MassHEFA Green Loan Program

Cynthia Arcate, President & CEO

June 24, 2010

PowerOptions

Who Is PowerOptions?

- A nonprofit (501c(3)) energy purchasing consortium formed in 1996 by the Health and Educational Facilities Authority (HEFA) for all nonprofits, cities/towns and state governmental entities in Massachusetts. Currently over 500 members.
- Nonprofits join PowerOptions as members and receive access to pre-negotiated electricity, natural gas and demand response contracts.
- Total annual electric and gas commodity sales of $230M
- 220 MW load and 11,000 gWhs of electricity
- 11 Million decatherms of natural gas
- Funded through nominal membership fees and supplier administrative fees

PowerOptions

HEFA

- Massachusetts Health and Educational Facilities Authority
  - HEFA receives no tax-payer dollars or state monies
- Works with nonprofit Hospitals and Health Centers, Colleges and Universities, Cultural Institutions, Research and Scientific Organizations, and certain Human Service Agencies
- Provides tax-exempt financing for capital projects
- In FY2009, HEFA financed 63 projects totaling more than $3.2 billion
- Financing programs include Bond Issues, Pool Loans, Capital Leases, Grants and the Green Loan Program

PowerOptions

MassHEFA Green Loan Program

- **Marketed by PowerOptions**
- **$4M commitment of revolving loan fund**
- **All 501 (c)(3) non-profits and HEFA eligible entities qualify (no governmental entities)**
- **Program designed for projects too big for utility loan programs and too small to otherwise be bundled in tax-exempt financing of non-profit**
- **Loan amounts: $50K - $500K (aggregate)**
- **Net of EE rebates or subsidies**
- **Term: up to 7 years**
- **Conditioned on approved PA application**

PowerOptions

Application Process

- **Must be a PowerOptions member in good standing**
- **Application prior to approval by PA but must include PA application**
- **Can receive loan prior to completed installation**
- **Applications reviewed by internal HEFA committee based on, among other things, creditworthiness and payback period (cash flow)**
- **Below market interest rate**
- **Level monthly payments - mandatory direct debit**
- **Post installation inspection report required afterwards**
- **Standard reps and warranties**

PowerOptions

Review Process

- **Applications will be reviewed on the following criteria:**
  - **The financial strength of the organization, feasibility of the project, amount of project related-savings and other project funding sources;**
  - **Organization has been in existence for at least five years;**
  - **An unqualified opinion on its most recently audited financials;**
  - **Projected cash-flow will adequately cover loan repayments (preferably from project-related savings);**
  - **Organization is meeting all of its current debt obligations.**

PowerOptions

Application Contact

Jose Peralta

Manager of Pool Loans

617-737-8377

jperalta@mhefa.org

PowerOptions