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CEFIA Announces Sale of Commercial Property Assessed Clean Energy Benefit Assessment Liens

Clean Fund purchases \$30 million portfolio

Rocky Hill, Conn. - May 19, 2014 - The [Clean Energy Finance and Investment Authority](#) (CEFIA), Connecticut's green bank, and [Clean Fund](#), a specialty Property Assessed Clean Energy (PACE) finance provider, today announced the securitization of a portfolio of CEFIA-financed Commercial Property Assessed Clean Energy transactions. The sale will fund a total portfolio of \$30 million of commercial PACE benefit assessment liens financed through a conduit structure. The Public Finance Authority is the issuer of the bonds which have been purchased by Clean Fund and CEFIA.

PACE allows property owners to access 100 percent up-front financing for energy efficiency and renewable energy improvements on their buildings. A lien is attached to the building and the owner repays the investment through an additional charge on their property tax bill.

"The sale of this initial portfolio of PACE liens to Clean Fund is the latest step in our effort to attract and deploy private capital here in Connecticut supporting energy efficiency and renewable energy opportunities," said Bert Hunter, chief investment officer of CEFIA. "Some of the greatest value of the sale has been our enhanced understanding of how private capital providers currently value these low-risk, secure transactions. The bottom line is that PACE is working for building owners who are seeing energy improvements deliver substantial savings and PACE is working for investors who see the security of the financial structure of PACE and are willing to invest in Connecticut."

Connecticut's PACE program was launched in 2013 and is active across 80 municipalities in the state. CEFIA established a \$40 million financing warehouse to underwrite commercial PACE transactions throughout Connecticut.



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We are pleased to have been selected by Connecticut's green bank and are now investing in Connecticut PACE projects", said John Kinney, chief executive officer of Clean Fund. "The due diligence performed at the front end provides a strong foundation for sound investment opportunities. In just a year, Connecticut has moved to the front of the country when it comes to activity on PACE."

CEFIA uses a technical review process and underwriting platform managed by [Sustainable Real Estate Solutions \(SRS\)](#) to quantify potential energy savings and to mitigate financing risk.

The program has closed on 23 projects and approved an additional 10, representing an investment of \$30 million across 25 municipalities. These projects include a combination of energy efficiency, clean distributed generation and hybrid projects. The portfolio represents a lifetime energy savings equivalent of \$40 million. With an additional 75 projects in the pipeline, financing of up to \$75 million is anticipated by the end of 2014.

"The Public Finance Authority is pleased to be part of this unique and important financing that will pave the way for future critical energy efficiency projects," said Jon Penkower, program manager for the Public Finance Authority.

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 supports 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 state Green Bank, CEFIA leverages public and private funds to drive investment and scale-up clean energy deployment in Connecticut. For more information about CEFIA, please visit www.ctcleanenergy.com.

About Clean Fund

Clean Fund is a specialty finance company providing up to 100% financing designed to accelerate investments in energy efficiency, water efficiency, and renewable energy. Clean Fund is the industry leader in implementing Property Assessed Clean Energy ("[PACE](#)") finance for commercial (non-residential) properties. PACE transforms the repayment mechanism for energy investments from an unsecured position in the cap-stack to one that is secured by the entire property. This significant collateral enhancement enables Clean Fund to offer non-recourse long-term financing without covenants. These flexible terms of up to 20 years with a fixed rate produces compelling



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economics and make many more projects both attractive and financeable. For more information on Clean Fund and our team, please visit our website www.cleanfund.com.

About Public Finance Authority

Public Finance Authority (PFA) is a government entity established to issue tax-exempt conduit bonds for public and private entities nationwide and is sponsored by the Wisconsin Counties Association, Wisconsin League of Municipalities, the National Association of Counties and National League of Cities. PFA provides the means to efficiently and reliably finance public benefit projects that create jobs, affordable housing and infrastructure, and improve the overall quality of life in local communities. PFA partners with private borrowers and provides local governments with the technical assistance needed to bring tax-exempt and taxable bonds to market nationwide.

About C-PACE

Administered by CEFIA, C-PACE is a tax-lien financing program that allows interested property owners to finance qualifying energy efficiency and clean energy improvements on their buildings with no upfront costs through a voluntary assessment on their property tax. Similar to a sewer tax assessment, capital provided under the C-PACE Program is secured by a senior lien on the owner's property tax bill and paid back over time, spreading the cost of energy improvements over the expected life of the measures. C-PACE is a policy that promotes economic development upgrades, keeps energy costs down, and provides a platform for Connecticut businesses to maintain a competitive advantage. For more information on the program, please visit www.c-pace.com

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