

Chris: Hello, and thank you for joining us today for our webinar on Qualified Energy Conservation Bonds. We really appreciate a really terrific turnout of folks who are interested in the topic and we're excited about the folks that we are able to provide on the webinar here to provide their expertise.

We're extremely fortunate to have a really great bunch of folks not only that are dedicated to trying to make these Qualified Energy Conservation Bonds available to finance clean energy and energy efficiency projects at local levels across the country, but also that they're here today to talk to us and share their expertise and their insight into this important market for us.

We're going to start off with Brandon Belford who is with the White House's National Economic Council. Brandon, as many of you know, began his public service at the Department of Energy and has interacted on the state and local level with energy-specific projects for a number of years now, and now working at the White House has a much broader portfolio but continues to be an expert in the energy realm, and particularly in the energy *[6 seconds blank]*

--for my money the subject matter expert on how state and local governments can access the Qualified Energy Conservation Bonds. Working from the Lawrence Berkeley National Laboratory Mark has been neck deep in this for the number of years that all of us have been trying to unlock these funds.

Following Mark will be John Cross, who is joining us here today from the US Department of Treasury. As many of you know, the Treasury recently released clarifying guidance on how to justify the use of Qualified Energy Conservation Bonds, and John will be able to give us some insight into how that applies to your particular local situation.

Then speaking of local situations, we're very fortunate to be joined by the City of San Diego, Tom Blair, and the City of Philadelphia, Adam Agalloco. Adam, I apologize, I butchered that name again. I will have to practice that a little bit. But both of them will be able to give us some real in-depth examples into the very tangible projects that they were able to execute using QECBs.

And then lastly but absolutely not least, the backbone of this entire project and this technical assistance is Molly Lunn, who works here at the Department of Energy, and who will be running this webinar and be a resource for any of you all as a center of knowledge and a way to make sure that you can interact with these experts, with your peers, and get information and drive forward on this topic.

Again, I appreciate all of you joining us today and hope that you get as much out of this webinar as we hope, and we look forward to your questions and interactions after this as well. With that, I'll hand the microphone over to Brandon Belford from the White House's National Economic Council.

Brandon Belford: Thanks, Chris, and thanks, everyone, for joining today's call. I will make my opening remarks relatively brief and let the true experts kind of dig into the details here. But I just wanted to kind of provide everyone with a little context on where we are with energy efficiency and QECBs and thank you guys for not only all the hard work you continue to do on the ground to get a number of programs and energy efficiency space stood up, those of you who are working with QECBs already and those of you who alerted us to some of the challenges you are facing, which we hope to partially if not more resolve through the guidance that the IRS published a few weeks ago. All of that would not have been possible without all your emails, letters and feedback to us, so thanks again for that.

Real quickly, I think the guidance that came out in this webinar is more than just the guidance of how we can move forward with the expertise that we learned through QECBs, but the guidance is just another example of our overall commitment toward doing everything that we can as an administration to make sure that energy efficiency programs are as effective and efficient as possible and also making the tax code work for everyone.

So real quick, I think kind of from our perspective, we obviously – we being the folks here in my building particularly in the National Economic Council given our mandate and our responsibilities here, really see energy efficiency across the board, be it in the residential space, commercial space, industrial space, as critical to improving our overall nation's competitiveness. We all know the benefits of energy efficiency, of saving homeowners' and building owners' money such that they can reinvest that elsewhere in the economy while also get the benefits that we get directly from the actual projects in reducing emissions and creating jobs. That said we realize that there's not one size fits all solution to energy efficiency and folks have been working at developing programs and products and solutions for awhile. So we continue to kind of look at all of the options that we have available to us both administratively and in the regulation spectrum to really move efforts forward.

In the homeowner space, residential space, obviously we've gotten a lot of great success from the work that you all have done with some of the brand rebate programs and financing programs. We're still working hard to make the Better Buildings Initiative and all of our work that DOE and

other partners are doing in the commercial building space using guidance such as QECB guidance as well as working with the private sector to really increase investment in that space, working on strengthening some of our partnerships with states and local to see what we can do to really drive more investment in the industrial space. A slightly different challenge but one that we are still committed to and working with. I know many of you in that area

And lastly I wanted to highlight a relatively new initiative that I know some of you are working with, the Green Button Initiative, which is really focused at giving consumers power and harnessing the power of data, information, and allowing consumers to access their own energy usage in a user friendly format. At the end of the day, like I said, we're really committed to exploring every option and doing as much as we can to increase energy performance in our nation's buildings, particularly as a way to strengthen the economy and create jobs. So we definitely look forward to not only this webinar but continuing to hear from all of you who have the real expertise and the real knowledge on the ground on things that we as a federal government can do better and more efficiently and effectively to really continue to support the marketplace and increase investment in this area. That's all from me, I will pass it back to Molly, but thanks again, and I look forward to a good conversation this afternoon.

Molly Lunn:

Thanks, Brandon. Next up we have Mark Zimring. Mark is program manager in the Electricity Markets and Policy Group at Lawrence Berkeley National Lab. Mark conducts research and analysis and provides technical assistance to utility commission, state and local governments on energy efficiency policy and renewable energy program design and financing. He helps lead up our Technical Assistance here at DOE for QECB work, and with that I will turn it over to Mark.

Mark Zimring:

Great, thanks very much, Molly. Today I'm going to provide, before we get to the really juicy parts of today's webcast, just a bit on QECB fundamentals. I think for some folks on the call that are fairly experienced with QECBs, this will be review, but I know we have a fairly mixed audience. So we'll walk through this stuff fairly quickly. There are lots of resources available that Molly will share links to at the end of this webinar, so if you have further questions, don't worry, there are lots of resources to follow up with. Slide.

So we'll address some fairly basic questions: What are QECBs? How do they work? What have they been used for? For those that have Recovery Act funds left, can they use them to support QECB issuances? And hopefully by then I'll have piqued your interest. And for those that are

new to QECBs, we'll try to talk about how to get started in accessing them. Next slide.

So at the simplest level, QECBs are federally subsidized bonds.

Molly Lunn: Hey, Mark, I hate to interrupt but it sounds like people are having some trouble hearing you, so if you could maybe speak up a little?

Mark Zimring: Sure, is that better for you?

Molly Lunn: Hopefully.

Mark Zimring: Just let us know if there are problems. So for those not familiar with QECBs, these are federally, subsidized bonds; which means that they're debt and you've ultimately got to pay them back. They're not grants. The benefit here is that the interest rate on QECBs is heavily subsidized by the US Treasury. They offer extremely compelling borrowing rates, typically less than two percent over a fairly long borrowing period, 15 to 20 years, and currently we're seeing some actually north of 20 years. Next slide.

For those that are familiar with Build America bonds, the federal subsidy for QECBs works in the same way. QECB issuers can elect between receiving this subsidy as a tax credit or as a direct payment. But because tax equity markets remain weak in the current economic environment, almost all the QECB issuances that we've seen to date over the last couple of years have opted for the direct payment option. And today the maximum subsidy, the maximum direct payment that you can get from the US Treasury is just under 3 percent – 2.98 percent.

So for a QECB issuer, as you can see in this shaded area, that issues taxable QECBs at a gross interest rate of 4.5 percent, so they issue QECBs to a bond purchaser at 4.5 percent interest, their net interest rate with this QECB direct subsidy will be just over 1.5 percent, and for up to 22 years. Both this maximum interest rate subsidy and the maximum QECB maturity fluctuate. I've included a link at the bottom of the slide here that you can visit for updated information as you move towards issuing QECBs. If you want more information on how to calculate the subsidy, it's a pretty simple calculation, and again you can visit the Department of Energy's QECB web portal. Next slide please.

Just a quick graphic here on how this process works. The government QEC issuer in the box in the middle of your screen starts this process by issuing a QECB to the QECB purchaser. The proceeds from this issuance are then used to fund a qualified project, and I'll speak to the range of qualified projects shortly. The QECB issue then typically makes a semi-

annual interest rate payment to the QECB purchaser and contemporaneously receives a semi-annual direct subsidy payment from the US Treasury to offset the cost of that interest rate payment. And then principal repayment on the bond can be structured in several ways, including a lump sum repayment at bond maturity. Next slide.

So what are QECBs typically used for? Broadly, qualified energy conservation projects. And that term has provided a bit of confusion.

Molly Lunn: Mark, I'm sorry to interrupt, but people are still having some trouble. So if you could maybe slow down just a little and make sure you're talking right into the mike.

Mark Zimring: Let's see if this works a bit better.

Molly Lunn: That sounds a lot better.

Mark Zimring: Great, technology. So what are QECBs typically used for? In short, qualified energy conservation projects, and that term is defined broadly in federal legislation. But the reason that it was defined broadly was to give state, tribal and local governments wide discretion in the approaches they take to conserving energy.

So examples of qualified projects include energy efficiency expenditures in public buildings that save at least 20 percent of energy use. And John Cross who's with us from the US Treasury will provide an overview of new guidance on how to document and verify the savings. Green Community Programs, a use of funds again that John Cross will speak to in more detail in the next presentation. Renewable energy production, various energy related R&D, and efficiency and energy reduction measures for mass transit.

You can see from the chart on your screen here that the majority of issuances to date have been for energy efficiency improvements in public buildings – everything from city halls, to schools, to libraries, to prisons – with a significant minority of QECBs funding renewable energy projects. And I think a major driver of this popularity is that both uses and proceeds to deliver funding streams that cover both the QECB principal and interest payments and deliver initiatives that are cost neutral or cost positive, meaning they save money to you government issuers.

We have seen some creative uses of funds using this Green Community Programs designation, and these included residential and commercial energy efficiency financing programs, a street lighting upgrade that you're going to hear about later, and an imminent transit focus issuance that

we're really excited about. I expect that with the new guidance that John is going to speak to, that we're going to see a significant uptick in some of these more creative uses of funds.

I think one of the most encouraging things about this new guidance is that despite the legislative intent that QECB rules be interpreted broadly, the lack of specificity that we've seen in previously issued federal guidance led to real uncertainty among potential issuers about whether specific projects complied with QECB regulations and were eligible for this QECB subsidy. And this uncertainty which this guidance does a heck of a lot to resolve had been one of the major challenges to more widespread QECB deployment. Next slide.

So for those with Recovery Act monies left, there are several potential uses for these monies to support QECB issuances. There's fairly detailed guidance available at the DOE QECB web portal, there's a link to it at the bottom of the screen, but briefly, these funds can be put into debt service reserve funds that are used to repay principal and interest in the event that a government issuer is unable. This reduces borrowing costs. They can also be put into capitalized interest funds and used to make bond coupon or interest rate payments. And they can also be put into principal sinking funds which are used to make bond principal payments. So all forms of leveraging whatever limited Recovery Act monies you have to support larger projects. Next slide.

So hopefully I've piqued your interest and you're clamoring to find out more about how to access QECBs. I think the good news here is that there's quite a bit of QECB issuance capacity left outstanding. We estimate that about \$2.5 billion dollars of capacity remains available to potential issuers. While a few states like California have exhausted the majority of their allocations, most have tens or even hundreds of military dollars of QECB issuance capacity available.

And the process for figuring out what's available in your state is a bit tricky. The US Treasury made allocations to state treasurers of these QECB issuance capacities based on a state's population, and then these state treasurers were then required to sub-allocate portions of the allocations to large local governments. The processes for sub-allocating these QECBs and what states have done with their non-sub-allocated capacity has varied pretty dramatically. In a few states this process actually hasn't happened yet.

So I think a great first step would be to reach out to your state energy office to get an update on the status of QECBs. Oftentimes there will either be competitive solicitations or first come first served solicitations to

allocate the remaining QECB issuance capacity in a state. And the US Department of Energy also has some resources should you run into troubles, and I've included an email address that you can tap us for additional resources on.

So with that I would say that we've just published several new policy briefs highlighting both the new treasury guidance and some innovative uses of funds, and you can find those policy briefs at Financing.LDL.gov, and at this point I will turn things back over to Molly.

Molly Lunn:

Thank you, Mark, great presentation, and as I said in the note to folks online, we will be posting all the files online afterwards, so that will include audio and if necessary we can always re-record a portion for those of you who weren't able to hear it very well.

So next up we have John Cross. He is an associate tax legislative counsel in the Office of Tax Policy at US Treasury where his primary area of expertise and responsibility involves municipal bond programs. Mr. Cross participated in tax legislative efforts for the 2009 Recovery Act, the 2010 HIRE Act, and other recent tax legislation. He led the Treasury Department's implementation of the municipal bond provisions in recent tax legislation, including public guidance on eight targeted municipal bond programs. So he's been there and done that. Mr. Cross participated in the development of the recent public guidance on QECBs, and with that, I will turn it over to John. And thank you from the Department of Energy, and I thank all the states and locals for this recent guidance, we really appreciate it.

John Cross:

Molly, thank you very much for the nice introduction, and I also want to compliment Mark for the very nice overview of this bond program. As Molly alluded, I do dabble in tax. They say that tax lawyers are those who are good at math but don't have enough personality to be accountants. But with that in mind, I am excited to be here today to talk about this program because I think this energy bond program really is a good lower cost borrowing program for state and local governments that allows financing of a really broad range of qualified energy conservation purposes, and the program's been under-utilized.

So we recently put out guidance to try to help with that. Let me fill in just a bit of embellishment on Mark's description of how kind of the mechanics of the interest rates work. The Build America Bond Program was really successful, and one of the reason for its success was that from the standpoint of investors, an investor is buying a plain vanilla taxable bond in the bond market. So there are no bells and whistles to the investors. The borrower, the state or local government issuer, however,

gets a direct federal payment from the Federal Government for a portion of the interest cost. The same is the case for these energy conservation bonds. The issuer can elect to get a direct payment from the government equal to 70 percent of what are called the tax credit rate, basically the benchmark interest rates that Treasury set every day. And so you can go on the website link that Mark mentioned and see the tax credit rate for each day, and based on that see what the subsidy payment you would get if you issued bonds on that day. For example, today the tax credit rate is 4.25 percent, Treasury would pay about 3 percent of that.

In addition under statutory formula, the bond maturity is tied to certain levels of interest rate, and those are posted as well every day. Typically they have been somewhat shorter maturity, but recently they've moved out a little longer. So today if you did one of these bonds you'd have a 22-year maturity and an interest subsidy of 3 percent.

Now let me go on to talk about the recent notice, 2012-44 that we just issued a bit earlier. This will be everything you ever wanted to know about a few topics that we're afraid to ask. The guidance is in a question and answer format and what I'm going to do is just race through the Q&A and hit a few high points on that. Although there are a lot of qualified energy conservation purposes, the guidance and all this will focus on two main ones. One is capital expenditures to reduce energy consumption in publicly owned buildings by at least 20 percent. And the second is implementing green community programs.

So, question number one, what are capital expenditures for this purpose? For tax lawyers, the answer is it is the plain standard federal tax definition of capital expenditure, which typically is things chargeable to capital account – land, building and equipment. Classic definition of a capital expenditure is something that has a useful life longer than one year. A slight tweak to that definition is in the bond area. For debts we use a slightly better definition of placed in service so that you can keep capitalizing costs until your project is not only starting in service but operating substantially at its design capacity level.

Question number 2, and you'll see a pattern here. We start out with easy ones and get more elaborate as we go along. What is a "publicly-owned building" for purposes of this bond provision? Easy answer, the building owned by a State or local government or an instrumentality of a State or local government.

Question number 3, what standard or compliance standard applies to determine if you've met the project criteria for capital expenditures to reduce energy consumption in publicly-owned buildings by at least 20

percent. And here what we try to do is provide a very simple, user-friendly up front test. Some folks were worried kind of about the concept, “Well, we think we’ll reduce energy consumption by 20 percent, but we’re not positive. How do we know if we’re going to be in compliance with the bond program?”

So here we employed a known user-friendly upfront test from the tax and bond area called a Reasonable Expectations Test. So basically the issuer of the bonds, the borrower, that is, when they close the transaction they have to reasonably expect as of the issue date, that is the closing date, that their capital expenditures that they use are going to result in 20 percent reduction in energy consumption in the public buildings.

Question number 4, what unit do you use to measure reductions and energy consumption under this 20 percent test? And here we tried to be responsive to a number of suggestions we’d gotten, basically to provide maximum flexibility in what will be I think obvious respects. We allow those measurements to be done in one of three ways. Either you can measure the 20 percent by a single individual building, so a building by building test. So if you finance two or three buildings that are publicly owned, you could measure the 20 percent energy savings in each of those individual buildings separately.

In addition you could do this on a multi-building basis or what some call a portfolio basis so that if you have a portfolio of buildings, a bunch of buildings that you’re doing energy initiatives in, you can measure whether the overall set of buildings where you’re making the capital expenditures had a 20 percent energy reduction.

And finally, and even more flexibility, and also for efficiency purposes, we allow it to be done on one or more building system components in publicly owned buildings. So here building system components include the following functions: Heating, ventilation, air conditioning, classic HVAC, water system, lighting, the building envelope, that is the windows, walls, roof and insulation, or the electricity plug load, all the electric going into the electric outlets for computers, refrigerators and the like. So there again for this 20 percent energy savings in public buildings we try to give a lot of flexibility on how to measure the 20 percent.

The next question is kind of an accountant test type thing, basically a general concept – what methods may be used to measure energy savings? It’s kind of what accounting method, for the particular measurement unit. And here we just have a general kind of compliance standard that says you need to use a reasonable and consistently applied method.

Question 6 – what time periods may an issuer use to measure reductions in energy consumption to meet the 20 percent test? And here we say that you can look at actual and expected energy consumption during any reasonable consistent time period of not less than one year before the capital expenditures and one year after the capital expenditures. Or you could use a longer period, kind of before and after.

Question number 7, given that all this measurement stuff is giving everyone a headache has to how they're going to do this, a question has been can you rely on certification of independent experts to establish your reasonable expectations to meet this 20 percent test? The answer is yes, you can rely on the certification of an expert for this 20 percent test – an independent licensed engineer or other expert, certifying that you're going to meet this test. We give an example of the kind of certification we'd be looking for in the appendix to the notice as well as a lot of it is based on very helpful, constructive recommendations from our friends at the Department of Energy.

Question 8, and this is another plug for the Energy Department, what tools are available to estimate energy savings attributable to capital expenditures in this public building 20 percent reduction test? And here we say that the experts in their certification can rely on basically a whole host of tools that we cite you to at the Energy Department that others may be able to speak more technically to. But it essentially includes ASHRAE level 3 audits or building simulation techniques and software, DOE's Quick Energy Simulation Tool called eQUEST and other software that is kind of sanctioned and referenced at a place on their website that we point people to. We also make note of the ENERGY STAR Portfolio Manager software that the EPA uses to track performance going forward for those who are interested. Moving on.

Question 9, and I would describe this as the “apples and oranges” question. How does an issuer determine energy consumption if you've got more than one energy source involved, such as electricity and natural gas? And there the answer is that we want you to measure apples and apples, not apples and oranges. So the idea would be to convert the different type of energy affected into a common energy unit. For example, British thermal units. As a non-energy person I have no idea what a British thermal unit is, but that's an example.

From the sublime to the more sublime – green community programs, a topic of great interest. I happened to have gone to the House Ways and Means Committee hearing when they enacted this provision, and much of the discussion at the hearing was to the effect of, “Gee, this green community program project standard sure is broad.” And some folks

thought, “It’s great, but it sure is broad,” and other were worried that it sure is broad. But in any event, there’s a fair amount of legislative history suggesting congressional intent that this provision be interpreted broadly. And I think we were a little surprised that that had been an impediment to this program but we wanted to go on record kind of to concur with the legislative history to indicate that this is intended to be a broad project category and to give a little texture to the standard there.

And for that purpose we basically – let me just go through this a little – a “green community program” needs to meet two requirements. The first requirement essentially is the purpose, and the purpose is a broad purpose. The purpose of a green community program needs to be one that promotes one or more of the purposes of energy conservation, energy efficiency, or environmental conservation initiatives related to energy consumption, all of which are intended to be broadly construed. We cite some of the stuff from the legislative history about including programs to promote energy savings through retrofitting initiatives for heating, cooling, lighting, water-saving, storm-water reducing and other efficiently measures, distributed generation initiatives or transportation initiatives that conserve energy or support alternative fuel infrastructure – bike paths, for example, improvements to mass transit.

The second requirement for a green community program has two different ways within it to satisfy the standard, and let me just touch briefly on both of them. One kind of green community program can involve property that is available for general public use using standards familiar to the bond lawyer community for tax-exempt bonds under the private business use standards. And there, to give you an example, the idea is that as a community program, one way to satisfy that concept would be a program that essentially is available to the general public. So that if you have got buildings or other things that the general public can use, you can meet that test. Classic kinds of examples are things like connections between public infrastructure to promote energy conservation or reduce motor vehicle use. A bike path was kind of an example there. So that’s one kind of approach is things that are available for general public use.

By comparison, there may be some things that aren’t available for general public use that you might do the 20 percent public buildings test with. For example, some public buildings are just used for internal administrative government use and the general public can’t go use the building all the time. Well, that would not be available for general public use. Public road is available for general public use.

The other way to be a green community program under this second aspect is to be a program, a loan or grant program that is broadly available to

members of the general public including individuals or businesses. And here we're essentially talking about a different kind of program. So are these loan and grant programs typically sponsored at the State level to make loans or grants, for example, to individuals or homeowners to reduce residential energy usage. And that can include both individuals and private businesses in that respect.

And then the final Q&A in our guidance is sort of a detailed example of a green community program involving upgrading public streetlights to add more efficient lights in a city. And that particular example happened to have involved a real example by a major city who sought to use this program and sought clarification that this was the kind of thing intended.

So that's the end of the Q&As, I've exhausted everything I can tell you and more about the Q&As, but if there are more Qs down the road here I'm glad to try to answer them.

Molly Lunn:

All right, well, thank you so much, John. And for those of you who would like sort of a summary of what John has gone over here today, the links that are up here include both the guidance itself which has that Q&A that John just ran through, as well as a guidance overview document that Mark and his colleagues at LBNL put together really just today. So these are URLs for those as well as previous IRS guidance on QECBs. Next slide.

So that last Q&A is a great transition to our first case study, which is going to be on San Diego and their street lighting project. So I'd like to welcome Tom Blair. He is the Deputy Environmental Services Director for the city of San Diego and coordinates the energy efficiency improvements for all city departments. The normal shortage of funds for projects involving energy efficiency has lead Tom to investigate many types of third party financing for projects, and the street lighting conversion is the City's latest project where savings more than pay for the debt service of accomplishing conversion. So with that I'll turn it over to Tom.

Tom, do we have you? Jennifer, can you advance the slides to Philadelphia, and we'll start there and go back once we get Tom back on the line? Thank you.

Okay, so Adam Agalloco is from the City of Philadelphia. He is the Energy Conservation Coordinator for the Mayor's Office of Sustainability in the City of Philadelphia, and that office is responsible for reporting and implementing on the city's comprehensive sustainability plan, Greenworks Philadelphia. In his role, Adam is responsible for developing and implementing an aggressive energy conservation program to help the city

meet its energy reduction goals in city-owned facilities. Adam is the project manager for the city's first Guaranteed Energy Savings Project at the city's four large downtown buildings, and he'll be talking to us today about how that project was financed with QECBs. So, Adam, I'll turn it over to you now.

Adam Agalloco:

So before I talk about the project I want to just tell a little bit about what our office does. Again, I work for the Mayor's Office of Sustainability and we work on tracking and implementing Greenworks Philadelphia, which is the city's comprehensive sustainability plan. The sustainability plan focuses on five goal areas and 15 specific targets, and those targets are all measurable. So when we talk about energy consumption in city buildings our goal is to reduce energy consumption 30 percent by 2015, and that's a number that we can track and measure. And we've got other measurable targets around equity environment and economy ability to greenhouse gases, green jobs and access to parks and things like that.

So with that I'm going to just talk a little bit about the project that I'm working on as a project manager. It's the city's first Guaranteed Energy Savings Project. Next slide. And the project is really energy efficiency in a very simple way. We looked at four of our largest energy users for the administrative buildings downtown including City Hall and our main courtroom, the Center for Criminal Justice, as well as the two office administration buildings, all in all, those are four of the city's top seven energy users, and went to build a performance contract with our partner. In this case our partner is Noresco. And this is allowable in Pennsylvania through the Guaranteed Energy Savings Act. Really what that enables us to do is to do a design build with one contractor as opposed to going through the typical four part bidding that most cities are required to do.

Through this we built a very simple set of energy conservation measures in these four buildings. All told this project has got significant benefits and I'll talk a little bit about what those are and then just show you a little bit about some of the challenges we had. Go to the next slide.

So for those of you who are not familiar with a performance contract, essentially what we're doing is we're financing the cost of the upgrades and paying for them with the energy savings. So in our project we're doing a total of about \$12.3 million in upgrades and we've got a guaranteed energy cost savings from our contractor, Noresco, of \$1.34 million. And we've got to make our debt payments of about a million, a little under there, giving us basically a net cash flow for the project and significant energy savings throughout all four of these buildings. Again, this is allowable in Pennsylvania under the Guaranteed Energy Savings Act. Without that act we wouldn't be able to have bypassed the four-part

bidding and do what we've done. You can see that in addition to paying off the bonds over the 15-year life of the project, we also have a couple of smaller fees, which I can get into if there's interest. You can go to the next slide.

This project started a long, long time ago in December of 2008, I believe before Recovery Act money was readily available. But I should mention that we used Recovery Act money for the back out fee. Noresco was selected after a preliminary RFQ and then an RFP process following the State's process at the time, and they were selected to go through and do an investment grade audit. That investment grade audit was delivered to the city last November and around that same time in October we were working with City Council to authorize the project. The contract was finalized and executed this spring and bonds recently closed, so we're starting construction here hopefully in the next week or so.

This project has been kind of my baby since my time with the city so I've seen most of this go through, but I will just draw your attention, there's a significant amount of time between us signing the investment grade audit agreement and us completing the investment grade audit, and that was really the city internally buying off on this project. Whether it be the folks in my office, the folks at the Department of Public Property, the folks in City Council and the folks in our budget office really just understanding what a performance contract is and what this meant for the city long term. You can go to the next slide.

As I said, the core of this project is a really, really simple energy savings project. The city's first exposure, and we really know that we're going to be under the microscope and we wanted to have a successful project and a project that we can use as a model in the future for other projects, and maybe potentially where other folks in the city can use this model to work on their own facilities. There's a significant positive cash flow in that. Part of that is just to again press to reduce our risk and to understand exactly how this is coming together.

As we went through we set core criteria to really build out what we wanted the project to be. This is an energy savings project first and foremost, positive cash flow, so we've got some contingencies should something go wrong.

All of the energy conservation measures that we put in are measures that are not going to add fancy new equipment that we need to then maintain. So it's all reducing maintenance, reducing operational costs as well.

A couple of the other items, I mentioned the investment grade audit. There's a back out fee associated with that should we not go forward with the project, and that was also funded through the Recovery Act. So we've got a big pat on the back to the DOE and the folks there that supported this project not only through key subs but also by funding the back out fee for the audit. Ultimately that money really never got spent because the cost got rolled up to the project, but we wouldn't have been able to do that without that back out fee and the funding.

The city also took on a little bit of the risk. In other areas we set our own escalation rates. We brought in a consultant to help out with some of those items, specifically the measurement verification plan and some technical assistance with the audit.

One of the big lessons learned would be involve everyone early and we could have done a much better job of getting everybody in the city on the same page before really proceeding into the investment grade audit.

So finally, the next slide is the financing, and this is where the Qualified Energy Conservation Bonds really come into play. And there's somewhat of an interesting story with that. The project is financed through the Philadelphia Municipal Authority. The city cannot enter into long-term projects, we have to use an authority to do that, and it's actually split between Revenue Bonds and Qualified Energy Conservation Bonds.

The reason that that was done is initially – and this goes right back to what John was saying – initially our bond council advised the city that we could not aggregate all four of our buildings together and so we split up the project into two buildings and two other buildings. So two of the buildings have 24 percent energy savings and two of them have about 18, 19 percent savings. Combined they would have reached that 20 percent threshold, but at the time it wasn't interpreted that way. So we split up the actual city ordinances to only be able to have bonds for 6.25 or some maximum in Qualified Energy Conservation Bonds, and some maximum in Revenue Bonds.

Once we finally got to financing the project after City Council approved it, we actually read up a little bit more and determined that that really wasn't the case, that we could have done the entire project with Qualified Energy Conservation Bonds. But at that point we had legislation written in that wouldn't allow us to expand our Qualified Energy Conservation Bond scope, so we were really kind of locked into this split kind of separate accounts for payment during implementation, which gives me as project manager a little bit more just to juggle as we go through.

The savings from the project, the lighting and the energy controls and water conservation more than pay up the project debt. So it's really something that will benefit the city in a lot of different ways. We're saving almost 20 percent in four of our largest buildings. That's a 2 percent reduction in city government energy use as a whole. And all the savings belong to the city because the risk of the guarantee is really on the scope of the city development.

So I think we're going to have time for questions later and I'm happy to review any of this a little bit further. As you guys can probably tell, I'm an engineer and not much of a financier, but I'm happy to do my best to either answer the questions on financing and Qualified Energy Conversation Bonds as it relates to this project later on, but I'll turn it back to Molly.

Molly Lunn:

Thanks, Adam, that was fantastic, and I think we now have Tom back on. Tom, are you there? Okay, maybe not. Okay, well, that being the case then I'm going to go ahead and jump into a few slides that I was hoping to cover. And, Tom, if you at some point do get back on, just let us know.

So as Jennifer is advancing the slides – we're going to open it up for Q&A before too long, so I just want to remind everyone that if you do have questions, to enter those in the box on the right-hand side. Before that I just want to introduce you to some of the resources beyond today's webcast that you might want to check out if you're interested in pursuing an issuance.

As I mentioned earlier, I help lead up our Technical Assistance Program here at DOE and we like to refer to that as TAP. It's been around for over a decade and provides state, local and tribal officials with tools and resources to implement successful and sustainable clean energy programs. Next slide.

From one-on-one assistance to an online resource library and facilitation of peer exchange, we really have a wide range of services to offer, including a number of resources for QECBs. So the first place I want to point you all to is our recently updated QECBs page on the Solution Center. The Solution Center is our online home for TAP, and this page has been out before but we've just updated it with a bunch of new resources. Next slide.

On this page you'll find webcasts including recordings of past webcasts that are posted there now. And today's session will be up probably about next week. That'll include the PowerPoint, audio, and a transcript.

You'll also find guidance on QECBs from IRS, the guidance we covered today, and an overview of the guidance published by LBNL that I mentioned before. There's also guidance from DOE on how to specifically use block grant or STP funds that you might have left over to support QECB issuances.

There's a series of case studies from LBNL including profiles of the Philadelphia initiative you heard today and the San Diego project, which are there.

And other great resources including the excellent memo from Energy Programs Consortium, which is a good place to start if you're looking to see what other projects have been done in your area. There's a lot of information in the memo, but it includes a listing of known QECB issuances state by state.

And there's a chapter from DOE's Clean Energy Finance Guide which has some FAQ on QECBs, and then there are links to some additional websites including the National Association for State Energy Officials, QECB portal, which has some sample documents that localities and states have used for issuances, and LBNL's portal, which Mark already touched on.

Beyond the web page –

John Cross: Let me just interject and compliment you on that is just a great set of resources for this program. It really has a lot of helpful information in it, and I would encourage you all to make use of it.

Molly Lunn: Well, thank you for that, John. Beyond the website, which I encourage everyone to start with, we are going to be holding something new called Office Hours in August for QECBs. We're still working out the details on dates and times and so on, but that will be an opportunity for you to engage with some of our technical experts on the phone to ask some of the questions you have about QECBs as you're going along.

In the meantime, if you have questions after today's session that we aren't able to get to, please email us at the Technical Assistance Program email address, and you can also request direct technology assistance through that email address.

So with that I'm going to give Tom one more shot, just because I do think it would be great to hear from him. Tom, are you on?

Tom Blair: I switched phones, does this one work?

Molly Lunn: Yes, fantastic!

John Cross: He wanted to add dramatic effect to this webinar.

Molly Lunn: Exactly, exactly. Well then, Tom, I will turn it over to you, thank you.

Tom Blair: Okay, and thank you. John, of course, talked about streetlight programs and that's what we did with our QECB allocation. This project started out many years ago as Adam talked about in his, we started our planning back in 2007, actually, and did a local streetlight study. Next slide.

Just to look at what we do, we have 260 million kilowatt hours of consumption annually just from city uses, and our street lights were about \$4.7 million of that billing. Through this project we're replacing 35,000 streetlights, and that's roughly 80 percent of the overhead streetlights that we have in the community. We couldn't do some of the areas because we have two observatories, and they prefer the monochromatic yellow lights because it's easy for them to filter out for searching the sky. But our project's going well, we're about 60 percent done now. Next slide.

So I'll go through quickly just our procurement, specification, funding, looking at the different funding requirements, warranties and paybacks. Next slide.

Of course one of the first things that you have to confront on streetlights is do you want induction or LED or a mix of both or what do you want to do? Next slide.

Basically they're both equivalent now. When we were actually selecting what we were going to do – that was a couple of years ago – the LEDs did not have as much of a track record. And because we had some induction lights that we had installed 12 years ago down in the center part of our city and had not even had to replace bulbs on the, we decided to go with the induction technology. Were I to do it today, I might look more at the LEDs, but again we were worried about the color temperatures and the observatories wanted us to try and limit the spectrum that we were putting out there that they would have to filter. Next slide.

So when we put together our specification we wanted to create some criteria and do some performance specs so that we had specific emissions from the lights that were okay with our dark sky community. We developed a Street Light Working Group to review all of the aspects of street lighting in the community, and this involved all of the surrounding cities. We have 18 other city governments in our local area, and they all

participated, and several actually are piggybacking on our contract to be able to use the same contractor. One of the communities actually installed their lights before we got ours going. Next slide.

We had to of course look at the ARRA funding requirements because we were using some of the EECBG allocation that we had. Buy America on streetlights is very difficult because even though most are assembled in America, most of the components are made overseas. So you do have to look at that very closely.

Of course you have prevailing wages and flow-down requirements and all kinds of periodic reporting. We're actually creating a whole GIS layer for our mapping system so you can get the exact coordinates on all of the lights that we're replacing. Next slide.

And in warranties, one thing that we were able to negotiate with our contract was a ten-year parts and labor agreement from General Electric. So they're standing behind their lights for ten years, so I won't even have our maintenance crews do anything. We'll call the contractor and GE has agreed to use the installing contractor as their labor component for the warranty for the next ten years. Next slide.

So we started out, initially we were only going to do about 10,000 lights and we started by arranging a 3 percent loan from the California Energy Commission. They had some 1 percent money for awhile that was subsidized by the ARRA, but it was over-subscribed very quickly. The requirements on that were that the projects have a 10-year simple payback, and we were of course under that, we were actually about 6 years on our payback for our systems.

The Qualified Energy bonds came out and we received, because we were a large city, we had an allocation, and when we first looked at it, because of the vagueness in the green community, we were a little bit wary of even using it because we weren't sure it was going to qualify. So we looked at it and evaluated it and we used some EECBG combined with the money. Our community power company also has on-bill financing and will provide rebates for getting actually a million-and-a-half dollars worth of rebates back from the utility for changing out the streetlights. Next slide.

For the QECCB allocation, because we're a large city we had that. We did ask our bond council to try and get a determination from the IRS early on. They said, well, it's a new program, we really don't know at this point. So we did have to take some risks. We did a private placement bond with Bank of America, and it's been working very well. We used a lease

format for the project so the bondholder will own the lights, I guess, until the bonds are paid off.

We have received our first subsidy payments from the IRS for the project. We're about 60 percent complete now. And we expect to be done by the end of the year for the whole project. And our project actually came in under the projected cost, so we're able to do some additional lights that we had not anticipated. Next slide.

I think that was it. So, Molly, back to you.

Molly Lunn: Thank you, I'm glad we were able to get you on, that was a great presentation, and I think both Philadelphia and San Diego are great examples of how, you know, they did move forward and go ahead with their QECB projects but with some hesitation on certain issues that are now quite clear based on the guidance that recently came out. I hope that encourages everyone on the phone today to get started. With that I think Mark is going to help us moderate some of the Q&A.

Mark Zimring: Folks, just a reminder, we've got quite a few questions in, but if you do have additional questions, just submit them into the box on your right and we'll answer as many as we can on the webcast and follow up with you all if we don't get to them all.

So this first question is for John Cross. John, somebody is asking whether there is a statutory expiration like there was for Build America bonds, to QECBs.

John Cross: That is a helpful and great question, and it gives me the opportunity to give a good answer, which is no, there is not statutory expiration for Qualified Energy Conservation Bonds. So while it is a relatively small program, the total authorization was \$3.2 billion, about \$2.5 billion remain available, there is no time limit on ultimate issue of all of that. And for those of you who dabble in other bond programs too, you need to check with each program because that varies depending on what congress did with particular programs.

Mark Zimring: Great, thanks, John. Another question for you. Several folks are asking for just a bit more clarification on what technically constitutes a capital expenditure and whether they can use QECB proceeds to fund some softer costs associated with the design and especially engineering and consulting or other administrative cost associated with QECB issuances and projects that that they fund.

John Cross: Sure. First a quick plug for the humble lawyers and accountants of the world. Please advise people to go ask them, because they'll be able to tell you this. In general during the construction or development period for a project, the kind of costs that you described are all capitalizable to the project. So architect, engineering, design costs, all those kinds of costs while a project is under construction, typically and commonly are capitalizable. Beyond that, costs of renovation, equipment, improvements to buildings, new buildings, essentially anything that has an expected use of a life of longer than a year is capitalizable. We weren't breaking any new ground with that. That's basically just a glorified cross-reference to kind of long-standing, classic capital expenditure concepts.

Mark Zimring: Great, thanks, John. A number of folks are asking when and where they'll be able to find slides after the presentation. Molly, could you maybe address that?

Molly Lunn: Yeah, so the slides will be up hopefully next week. I think it should be next week. Again it will be slides, the audio, and a transcript. And they will be on the page, the top link that you see now, the DOE QEBCs page on our Solution Center. So if you're familiar with the Solution Center you can also navigate to there by just getting to that home page and clicking through to find the QEBCs resources.

The other thing is that we will send an email around to all of the registrants after the session, so again, probably next week we'll provide a link and attach some of the files for you all.

Mark Zimring: Great, thanks, Molly. Adam, a quick question for you. Can you just say a bit about the terms of the QEBC issuance, the interest rate and whether that was meaningfully different from the cost of capital and length of debt term that you used to finance the other half of the project?

Adam Agalloco: Yes, we've got a pretty interesting case in that we issued two bonds for virtually the same thing. Just one happened to be QEBCs and one happened to not be QEBCs. So we have a kind of direct comparison between those two. The QEBCs we were able to essentially reduce our effective borrowing rate from about 2.5 or a little over 2.5 to about 2.2 percent. An all in rate of about 2.3 for the whole project, which is pretty good for the City of Philadelphia. They were extremely useful. I know our treasurer and our deputy treasurer are anxious to use the remaining allocation that we have. As a large city we were allocated \$15 million. This project used a little over 6 so we've got about 9 left. And we've got a couple of different energy projects that we're looking at for future use.

Mark Zimring: Great, thanks, Adam. John, I'm wondering if you might address who is an eligible issuer of QECBs? Quite a few questions here from school districts and housing authorities and tribal governments about how QECBs were allocated to states, local governments and tribal governments specifically, and then who on behalf of these governments can issues QECBs?

John Cross: Hang on one second.

Mark Zimring: John, maybe we'll let you get your thoughts together on that one and I'll move on to another question.

Several questions about whether QECBs can be from mostly state entities or quasi-state entities about whether QECBs that have been allocated to local governments can be pooled at the state level and issued for a state program. And I think the answer to that in short is yes. What we've seen is some challenges in convincing local governments, in some cases where they may have an allocation that was too small to use or want to hold on to the options issue, the QECBs too, to revert those to the state level.

In certain states, California and Colorado among others, there was a requirement that local governments use QECBs or revert them to the state, and those generally are the states where we've seen higher issuances to date. But there's no reason that a state entity or in most cases, a quasi-state entity that has state kind of given bonding authority can't issue bonds. Massachusetts, for example, Mass Development, the state's economic authority, has issued several QECBs.

There's a question here about using QECBs to fund private activity purposes, and maybe, John, while you're getting your answer together on the other question, I'll just give a quick response to this. Which is that up to 30 percent of a state's QECB allocation can be used for private activity purposes. Those private activity purposes still need to be Qualified Energy Conservation Projects.

A quick example is in Massachusetts they've funded several private renewable energy projects with QECBs. The state's economic development authority has effectively issued bonds and served as the conduit issuer for these private projects, and they've been wind and solar projects, which are otherwise eligible as Qualified Energy Conservation purposes under the statute. So, yes, up to 30 percent of these allocations can be used to support private activities where public entities may not be able to take advantage of them. But, no, you can't fund just anything, it certainly has to be a qualified purpose.

John Cross: This is John Cross, let me just add a little to that and then circle back to this earlier question. In general, private activity bonds are bonds where private businesses kind of benefit from and use the bond proceeds such as owning or leasing the facilities. Your answer was great in that in all events you have to have one of the Qualified Energy Conservation Purposes. And so whether or not the private activity bond basically depends on who's using it for that purpose.

One little refinement on that is that for the kind of green community program that involves sort of grants and loans to individuals and businesses, and may include different kinds of repayment mechanisms, there's a special provision that says that whatever the general rules are, that would not be treated as part of the 30 percent private activity bond part.

Going back to your question of who can issue Qualified Energy Conservation Bonds, I guess first I would distinguish kind of getting an allocation for a project of the buying cap versus issuing the bond. And that also comes up with your pooled financing example. Anyone who's going to do a project needs to have a volume cap allocation in hand for that entity. And so for example on pooled financing, you might have an issuer that does the pool financing but that involve loans to a bunch of localities each of which one way or the other have an allocation of value cap.

As to who can issue energy conservation bonds, I guess just technically I would refer people back to our original notice, our original guidance that did the volume cap allocations in 2009, which was Notice 2009-29 in the Internal Revenue Bill, and 2009-17 April 27, 2009, and I'm sure Molly will have this on her website in a nano-second here.

But that guide includes guidance on who can issue the bond. And just to touch on it briefly, I mean, it's pretty broad. It basically draws on the tax-exempt bond area and says that eligible issuers include states, political subdivisions like cities and counties, and entities empowered to issue bonds on behalf of those under rules similar to those in the tax-exempt bond area. A classic example is so-called constituted authorities that are set up under various state laws to issue bonds. There we basically refer to existing tax-exempt bond rules that contemplate various kinds of authorities and conduit issuers. With again the key thing here being making sure you have a buy in cap allocation.

Molly Lunn: And, John, with respect to tribes, is it correct in saying that there's no specific carve-out for tribes, but that tribes can work with their states to get an allocation?

John Cross: I think that is a fair statement, yes. In fact, carve-out meaning like a separate allocation to them directly.

Molly Lunn: Exactly.

John Cross: That varying from program to program. For instance, there's another program called Qualified School Construction Bonds where tribes have like an explicit allocation directly to them.

Mark Zimring: Thanks, John. So, on that note, lots of questions from schools about what resources are out there for them. So as we said, several projects, both efficiency and renewables have been undertaken in schools. Also, even with the expiration of Qualified School Construction Bonds, there are still some Qualified Zone Academy Bonds.

John Cross: Let me stop you right there. Let me just elaborate right there to throw out another fact that some people don't realize, which is the Qualified School Construction Bond program, which was a \$22 billion authorization, while the nominal allocations were \$11.2 billion in 2009 and another \$11.2 billion in 2010, those don't expire either. Those can be carried forward and used indefinitely, forever. So there's about \$5 to \$7 billion of that authority that still hasn't been used, that still remains available. Because they basically can be carried forward.

Mark Zimring: Great, and John, do you have a recommendation for folks on where they should go to find out how to tap into that resource?

John Cross: I'd probably start with a state-level school agency who might be the quickest source of finding out what authority was used or not used at a particular state level.

Mark Zimring: Great. So for Tom and Adam...

Molly Lunn: It sounded like you were also just going to mention that the Qualified Zone Academy Bonds which are also bonds for schools and can be used for energy efficiency, and again, we suggest starting with your state agency on those.

Mark Zimring: Great, thanks, Molly. So a number of folks have asked questions of Tom and Adam about both lessons learned from their experience issuing QECBs and what folks should expect in terms of issuance costs and in terms of time to issuance, understanding that a big chunk of the time to issuance is a function of project development time. Could you both maybe just comment on kind of what folks should expect in terms of

amount of time, energy and dollars they should expect to experience in issuing QECBs?

Adam Agalloco: This is Adam, I'll take a stab at it, I guess. Most of the time spent on the project was really project development, so by the time we were actually working to pull the bonds together we hired bond council and I believe that was in about January of this year, and we were closed by May. A lot of the timing on that was dependent on the other debt that the City of Philadelphia was issuing and kind of the timing to make sure that that was done strategically in a marketplace. That was a significant portion of that delay. We probably could have pulled it together rather quickly with our bond council.

In terms of the cost of issuance it was on par with our other revenue bonds, and actually slightly less than our other revenue bonds. So on almost a \$13 million dollar bond issuance, we paid about a quarter of a million in cost of issuance.

Mark Zimring: Thanks, Adam, and Tom, did you have any thoughts on that?

Tom Blair: Yes, our experience was very similar. We went through about a six month process, and often the hardest part is actually getting all of the documents up to the council and getting the approvals and everything. But our costs were roughly the same, about to get a \$13 million dollar issuance. And it was a fairly easy process.

Mark Zimring: Great, thanks, Tom. And just so folks know, there is a limit to the amount of bond issuance costs that can be covered with bond proceeds, and that's two percent. Most of the issuances that we've seen around the country to date have come in well under that, or at that two percent range.

So there are a few questions on what type of regulations apply to issuing QECBs, and I'll just give a very quick kind of overview. There are two different cases. One is if you use Recovery Act moneys to support these, and another is in the event that you don't use Recovery Act money. So in the event that you do use Recovery Act moneys, typically all of the ARRA compliance provisions apply to funded projects. In the event that you don't use Recovery Act moneys, either EECBG or STEP moneys, there's been a bit of confusion around what folks need to comply with. And effectively, Davis-Bacon is always triggered unless there's a specific exemption. So, for example, St. Louis County funded a residential energy efficiency loan program, and those types of programs have been specifically exempted from Davis-Bacon, so they were not obligated to comply.

And other provisions such as NEPA Historic Preservation were not automatically triggered with QECBs, but all the other project compliance trigger rules that exist for any other project that you would fund, do tend to apply.

John, I don't know if you had anything that you wanted to add to that?

John Cross: I don't have that in front of me. I would say at the time of the 2009 Recovery Act, we got a lot of questions on a particular theme, which was most of the Recovery Act Compliance Provisions that you've been referring to, things like Buy American, all the reporting stuff that goes along with that, applying primarily to the appropriations subtitle of that statute. By contrast, most of that stuff, those provisions, do not apply to the tax provisions, with some limited exceptions. So that a lot of the bond programs which are done through the tax code, the subsidy here is through a tax credit, kind of a refundable tax credit.

What I'd like to do is double-check to make sure of the precise treatment of this particular energy bond program and pass that on to Molly to put into the resources you have here.

Mark Zimring: Thanks, John, and we'll make sure to get that to folks that are on the webinar.

John Cross: It's often the case that this doesn't apply.

Mark Zimring: Yep, great, thanks. So, John, in the Green Community Program language that you all used to clarify, it talked about programs being sufficiently broadly available to the public. And there are a number of folks that have asked in terms of residential and commercial loan programs that might be funded with QECBs, how they should balance or how you anticipate the treasury would treat the balance between making a program broadly available and also responsibly underwriting and assessing credit worthiness that might make the program not available to certain portions of the population?

John Cross: Well, I think, a couple things – one, again, we resort to siting what we know, which is the taxes and bond rules that are very developed, and there's a very fairly developed set of concepts on things that are available for general public use. Now on the load programs, one clarification that's in the guidance was the following statement. It said, "A green community program need not affect the entire geographical area or all the residences and businesses within the jurisdiction provided the program broadly benefits the general public residents or businesses in the affected area of their local government unit."

I think the idea is, in contrast to a loan or a grant, to take an extreme example, just one private business, this is aimed at programs where you have a set of program criteria and lots of people can come in and apply for it and potentially use the program. Now, you may have credit standards within that, it may be targeted in some respects, but it's not supposed to be aiming at particular private businesses, it's supposed to be more widely available.

Mark Zimring:

Great, thanks, John. So with limited time left there are a bunch of questions here about specific states, what's been issued there, what's available to folks, and I'm going to put a link to a document into the chat function and send it to everybody. It should be on your chats now, it's a document by the Energy Programs Consortium, and they've done an incredibly wonderful job of tracking QECB issuances to date. So there are some charts in there that will give you a sense of what allocation is left in your state, as well as what types of broad programs or projects have been funded to date in your state. So it'll have lots of resources. I would recommend that you follow up with issuers to get a sense of the specifics of their projects in your area and kind of learn some lessons learned from their experiences.

There are also a bunch of questions on what types of projects are eligible, and again, the resources that Molly pointed you to, visit the DOE QECBs page, which is the screen that you're on, has lots of additional information on what types of projects are eligible. I think that you'll see from the Treasury guidance that it is a pretty broad range. So there were some questions about transportation – I think you'll see from that guidance that it's a pretty broad range of transportation type projects so long as again they meet the spirit of the Energy Conservation or Reduction Guidance that both the legislature gave and Treasury has _____. With that I think we'll transition it back to Molly and sign off here.

Molly Lunn:

Okay. John had one quick thing he wanted to add in.

John Cross:

I just wanted to underscore the last point you made, which is that today we've really only been talking about two of the project purposes – the green community programs and the public buildings. There is a huge list in the statute of other kinds of projects you can do including lots of renewable energy, wind and solar, including mass commuting facilities, including demonstration projects, research projects, public education campaign. It really is one of the broader program eligibility lists I've seen. So if you have other things that you haven't heard, go take a look at the list to see if something on there might fit your needs.

Molly Lunn: Thank you, John, and thank you to Mark and Adam and Tom and Brandon and Chris and anyone else I'm missing who helped participate today. I think this was a great session and I really encourage you all to check out the QECBs page and stay tuned for more announcements on the office hours, and look for emails with the links to today's session. Thanks a lot.

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