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# Financing Energy Performance Contracts

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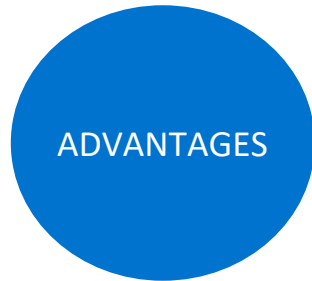
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# Advantages of equipment and lease financing



- 100% financing of project costs
- Lessee / issuer ownership
- Ability to match financing terms to the useful life of the assets
- Flexible payment structure
- Voter approval may not be required
- Low transaction expenses
- Rate locks may be available
- Simplified process and flexibility to meet timing requirements

## LEASING PRODUCTS

### **Master lease line**

- Index based financing contract allows for ease of funding equipment as needs arise
- Involves multiple assets, may have multiple tenors
- Fixed or floating rate
- Extended draw downs (up to 1 year)
- Funded either:
  - Into Escrow Account: single funding; priced at funding date, or
  - Upon delivery of equipment: multiple fundings with pricing based on formula set at outset of lease, recalculated upon each funding

### **Single project financing**

- Fixed or floating rate
- Funded into Escrow Account or direct to vendor
- Rate locks may be available

### **Energy Services Agreement**

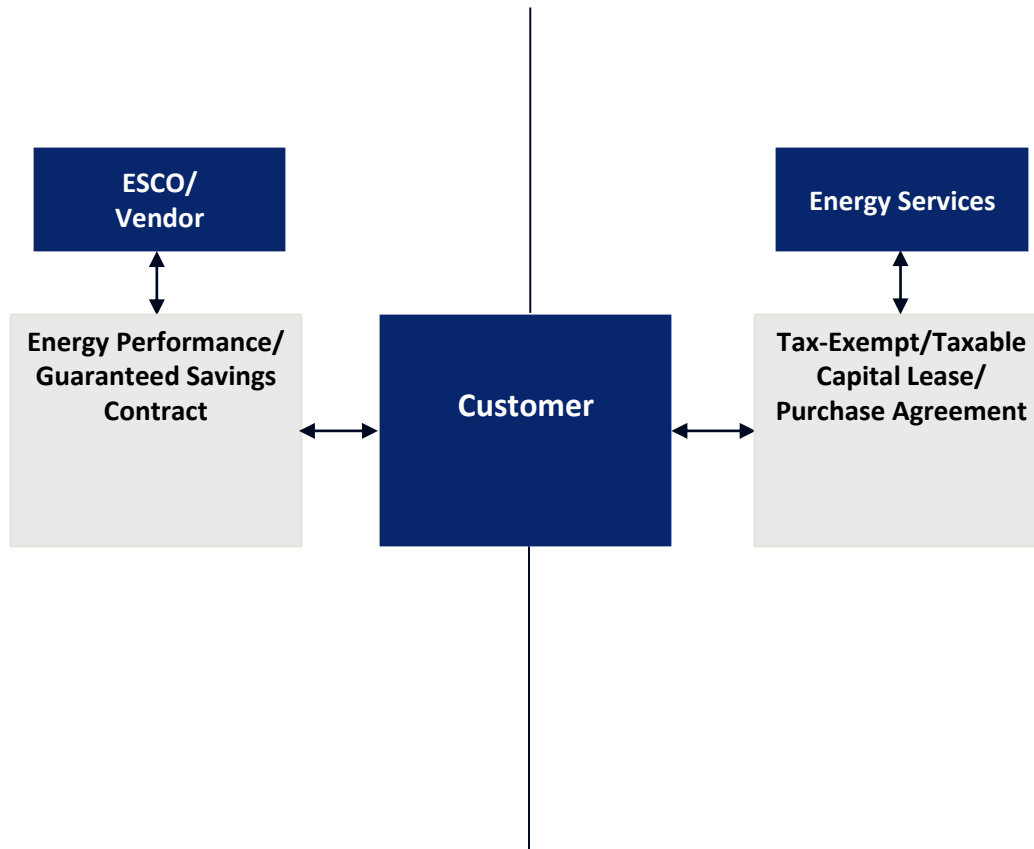
- Financing of a performance based energy contract
- Typically third party ownership



# Energy performance contracting diagram

Financing example using a lease/purchase agreement

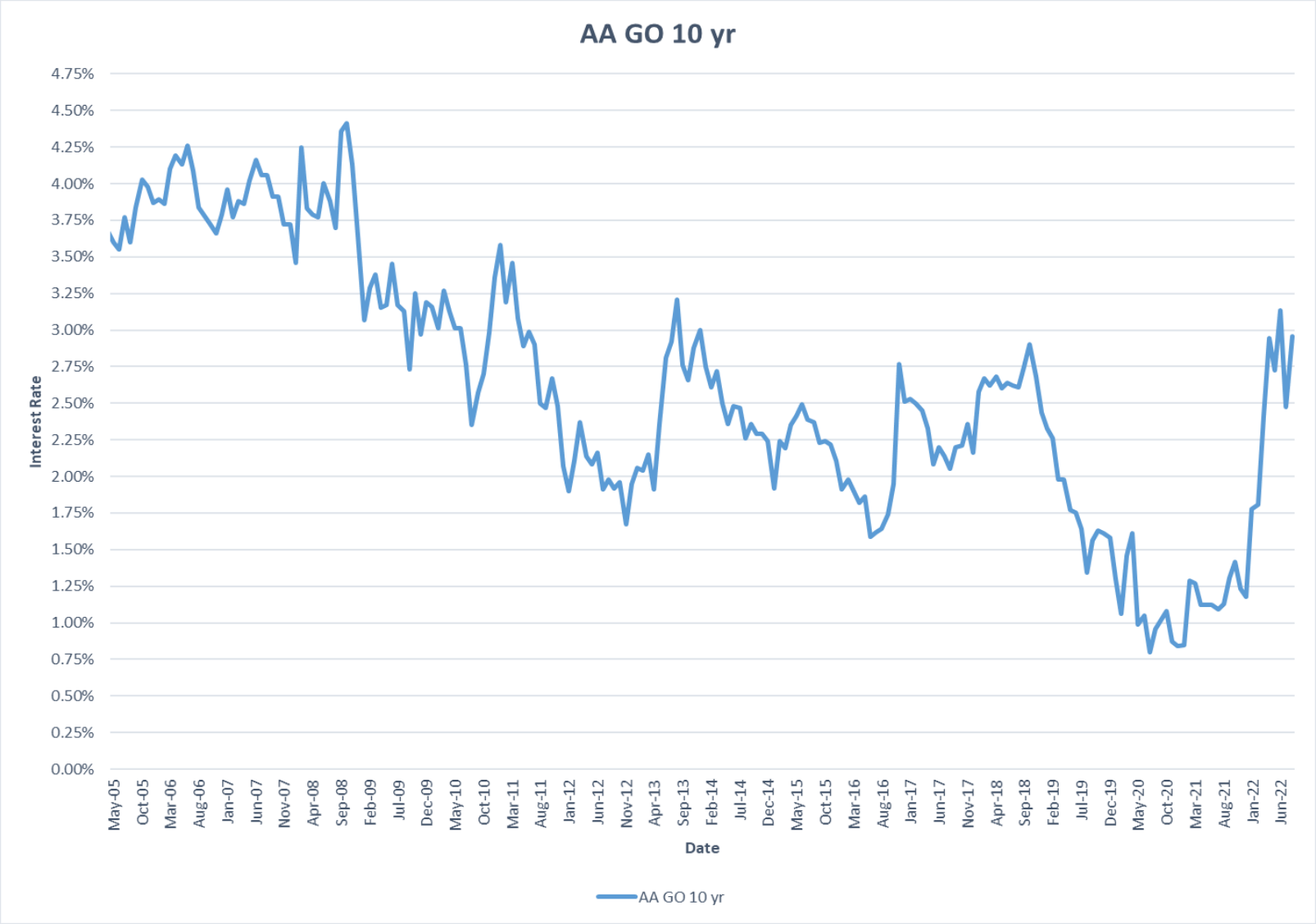
The issuer's obligations under the lease/purchase agreement are independent of the vendor's obligations under the energy performance contracting agreement.



# Market Rate Updates

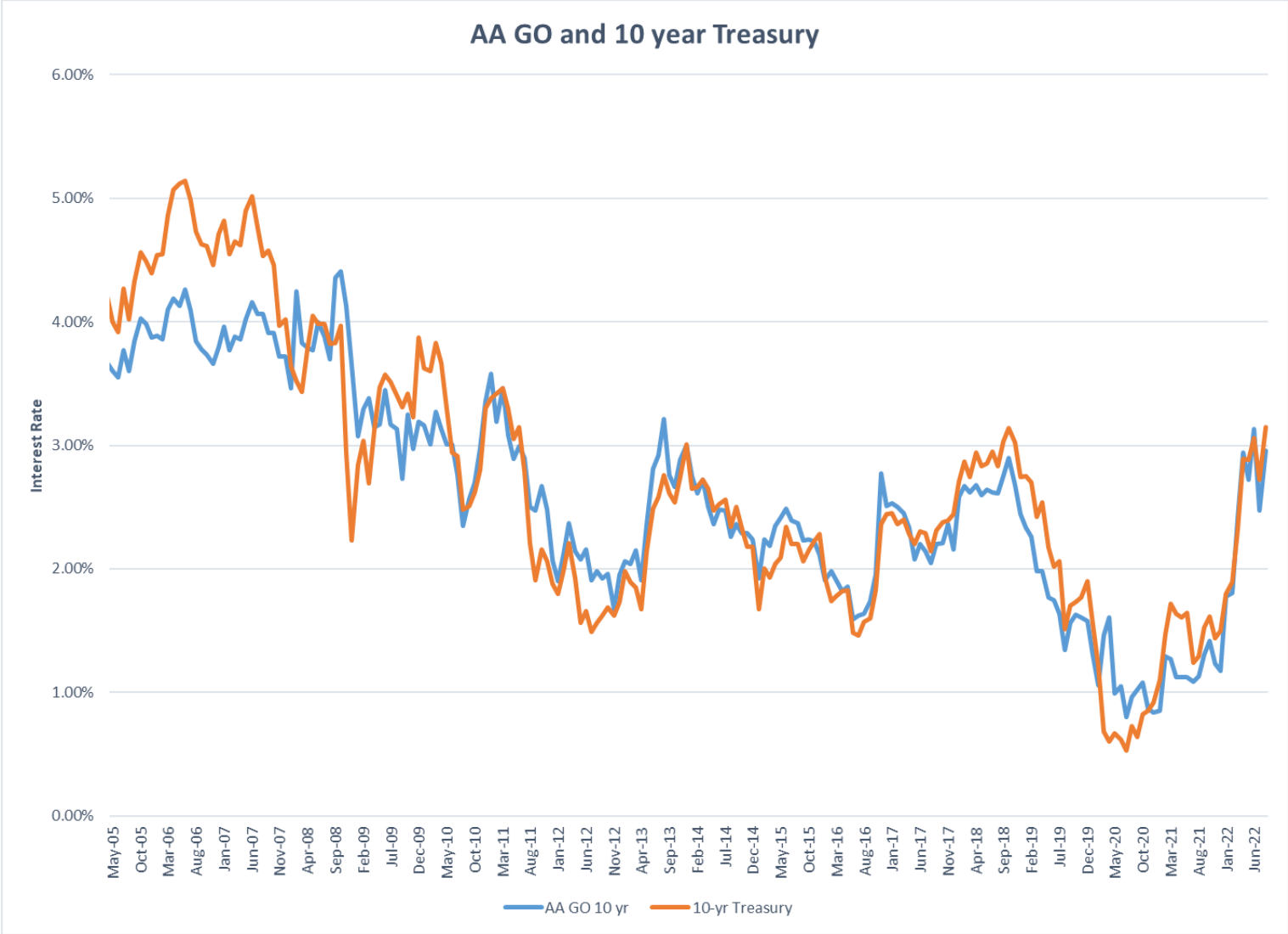


# Municipal rate update



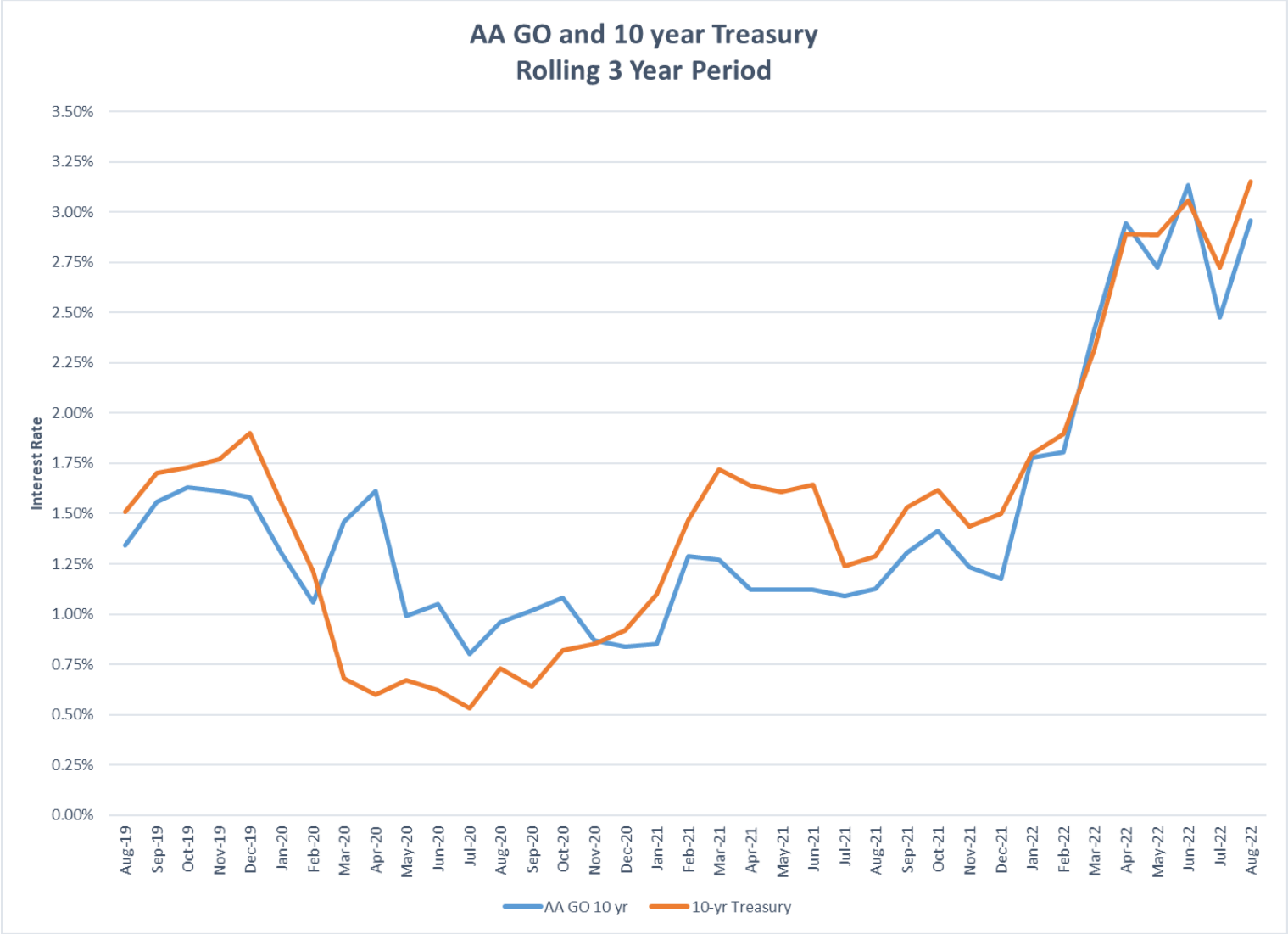
Source: As of 8.31.22 Municipal Market Data (MMD)

# Municipal and treasury rate update



Source: As of 8.31.22 Municipal Market Data (MMD) and Treasury Rates - Bloomberg

# Municipal and treasury rate update



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