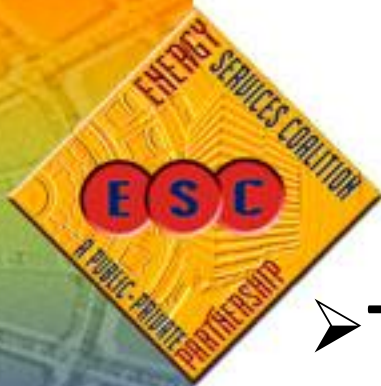


ESCO LENDING SURVEY 2019

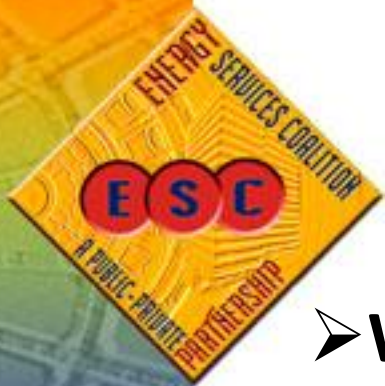
KEY TAKEAWAYS



- **Response rate was nothing short of phenomenal.**
- **Most lender classes are doing significant work with all ESCO classes with the exception of regional banks lending to local ESCOs.**
- **The small ESPC projects continue to be challenge.**
- **The Investment Grade Audit matters, big.**



- **The internally prepared pre-purchase analysis continues to carry some weight.**
- **When asked: If the lenders rely on the strength of the energy savings guarantee, a significant portion did not know.**
- **When asked: If the lenders rely on the credit strength of the ESCO, as well as the municipality, a large percentage did not know.**



- **When asked: If the dollar value of an ESCO project impacts the level of requirement of assurance / guarantee required of, or provided by the ESCO. For those that did know, it does not make much of an impact.**



➤ **The final question: Will lenders rely on the integrity of the project and the ESCO guarantee and forego a security interest in the equipment of the facility? Take away:**

NO!

(sorry Dale)