

# NECA Launches Online Tool for Financing Energy Efficiency and Renewable Energy Projects

Targeted News Service

BETHESDA, Md., April 2 -- The National Electrical Contractors Association issued the following news release:

The National Electrical Contractors Association (NECA) launches NECA E-CAP, an Energy Conservation and Performance tool, to help member contractors capture more energy efficiency and renewable energy projects. Just like an energy service company (ESCO), NECA contractors can now offer performance contracting services by providing customers with flexible financing solutions and performance guarantees. Members can access the new NECA E-CAP tool for free and create personalized accounts for all their project development, financing, and underwriting needs.

The market outlook for ESCOs is very positive and with this new tool NECA contractors can become larger players in this space. According to a study published by Navigant Research, the US ESCO market is expected to see growth into 2020 from current annual revenues of \$4.9 Billion to almost \$8.3 Billion. The federal sector in particular is expected to be a large contributor to this growth due in part to the Department of Energy's Better Buildings Initiative, which aimed to provide \$2 billion in energy performance contracts in 2013 alone. Further, McKinsey Consulting claims that the US economy currently needs \$520 billion in energy efficiency financing to realize a \$1.2 trillion return on its investment within 10 years.

Contractors using the NECA E-CAP tool can provide clients with investment grade project performance guarantees and flexible project financing using third-party project investors and insurance. With this service, contractors will no longer need to borrow or invest company money or worry if a project will perform as designed; because, financing is only available when the project makes financial sense and guarantees are only available when the projected energy savings are attainable. Users will also be able to seamlessly integrate flexible financing solutions and performance guarantees into an existing sales process with a small amount of additional effort.

While the NECA E-CAP tool is made possible by a first of its kind partnership between four industry leading companies - CapX, Sustainable Real Estate Solutions, Energi, and Honest Buildings - it is non-exclusive as to the source of financing or insurance. If a contractor already has a relationship with a financing or insurance provider, that provider can also be seamlessly integrated into the E-CAP process. The NECA E-CAP tool can also be used to secure Property Assessed Clean Energy, (or "PACE") financing. PACE is one of many financing models that the E-CAP tool supports and is structured so that payments towards the project investment are paid through the building's property taxes. This financing is limited to areas where PACE legislation is enacted, however according to a recent study conducted by PACE Now, 40 states already have PACE legislation in place. There are seven steps to developing a new project through NECA E-CAP:

## Step 1: Identify and Engage Project

After you have been qualified, you will need to identify and engage a project with the NECA E-CAP Project Development Agreement. This agreement is designed to protect your development efforts from uncommitted project beneficiaries.

## Step 2: Generate Project Proposal

Once you have identified and engaged your project, you can begin the design and engineering process. We will provide training and access to our ASTM compliant underwriting platform to make sure that your proposals comply with market best practices.

## Step 3: Underwrite Project Financing

At this stage, we will work with you and your customer to underwrite your project's credit. You will be provided with E-CAP credit applications for both private and public entities reflecting underwriting best practices.

## Step 4: Underwrite Project for Performance Insurance

Once your project has been approved for financing, we will begin underwriting it for an insured performance

guarantee. Our insurance consulting team is dedicated to solving any of your underwriting gaps or problems.

#### Step 5: Select Project Funding Structure

Upon completion of your project's underwriting for financing and performance insurance, we will issue a final term-sheet that gives you the option of a self-fund project with performance guarantee, to fund the project with conventional financing and a performance guarantee, to fund the project using performance based financing, or to fund the project with PACE financing and a performance guarantee.

#### Step 6: Fund and Install Project

Your project funding will commence in accordance with the agreed upon draw schedule in your project's final agreement. The E-CAP tool will provide you with active updates about your project's installation and funding draw schedule.

#### Step 7: Operate and Monitor Project

In the final step, the NECA E-CAP tool will provide you with a dashboard to actively manage your project's measurement and verification requirements using best practices.

Learn more about the NECA E-CAP program <http://www.neca-e-cap.com/>