

From: Miller, Elizabeth [Elizabeth.Miller@state.vt.us]
Sent: Thursday, September 12, 2013 2:39 PM
To: Recchia, Chris; Wisloski, Stephen
Subject: Fwd: Qualified Energy Conservation Bond Update
Attachments: QECBStatusDraft final_august_13.pdf; ATT00001.htm

For my QCEB friends; distribute to others as you think needed/appropriate. Thanks!

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Begin forwarded message:

From: Sarah Sieting <ssieting@energyprograms.org>
Date: September 12, 2013, 2:01:47 PM EDT
To: undisclosed-recipients;;
Cc: <mwolfe@energyprograms.org>, Elizabeth Bellis <ebellis@energyprograms.org>
Subject: Qualified Energy Conservation Bond Update

Dear QCEB Stakeholders:

In addition to our primary report on Qualified Energy Conservation Bonds (QECBs), we are also beginning a periodic update of our tracking tables as new bonds are issued. As shown in the attached table, \$813 million has now been issued, representing a utilization rate of 25.4%. The QECB summary document includes a state-by-state update table tracking cumulative releases including the recent NYSERDA issuance.

Please see the attached updated tables. Our primary QECB report can be found at:
<http://www.energyprograms.org/2013/06/qecb-paper/>

Regards,
Elizabeth Bellis & Sarah Sieting Alim

Sarah (Sieting) Alim
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EPC UPDATE

Qualified Energy Conservation Bond Project, August 2013

The purpose of Energy Program Consortium's (EPC) Qualified Energy Conservation Bond (QECB) project is to provide technical assistance to state and local governments that are considering or planning to issue QECBs to support clean energy projects and work with the US Treasury Department, state associations and others to clarify outstanding regulatory issues. In both areas, EPC has taken a leadership and technical assistance role that has been broadly acknowledged.

QECBs represent a relatively new source of low-cost financing for state and local governments to support clean energy projects and programs. Initially authorized by the Energy Improvement and Extension Act of 2008 with a national ceiling of \$800 million in issuing authority, QECBs grew fourfold in 2009 when the American Recovery and Reinvestment Act (ARRA) expanded the national ceiling to \$3.2 billion. Each state received an allocation cap based on their share of the national population against the \$3.2 billion cap on issuing authority and then in turn allocated a portion of that amount to local jurisdictions with populations of at least 100,000. By issuing tax credits or utilizing a direct cash subsidy from the federal government, the bond issuer can effectively buy down the interest rate of the bond. QECBs serve as a long term financing option, with bonds currently maturing after a period of up to 25 years.

The attached table summarizes state-by-state QECB issuances since the program was enacted. As shown in the table, \$813 million (25%) of the total allocation (\$3.2 billion) has been issued through July 31, 2013.

Key accomplishments:

- EPC has continued its efforts in researching and tracking QECBs and our numbers have been reported in the New York Times and by the US Department of Energy. The New York Times article is available at <http://dealbook.nytimes.com/2012/05/07/few-seize-on-a-u-s-bond-program-backing-green-energy/?ref=dianecardwell>.
- Reference/Background Report on QECBs: The EPC report is the primary reference source for information on QECBs. In September 2012 we expanded the report, it has grown to almost 100 pages and includes ten charts and graphs and nine appendices with additional data and models on QECBs including frequently asked questions such as state-by-state administering agencies and sub-allocation information where available. http://www.energyprograms.org/wp-content/uploads/2012/09/QECB_Memo_9-5.pdf
The paper is currently being revised and will be released in July 2013.

Energy Programs Consortium is a nonprofit joint venture of the National Association of State Energy Officials (NASEO), the National Association of Regulatory Utility Commissioners (NARUC), the National Energy Assistance Directors Association (NEADA) and the National Association of State Community Service Programs (NASCSP).

- **Presentations:** During the course of the program year, Elizabeth Bellis, Program Director, made a number of presentations on QECBs including conferences sponsored by the Mississippi Development Authority, Climate Communities, Council of Development Finance Authorities, American Council for an Energy Efficient Economy, National Governors' Association, National Association for Energy Service Companies and three National Association of State Energy Officials meetings and webinars. Elizabeth Bellis also met with Living Cities on a more one-on-one basis and established communication with Emerald Cities regarding collaboration opportunities on QECBs.
- **Co-Led Key Stakeholder Working Group:** Responding to concerns and needs of QECB issuers, EPC co-led a stakeholder group in working with the US Department of Energy (DOE), the White House Council on Environmental Quality and Council of Economic Advisors, and IRS/Treasury to obtain Notice 2012-44. The Notice was issued in June 2012 - providing needed guidance on frequently asked questions causing issuers delay and concern in issuing QECBs. The Notice is also discussed at length in the September 2012 QECB Paper.
- **Providing Direct Technical Assistance to State and Local Governments:** Working with countless state and local officials interested in issuing QECBs, including: Vermont, Maryland, New York, Nebraska, New Jersey, Nevada, North Dakota, Hawaii, Puerto Rico, Pennsylvania, Texas and Wisconsin. EPC did significant research for NYSERDA and have been assisting Nevada and Wisconsin with repeated inquiries. Government officials have taken note of EPC's work and asked EPC to provide weekly updates to DOE, Lawrence Berkeley National Laboratory and the Treasury Department.
- **In recent months,** Sarah Sieting Alim and Elizabeth Bellis have reached out to nearly every state and local QECB allocatee across 5 states (Michigan, New York, Virginia, North Carolina, and Pennsylvania). Of 146 contacted, 44 responded. Responses are ranging from counties who were unaware that legislation provided them with QECB allocation authority, confusion on what QECBs are and what they can be used for, to counties who want to use them but have self-imposed debt ceilings and can't or have unfavorable political environment towards issuing new debt. We have had nine follow up calls with counties interested in learning more information regarding QECB uses. Seven counties have been interested in waiving their allocation back to the state level, for a total of \$15.1 million.

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Table 1A: State and Local Issuances of QECBs (7/31/2013)

State	Amount	Known Issued	Remaining
Alabama	\$ 48,364,000	\$5,750,000	\$ 42,614,000
Alaska	\$ 7,120,000	\$0	\$ 7,120,000
American Samoa	\$ 673,000	\$0	\$ 673,000
Arizona	\$ 67,436,000	\$16,023,804	\$ 51,412,196
Arkansas	\$ 29,623,000	\$0	\$ 29,623,000
California	\$ 381,329,000	\$274,728,250	\$ 106,600,750
Colorado	\$ 51,244,000	\$43,190,321	\$ 8,053,679
Connecticut	\$ 36,323,000	\$10,700,000	\$ 25,623,000
Delaware	\$ 9,058,000	\$0	\$ 9,058,000
District of Columbia	\$ 6,140,000	\$0	\$ 6,140,000
Florida	\$ 190,146,000	\$0	\$ 190,146,000
Georgia	\$ 100,484,000	\$5,372,000	\$ 95,112,000
Guam	\$ 1,826,000	\$0	\$ 1,826,000
Hawaii	\$ 13,364,000	\$0	\$ 13,364,000
Idaho	\$ 15,809,000	\$0	\$ 15,809,000
Illinois	\$ 133,846,000	\$49,735,000	\$ 84,111,000
Indiana	\$ 66,155,000	\$19,500,000	\$ 46,655,000
Iowa	\$ 31,150,000	\$0	\$ 31,150,000
Kansas	\$ 29,070,000	\$29,065,000	\$ 5,000
Kentucky	\$ 44,291,000	\$41,297,000	\$ 2,994,000
Louisiana	\$ 45,759,000	\$30,318,244	\$ 15,440,756
Maine	\$ 13,657,000	\$4,097,100	\$ 9,559,900
Maryland	\$ 58,445,000	\$6,500,000	\$ 51,945,000
Massachusetts	\$ 67,413,000	\$26,232,237	\$ 41,180,763
Michigan	\$ 103,780,000	\$2,088,779	\$ 101,691,221
Minnesota	\$ 54,159,000	\$16,025,000	\$ 38,134,000
Mississippi	\$ 30,486,000	\$0	\$ 30,486,000
Missouri	\$ 61,329,000	\$11,435,000	\$ 49,894,000
Montana	\$ 10,037,000	\$8,334,000	\$ 1,703,000
Nebraska	\$ 18,502,000	\$0	\$ 18,502,000
Nevada	\$ 26,975,000	\$8,135,950	\$ 18,839,050
New Hampshire	\$ 13,651,000	\$1,129,348	\$ 12,521,652
New Jersey	\$ 90,078,000	\$0	\$ 90,078,000
New Mexico	\$ 20,587,000	\$0	\$ 20,587,000
New York	\$ 202,200,000	\$29,469,870	\$ 172,730,130
North Carolina	\$ 95,677,000	\$0	\$ 95,677,000
North Dakota	\$ 6,655,000	\$3,780,000	\$ 2,875,000
Northern Marianas	\$ 899,000	\$0	\$ 899,000
Ohio	\$ 119,160,000	\$35,749,605	\$ 83,410,395
Oklahoma	\$ 37,787,000	\$0	\$ 37,787,000
Oregon	\$ 39,320,000	\$0	\$ 39,320,000
Pennsylvania	\$ 129,144,000	\$35,135,000	\$ 94,009,000
Puerto Rico	\$ 41,021,000	\$0	\$ 41,021,000
Rhode Island	\$ 10,901,000	\$0	\$ 10,901,000
South Carolina	\$ 46,475,000	\$0	\$ 46,475,000
South Dakota	\$ 8,343,000	\$6,575,000	\$ 1,768,000
Tennessee	\$ 64,476,000	\$6,440,000	\$ 58,036,000
Texas	\$ 252,378,000	\$14,067,032	\$ 238,310,968
US Virgin Islands	\$ 1,140,000	\$0	\$ 1,140,000
Utah	\$ 28,389,000	\$6,918,774	\$ 21,470,226
Vermont	\$ 6,445,000	\$0	\$ 6,445,000
Virginia	\$ 80,600,000	\$1,240,000	\$ 79,360,000
Washington	\$ 67,944,000	\$39,665,000	\$ 28,279,000
West Virginia	\$ 18,824,000	\$0	\$ 18,824,000
Wisconsin	\$ 58,387,000	\$24,302,883	\$ 34,084,117
Wyoming	\$ 5,526,000	\$0	\$ 5,526,000
Total	\$ 3,200,000,000	\$ 813,000,197	\$ 2,386,999,803

1. The information attached hereto has been gathered from various sources, including IRS Notice 2009-29, Municipal Securities Rulemaking Board, Department of Energy (DOE), Wells Fargo, state and local issuer websites, state and local government contacts. The amount issued figure may be rounded.

2. Chart compiled by Elizabeth Bellis, Director, QECB Program, and Sarah Sieting Alim, EPC, and was funded by the Energy Foundation, Suredna, and DOE. Chart includes all known QECB issuances through July 31, 2013, but may not include all QECB issuances.

For more information, please contact Elizabeth Bellis at ebellis@energyprograms.org or Sarah Sieting Alim at ssieting@energyprograms.org or 202-333-5915

