments	✓	✓
Alcantara Court Apartments	✓	✓
Altamont Hotel		
Apollo Hotel		
Bayview Commons Apartments	✓	✓
Betel	✓	✓
Colosimo		
Del Carlo Court Apartments		✓
Dunleavy Plaza Apartments	✓	✓
Esperanza		✓
Good Samaritan Apartments	✓	✓
Juan PP	✓	
Madrid		
Maria Alicia Apartments	✓	✓
Mariposa Gardens Apartments	✓	✓
Parkview		
Plaza Del Sol Apartments	✓	✓
Rich Sorro Commons Apartments	✓	✓
Valencia Gardens	✓	
Scattered Sites	✓	

GROUP A:

6 PROPS.

INCL.

ABEL GONZ.

TOTAL:

503 UNITS

\$ 1,372,942

COST

\$ 373,500

REBATE

\$ 999,442

NET COST

GROUP B:

5 PROPS.

TOTAL:

420 UNITS

\$ 709,003

COST

\$ 315,000

REBATE

\$ 394,003

NET COST

SOLAR PV:

12 PROPS.

VIA PPC

TOTAL:

442 KW

\$ 0

COST

\$ TBD

REBATE

\$ 0

NET COST

Questions?



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