



CLEAN ENERGY FUND

APPLICATION AND PROGRAM GUIDE

For additional program details or questions contact:
Scott Maslansky, Director of Clean Energy Finance
Community Development Finance Authority
Main: 603-226-2170 | Direct: 603-717-9123
Email: smaslansky@nhcdfa.org | www.nhcdfa.org

Published July 15, 2018

TABLE OF CONTENTS

COMMUNITY DEVELOPMENT FINANCE AUTHORITY	3
PROGRAM OVERVIEW	3
PROGRAM OBJECTIVES	3
ELIGIBILITY	4
PROGRAM DETAILS	4
HOW TO APPLY	5
TIMELINES AND FUNDING AVAILABILITY	5
LOAN DOCUMENTATION	5
PROGRAM ADMINISTRATION	6
APPENDIX A: PROJECT EXAMPLES.....	8
APPENDIX B: APPLICATION OUTLINE.....	9
APPENDIX C: HOW TO REGISTER ON CDFA'S GRANTS MANAGEMENT SYSTEM.....	15
APPENDIX D: TIPS FOR USING CDFA'S GRANTS MANAGEMENT SYSTEM	16

COMMUNITY DEVELOPMENT FINANCE AUTHORITY

The Community Development Finance Authority (CDFA) is a statewide nonprofit public authority focused on maximizing the value and impact of community development, economic development and clean energy initiatives throughout New Hampshire. The organization leverages a variety of financial and technical resources, including the competitive deployment of grant, loan and equity programs.

CDFA'S VISION & MISSION

CDFA envisions New Hampshire's future with economically and socially resilient communities that reflect and respect their natural surroundings and represent places where people want to live and work. In working towards this vision, CDFA invests in the people of New Hampshire by:

- Enabling its partners to make transformational and sustainable changes;
- Meeting the evolving needs of New Hampshire communities;
- Deploying a well-tuned, effective investment system which directly impacts local communities; and
- Taking an innovative and collaborative approach to development finance.

PROGRAM OVERVIEW

CDFA's Clean Energy Fund invests in energy efficiency and renewable energy projects that reduce costs for New Hampshire businesses, non-profits, and municipalities, while helping to address New Hampshire's energy challenges in a fiscally and environmentally responsible manner – helping to ensure our future economic and financial strength.

Capitalized at over \$10 Million, CDFA's Clean Energy Fund merges four individual revolving loan funds dedicated to financing energy-efficiency improvements and clean / renewable energy initiatives into a single program and application process providing low-interest loans along with energy technical assistance and project funding guidance.

Funding for the program comes from a combination of Federal and State sources as well CDFA's own funds.

PROGRAM OBJECTIVES

1. Offer financing options for New Hampshire businesses, non-profits, and municipalities to implement energy efficiency and renewable energy projects that:
 - a. Reduce operating costs
 - b. Reduce energy use and its related environmental impacts
 - c. Improve non-energy benefits including: Building durability, occupant comfort and safety, and workplace productivity;
2. Provide technical assistance to prospective borrowers as well as to contractors and partners even in the early stages of a project;
3. Complement CDFA's grant programs with financing tools and technical support for projects with expected annual energy savings;
4. Coordinate with non-CDFA funding sources to enable a creative approach to financing;
5. Develop public-private partnerships, de-risking private investment;
6. Structure loans to ensure project savings are equal to or greater than annual debt service payments.

ELIGIBILITY

Eligible Applicants

New Hampshire businesses, non-profits, and municipalities.

Eligibility Requirements

While each loan fund includes its own set of specific eligibility requirements, all Clean Energy Fund loans require that:

- Financed projects result in at least 15% energy savings;
- Energy Efficiency projects require a Level II energy audit (lighting-only projects are excluded);
- Lifetime savings must be greater than cost of project;
- Term of loan may not exceed the estimated useful life of project;

PROGRAM DETAILS

All Clean Energy Fund loan applicants are subjected to a substantial programmatic and financial review.

Loan Amount

Clean Energy Fund loans range from \$30,000 to \$500,000. CDFFA will consider Clean Energy Fund loans down to \$15,000 for certain Municipal projects.

Loan Term

Up to 10 years with potentially longer amortization periods for renewable energy projects. Interest-only payments are allowed during the construction period, up to 3 months, followed by principal and interest payments. There is no penalty for Pre-payment.

Interest Rate

2% - 4% depending on the type of entity applying and their eligibility for various sources of funds. Rates are subject to change.

Collateral/Guaranty

An unconditional repayment guarantee shall be required on all loans. In addition to a guarantee, CDFFA's policy is to require security on all loans. CDFFA will require either a mortgage on real property and/or a UCC filing on the other assets of the borrower. A personal guaranty shall be required from owners of 20% or more of the company or where the credit history of the borrower is deemed to be at risk. CDFFA may take a subordinate position in a project if it is determined that the borrower is in good financial health and that the loan would not be possible if a first position lien were to be required.

Permitted Uses of Funds

Clean Energy Funds may be used for most energy savings measures and renewable energy technologies (some specific limitations may apply). Non-energy saving measures connected to an energy upgrade (such as roof replacements for solar and asbestos removal for boiler replacements) may be allowable in the loan request as long as it is necessary to complete the project and the minimum energy requirements are met. The cost of an energy audit may also be allowable in the loan request.

Note: The terms listed above are subject to differences within various funding sources and are subject to change.

Technical Assistance

The Clean Energy Fund Program Director is qualified to provide technical assistance from the earliest stages of project development through project completion and monitoring. Energy technical assistance as well as guidance regarding rebates, grants, and other sources of project support are available.

HOW TO APPLY

Pre-application consultation with CDFA staff is required before submitting a formal application. To discuss your project and loan application, please contact CDFA at 603-226-2170, or email Director of Clean Energy Financing Scott Maslansky at smaslansky@nhcdfa.org.

All applications must be completed and submitted on CDFA'S Grants Management System (www.nhcdfragrants.org). The application requires borrower information, details on the facility or property hosting the project, project description, the project's sources and uses of funds, the extent to which the project aligns with the objectives outlined New Hampshire RSA 162-L, and information that will help determine the applicant's capacity to complete a successful project and repay the loan. All applications will be subjected to substantial programmatic and financial review.

Examples of typical loans can be found in Appendix A of this Document. An outline of CDFA's Clean Energy Fund application can be found in Appendix B of this document. Information on using CDFA's Grants Management System can be found in Appendices C and D of this document.

TIMELINES AND FUNDING AVAILABILITY

Applicants should note the following timeframes as they relate to Clean Energy Fund loan applications.

Online Application and Funding Availability

Applications are available on CDFA's Grants Management System (GMS) throughout the year and Clean Energy Loan funds are available to eligible applicants and applications on a first-come, first-served basis.

Loan Application Review Timeline

Once a complete loan application is submitted, we will make every effort to complete project review and underwriting within 30 days. Incomplete information or required requests for additional information may extend this time period.

Once approved, borrowers will receive a Commitment Letter and will complete the loan documents process, which takes approximately two weeks. Loan applicants should expect the entire process from completed loan application to loan closing to take approximately 45 days.

Loan Disbursement

Clean Energy Fund loan borrowers must submit a claim on CDFA's Grants Management System (GMS) in order for loan funds to be disbursed. Once a claim is submitted with all required information and documentation, funds will be disbursed within 2 weeks. Claims are approved for work completed or equipment/material stored on site.

LOAN DOCUMENTATION

The following documents will be required for closing of an approved loan:

Loan Commitment Letter

This letter states the amount of the approved loan, loan terms, and any special conditions pertaining to the loan commitment.

Loan Agreement and Promissory Note

Borrowers must enter into a Loan Agreement and Promissory Note with CDFA using CDFA's standard form. The Loan Agreement and Promissory Note includes the 'maximum loan amount' that CDFA might provide to the project along with all of the terms governing the loan. In almost all cases, this amount will exceed the initial loan amount authorized by CDFA. Thus, the agreement anticipates the possibility of future allocations.

Corporate Resolution or Municipal meeting minutes

The borrower will be asked to provide documentation expressing the authority for the borrowing organization to borrow up to the 'maximum loan amount', to grant guarantees or assignments (if required), and to designate an individual to sign the documents with CDFA on the borrowing organization's behalf. A written resolution or meeting minutes documenting the corporation or municipality's approval is required.

Attorney Opinion Letter (Municipalities only)

Verifies the review of the loan documents.

Reporting Requirements

Once a loan is closed, CDFA reserves the right to request and receive annual financial statements from the Borrower. Failure to provide financial information in a timely basis will result in Borrower being in default of the terms of this Loan and result in Lender charging Borrower a \$50.00 per month late fee.

Additional Conditions to Closing

Borrower must agree to disclose all energy usage data for a period of 12 months following the project completion, and provide evidence of town approvals and permits, if applicable. Borrower must agree that if grant or rebate funds to support this project are received (i.e. USDA REAP grant or utility incentives), applicant will immediately pay down CDFA loan by that amount. If Federal funds are used to finance (discussed during application process), certain federal requirements will apply including the Davis Bacon Act.

PROGRAM ADMINISTRATION

Programmatic Underwriting

The Clean Energy Fund program requires that:

1. Projects must result in 15% Minimum Energy Savings;
2. Energy Efficiency work requires a Level II energy audit (Single measure lighting projects may be excepted);
3. <10 yr. payback for energy efficiency and <20 yr. payback for renewable energy projects;
4. Estimated lifetime project savings must be greater than cost of project;
5. Term of loan may not exceed estimated useful life of project;

Additional requirements may exist depending on the project scope, entity type of the applicant, and the source of funds for the loan.

Financial Underwriting

Each borrower will be evaluated to assure that they will reasonably be expected to repay the loan within the terms of their agreement. The final decision will take into account the overall financial condition of the borrower and the reasonableness of the financial projections provided with the application.

Disbursements – After a loan is executed, the borrower submits claims for reimbursement through GMS and attaches invoices approved for payment and other documentation. Detailed instructions for submitting claims in GMS are provided with signed loan documents.

Loan Payments

CDFA requires that borrowers pay their monthly payments via the ACH system. Borrowers are asked to provide CDFA with banking information so that CDFA will set up the automated payments with their bank to be drawn on the borrower's bank account on the same day each month.

Federal Requirements & Compliance Consultant

Applicants opting to utilize Federal Funding sources will be subject to procurement, prevailing wage, and other

Federal requirements and are required to contract with a compliance consultant to manage all federal requirements for the project.

Program Contact

Prospective Clean Energy Fund applicants are encouraged to consult with CDFA staff before submitting a formal application. For more information, please contact Scott Maslansky, CDFA Director of Clean Energy Finance, at 603-226-2170, or email smaslansky@nhcdfa.org.

APPENDIX A: PROJECT EXAMPLES

Below are examples of typical projects financed via the Clean Energy Fund

Project Location Type	Borrower Type	Project Description	Loan Size
Elderly Housing	Non-Profit	Rooftop Solar, Mini Split Heat Pumps, Weatherization	\$ 251,051
Theater Group	Non-Profit	Rooftop Solar	\$ 27,175
IT Company	Business	Rooftop Solar	\$ 162,958
Manufacturer	Business	Rooftop solar	\$ 108,032
Project Development Company	Business	Rooftop Solar Power Purchase Agreement (PPA)	\$ 192,000
Sports Club	Business	LED Lighting Retrofit	\$ 30,000
Multifamily Residential Housing	Business	Weatherization, Air Source Heat Pumps	\$ 214,000
Regional Development Corporation	Non-Profit	Biomass wood pellet heat conversion, weatherization	\$ 265,390
Town of Lyme	Municipality	Rooftop Community Solar	\$ 29,313
Town of Warner	Municipality	Ground Mounted Community Solar	\$ 273,595
Dental Office	Business	Rooftop and Ground Mounted Tracking Solar	\$ 51,633
Town of Gorham	Municipality	LED Street Lighting	\$ 40,000
Child Care Center	Business	Weatherization, Heat Pumps and Rooftop Solar	\$ 92,778

APPENDIX B: APPLICATION OUTLINE

Below you will find an outline of the application for the 2018 Clean Energy Fund. Applications are accepted on a rolling basis through our online Grants Management System ('GMS')(www.nhcdagranants.org). Hard copy or emailed applications will not be accepted.

I. General Information

- **Primary Contact**
- **Authorized Official/Authorized Official email**
- **Organization Information**
- **DUNS#/Executive Council District/CCR#**

II. Ownership and Corporate Information

- **Business/ Organization Description**
Please describe your organization including the ownership structure, the type of organization (e.g. 501 (C) 3, LLC, Partnership, etc.); years in business and a detailed explanation of what you do.
- **Number of Full Time Employees**
- **Annual Revenues**
- **Ownership Information**
Owner Name(s) and % Ownership

III. Project Information

- **Project Description**
Please describe your project, and provide a breakdown of how the funds are going to be used i.e. what will the loan funds be used for?
- **Estimated Annual Cost Savings**
- **Estimated Annual Energy Savings**
- **Approvals and Permits**
If this is a building renovation or retrofit project, have you obtained all of the necessary town/state approvals and permits to proceed forward with your project? If not, please summarize the permitting process for the project.
- **Project Benefits**
What will be the economic benefits to the organization or small business from funding this project? Where will the savings be redirected once the loan has been repaid?
- **Low-Moderate-Income Benefit**
Will the project provide a benefit to LMI households or individuals, or other community benefits? Please explain.
- **Borrower Background**
Please describe the organization borrowing the loan funds along with the organization that will be saving energy (if different). Include years in business, # of employees, other locations, a description of what the organization does. Has this organization ever undertaken a similar project?

- **Management Experience**
Who will oversee the project? Please provide the experience of the individuals overseeing the project.
- **History with CDFA**
Has the borrower ever received a grant or loan from CDFA? If so, please explain.

IV. Property Information

- **Add the following property information for each building related to the project**
 - Street Address,
 - Town/City
 - Legal Owner
 - Year Constructed
 - Subsidized Multi Family Property?
 - Architectural/Historical Significance
 - Square Footage of Conditioned (heated and cooled) space
 - Type of Roof
 - Age and Condition of Roof
- **Property Site Control (select one)**
 - Currently Owned by Applicant
 - Currently Leased by Applicant
 - Under Purchase Agreement
 - Other (Explain)
- **Have you already completed an energy audit on your building?** (Select Yes or No)
If you answer “yes”, you have already completed an energy audit, attach a copy of the energy audit under other attachments.
If you answer “no,” please be aware that, for all energy efficiency work a level II energy audit is required.
- **Energy Use and Procurement**
Please explain how your currently procure heat and electricity for your building. (Name of vendor, utility, competitive supplier)
- **Energy Types Used (Select One or More)**
 - Electricity
 - Propane
 - Fuel Oil
 - Wood
 - Natural Gas
 - Other

V. Annual Energy Use

- **Add the following property information for each building related to the project**
 - Name of Building
 - Building Address
 - Electricity Usage (kWh)
 - Electricity cost
 - Natural Gas Usage
 - Natural Gas Cost
 - Fuel Oil Usage
 - Fuel Oil Cost
 - Propane Usage (gallons)
 - Propane Cost
 - Water Usage (gallons)

- Water Cost
- Total Energy Cost
- How is your Building Heated? (E.g. oil, propane, electric, combination?)
- What is the total annual cost to heat the building?

VI. Project Sources and Uses

- **Total Loan Request**
- **Uses** (Provide Brief Description and Amount for applicable rows)
 - Equipment
 - Renovations
 - Engineering/Architect/ Consultant
 - Renewable Energy Installation
 - Insulation/Weatherization
 - Lighting
 - Heating System
 - Other
- **Sources** (Provide Amount, Funding Entity, Rate, Term, Collateral for applicable rows)
 - Clean Energy Loan
 - Other Loans
 - Utility Rebates
 - Equity Injection
 - Grants
 - Other
- **Outstanding Debt**
 Enter the following information for each source of debt:
 - Name of Creditor/Bond
 - Amount
 - Origination Date
 - Purpose
 - Term
 - Rate
 - Payment
 - Balance
 - Collateral

VII. Requested Documents

Upload the Following Documents based on your entity type below (Businesses will email documents).

All Borrowers	
	Energy Audit (Energy Efficiency Projects only) - Attach energy audit including estimated annual savings.
	Baseline Energy Use Data - Minimum of two years of heating fuel and electric data (KWH, gallons, tons, cords, etc.) Spreadsheet can be used. Must attach 1 copy of all pages of recent electric bill and 1 copy of a heating fuel bill. Note: Fuel bills not required for lighting only or solar only projects

Clean Energy Project Proforma – Show at least 5 yrs. of estimated project cash flows including overall project cost, net cost, annual savings, and incentives. Show the simple payback in years. (This can be part of contractor proposal).
Any required permits (i.e. building permit)
Confirmation of any utility incentives/rebates
Photo/content release form and Utility release form.
Corporate Resolution or Municipal meeting minutes authorizing Borrower and Signer
Authorized Official's Signature (<i>print this application, sign, upload</i>)
If building owner is different from applicant: Written permission from building owner to complete project.
Municipality
Three Years of audited financial statements.
Current year budget.
Non-Profit Corporation
Three years accountant prepared financial statements (compilation, review or audit).
Three years of IRS form 990.
Current year budget.
Organization Purpose/Mission. Brief history of organization and program overview
IRS Letter - Copy of 501c(3) determination letter
State Licenses. Attach copy as applicable (child care license, residential facility, etc.)
Corporate Articles of Incorporation and By-Laws
Mid-Large For-Profit Corporation or LLC
<u>Please note:</u> Collateral will be required for all loans A Personal Guarantee will be required for any person that has a 20% or more ownership share in the company.
Checklist for financial documents (Download, complete, and upload). E-mail completed checklist with financial documents to underwriting@nhcdfa.org
<ul style="list-style-type: none"> • Three years of accountant prepared financial statements if available (compilation, review or audit) • Three years of company tax returns. • Year to date financial statements and current year budget • If there is a related real estate holding company pledging collateral that files Partnership or Trust tax return, include three years of tax returns for that entity. • Current Accounts Receivable / Accounts Payable Aging (if available). • Personal Financial Statement for all owners of 20% or more of the borrowing entity. • Two years of personal tax returns for all owners of 20% or more of the borrowing entity.

<ul style="list-style-type: none"> • Personal credit reporting authorization (if not included on personal financial statement form).
Small Business or Service Company
<p><u>Please note:</u></p> <p>Collateral will be required for all loans</p> <p>A Personal Guarantee will be required for any person that has a 20% or more ownership share in the company.</p>
<p>Checklist for financial documents (Download, complete, and upload). E-mail completed checklist with financial documents to underwriting@nhcdfa.org</p>
<ul style="list-style-type: none"> • Three years of company tax returns & P&L/BS • Year to date financial statements and current year budget • If there is a related real estate holding company pledging collateral that files Partnership or Trust tax return include three years of tax returns for that entity. • Personal Financial Statement for all owners of 20% or more of the borrowing entity. • Two years of personal tax returns for all owners of 20% or more of the borrowing entity. • Personal credit reporting authorization (if not included on personal financial statement form).

VIII. Miscellaneous Information

- **Has any person connected with this application, the organization or any principle official:**
 - **Ever been convicted of a felony?***
 - **Ever been debarred from accepting state or federal contracts or grants?**

If you answer yes to either of the above questions, please provide details on a separate sheet and attach it to the attachments component.
- **Is the business/organization or its management currently involved in any pending lawsuits involving the business/organization that could negatively impact its financial stability?**
If yes, please provide details.
- **Have you, the company/organization or any officer for the company/organization been involved in bankruptcy proceedings?**
If yes, please provide details.
- **Would your project be able to follow federal procurement rules, including getting (3) quotes for each contract, and pay Davis Bacon wages?**

IX. CERTIFICATION

I certify that I am one of the persons named above, and am authorized by the applicant organization to submit this application. I certify that all statements are true and accurate to the best of my knowledge.

I acknowledge this application is being submitted with the full knowledge and approval of the organization's Board of Directors and that the organization will comply with:

- New Hampshire conflict of interest laws as defined by RSA 7:19-a and RSA 292:6-a;
- CDFA's Privacy Policy by which you acknowledge all information and documents created, accepted or obtained by, or on behalf of, CDFA are potentially subject to disclosure in compliance with RSA 91-A, New Hampshire's Right-to-Know law.

The undersigned certifies that to the best of their knowledge and belief, all information contained in the Clean Energy Fund loan application and the accompanying statements and documentation is true, complete and

correct. The undersigned agrees to notify CDFA immediately if there any material changes to this information contained within. The undersigned authorizes CDFA to contact any bank and trade creditor it deems necessary without further notice, including, but not limited to, Dun & Bradstreet, Equifax, TransUnion, or Experian. Once you have completed all the required fields, print out this form, sign it and attach a signed copy under the attachments component.

- **Authorized Official's Name**

APPENDIX C: HOW TO REGISTER ON CDFA'S GRANTS MANAGEMENT SYSTEM

Registration Instructions

These instructions are designed to help guide you through the registration process for CDFA's online grants management system (GMS) at www.nhcdfragrants.org. If you encounter any problems, please don't hesitate to contact CDFA at 603-226-2170.

- 1) Go to www.nhcdfragrants.org.
- 2) Click on **Register Here**.
- 3) Complete the form. This will become your personal profile information and includes your contact information as well as information about your organization. Your profile will be used for all grant communication, so make sure it's accurate and up-to-date.
- 4) Fields with a red star (*) are required, and must be completed or you will not be able to submit your registration.
- 5) Once complete, click the Register link at the top of the form.
- 6) CDFA will be notified of your registration and will review and approve within 2 business days. You will then receive an email from GMS with your user ID and password. You can change your password after you log in, under the My Profile on the main menu page.
- 7) Note: All individuals working on an application in GMS must register. If your organization hires a grant writer, they must register as well, under their business. They must submit a GMS authorization form to be associated with the applicant organization. This form can be found in the Funding Opportunity under attachments.

Application Instructions

- 1) Once you're registered, login to GMS.
- 2) Click on **Funding Opportunities**.
- 3) Select the appropriate funding opportunity from the **Opportunity Title** column.
- 4) Click on **Start a New Application**.
- 5) Fill in the General Information and click **Save**.
- 6) When you've finished all the components, click **Submit**.

APPENDIX D: TIPS FOR USING CDFA'S GRANTS MANAGEMENT SYSTEM

These tips are designed to help guide you while using CDFA's online grants management system (GMS) at www.nhcdfragrants.org. If you encounter any problems, please don't hesitate to contact CDFA at 603-226-2170.

- 1) The best browsers to use are Mozilla Firefox or Google Chrome.
- 2) To edit a component, click "edit" near the top of the form. Fields and text boxes will open for you to answer the question(s). Be sure to click on Save after answering questions.
- 3) You can copy and paste from a Word document to a question in GMS. Use the "Paste from Word" feature in each text box banner to avoid copying hidden characters.
- 4) To add a required document, click on the green plus sign to the right of the document. You will then be prompted to browse and attach a file.
- 5) Only attach .pdf or .jpeg documents. If you don't have Adobe software, you can use cutewriter to pdf any document. You can download cutewriter software at www.cutepdf.com.
- 6) If you mark a component complete you can still edit that component until the application is submitted, however, you can't submit your application until all components are marked complete.
- 7) Once you click submit your application will be submitted for review and is only accessible through negotiation. If there is information missing or that needs to be corrected, the respective component(s) will be negotiated back to you for correction.
- 8) After the corrections are made, you must submit the component(s) back to CDFA for review.
- 9) If multiple questions in one component are required fields, you can save the component without answering all of the questions by adding at least one (1) character to each of the required boxes and save. Remember to return and answer these questions before the application is submitted.
- 10) Be sure to "Save" early and often.
- 11) The system will "time out" after three (3) hours of inactivity.
- 12) If you click the back button before you click save your information will be lost.
- 13) Before submitting your application, we recommend that you preview your application, print to pdf and save it to your computer.