



Financing Businesses. Strengthening Communities.

## Energy Efficiency Loan Program Overview Period Ending March 31, 2024

### Program Updates:

In Q1 2023 Pathway Lending raised EELP interest rates on its Energy Efficiency and Renewable Energy loans to 4% for 5-year terms or 6% for 10-year terms.

### Program Activity:

Pathway Lending originated 5 loans totaling \$1,132,608 in Q1 2024. During this period, the application volume was similar to other periods in the past year.

Pathway Lending representatives participated in outreach and brand awareness activities during the quarter to promote TNEELP. These included outreach to energy efficiency providers and presentations to stakeholders along with other energy related incentives.

Since the inception of the program, 52 companies have reapplied and received loans following their first experience with EELP to implement additional EE measures. Community facilities, real estate entities, churches, and private schools remain a substantial portion of new loan originations.

### Lending Summary:

For the period ending 03/31/2024, \$1,132,608 in new loans were originated to 5 Tennessee businesses and organizations. Overall, these loans helped Tennessee businesses save an average of \$8,599 annually.

### State Grant Funding Summary as of:

\$1,000,000	Total Operating Grant
\$1,000,000	Reimbursed Expenses Program to Date
\$ -0-	Available to Reimburse
\$14,000,000	Total Loan Capital/LLR/Guaranty Grant

### Total Program Summary as of 03/31/2024:

\$14,362,483	Program Loans Outstanding
\$ 2,145,801	Program Unfunded Commitments to Borrowers
\$ 9,637,517	Cash Available for Loan Funding
\$ 5,000,000	Additional Commitments Available for Loan Funding
\$ 480,000	Loan Loss Reserve in Use

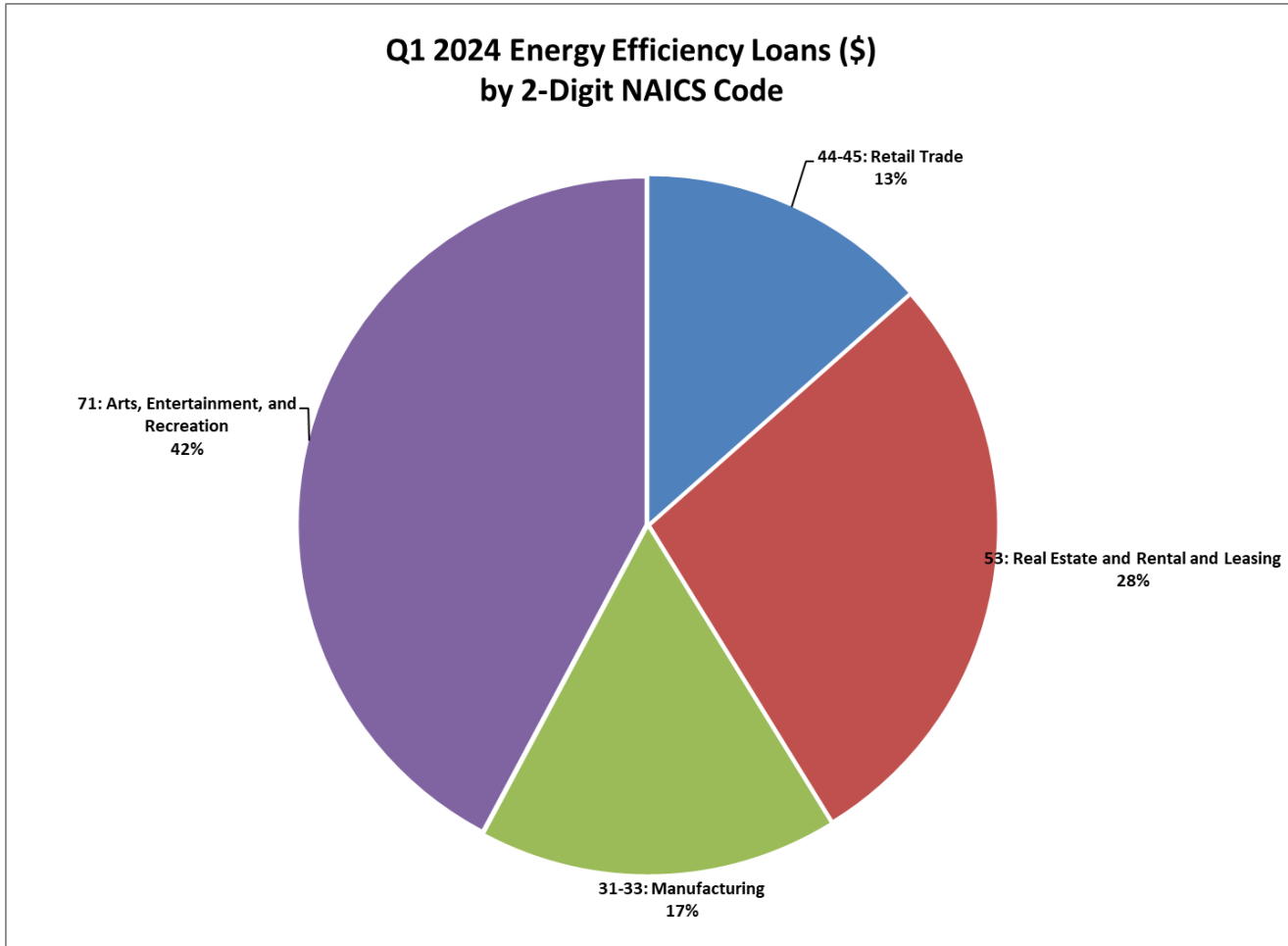
		1/1/20-12/31/20	1/1/21-12/31/21	1/1/22-12/31/22	1/1/23-12/31/23	1/1/24-03/31/24	1/1/24-12/31/24
Closed Loans	Total Loans (#)	20	19	18	26	5	5
	Total Loans (\$)	\$9,228,665	\$3,103,984	\$4,872,781	\$7,342,771	\$1,132,608	\$1,132,608
	East TN	8	8	4	9	3	3
	Middle TN	5	8	11	10	1	1
	West TN	7	3	3	7	1	1
	Women-Owned	0	0	0	2	1	1
	Minority-Owned	1	1	1	4	1	1
	Hispanic-Owned	0	0	1	0	0	0
	Jobs Created/Retained	902	462	272	444	837	837
	Building Retrofits	3	1	0	0	0	0
	Bundles	3	5	9	14	3	3
	Co-Generation	0	0	0	0	0	0
	Equipment	0	0	0	0	0	0
	HVAC	4	3	5	3	1	1
	Industrial Systems	0	0	0	0	0	0
	Lighting	10	6	2	2	0	0
	Renewables/Solar	0	3	2	7	1	1
	Avg. Annual Savings	\$19,166	\$37,764	\$62,385.30	\$136,921.79	\$42,994.16	\$42,994.16
	KWH Installed	3,529,597	1,930,184	3,781,088.00	4,547,753.00	383,907.00	383,907.00
	Avg. KWH/\$	0.38	0.62	0.78	0.62	0.34	0.34
Therms Installed	120,420	65,662	129,017	155,199	80,201	80,201	
Avg. Therms/\$	0.01	0.02	0.03	0.02	0.07	0.07	
Number Paid In Full	35	34	22	27	7	7	
Amount Paid In Full	\$3,797,077	\$3,880,420	\$3,651,999	\$6,075,590	\$1,003,336	\$1,003,336	
Number Charged Off	0	0	0	0	0	0	
Amount Charged Off	\$0	\$0	\$0	\$0	\$0	\$0	

		1/1/20-12/31/20	1/1/21-12/31/21	1/1/22-12/31/22	1/1/23-12/31/23	1/1/24-12/31/24	1/1/23-12/31/23
All Complete Applications	Total Applicants	20	14	28	33	7	7
	Approved - Closed	13	15	16	12	4	4
	Approved - In Closing	3	1	5	5	1	1
	Denied	0	0	0	0	0	0
	Withdrawn	2	1	0	3	0	0
	In Process	1	0	7	13	2	2
	East TN	7	6	6	11	3	3
	Middle TN	7	9	19	15	2	2
	West TN	6	2	3	7	2	2
	Women-Owned	0	0	0	2	1	1
	Minority-Owned	0	0	2	4	1	1
	Hispanic-Owned	0	0	1	0	0	0
	Building Retrofits	0	0	0	0	0	0
	Bundles	5	4	13	15	3	3
	Co-Generation	0	0	0	0	0	0
	Equipment	0	0	0	0	0	0
	HVAC	6	2	8	4	2	2
	Industrial	0	0	0	0	0	0
Lighting	9	5	5	3	0	0	
Renewables/Solar	0	5	1	11	2	2	

## Frequently Asked Questions – Pathway Lending Energy Efficiency Loan Program

1. **How does Pathway calculate the following impacts:**
  - a. **Jobs Impact** – Borrowers self-report and certify at the point of loan closing and then on an annual basis thereafter the current level of employment for facilities impacted by EE projects.
  - b. **Average Annual Savings** – Third party audits, assessments and vendor proposals are utilized to determine projected annual savings. This data is reviewed by Pathway Lending staff.
  - c. **KWH Installed** - Third party audits, assessments and vendor proposals are utilized to determine projected annual savings. This data is reviewed by Pathway Lending staff.
  - d. **Average KWH/\$** - Projected KWH savings divided by the dollar amount of the loan made for each project.
  - e. **Therms Installed** – KWH are translated into therms to provide a universal measure of energy. 1 kWh equals 0.034121412 therms.
  - f. **Average Therms/\$** - Projected therms saved divided by the dollar amount of the loan made for each project.
  
2. **What records or information must applicants provide to calculate pay-back for measures undertaken or equipment installed to determine that the project is suitable for the program?** Third party audits, assessments and vendor proposals are utilized to determine projected annual savings. This data is reviewed by Pathway Lending staff. This information must contain specific and detailed costs of the project (i.e., materials, labor, overhead rates, etc.) as well as detailed projections on energy savings or generation.
  
3. **What is done to ensure the loan funds are put toward the proposed projects?** Pathway Lending staff perform project progress inspections depending upon the complexity and length of time required for project completion. A final review of each project is also completed. Loan funds are typically paid directly to the vendors or third parties performing each project under the review and direction of the borrower. In some cases, borrowers are required to provide up front funding and request reimbursement. Again, this depends upon the length of time for implementation and project complexity. Most projects also qualify for some incentive from TVA through a power purchase agreement or incentive for energy savings projects. TVA personnel also review the completion of the project prior to providing funding.
  
4. **What are borrowers required to provide or may be obtained during the life of the loan in order to assist in project EM&V efforts?** Borrowers are obligated to provide annual financial information and job impacted data. Energy data related to the project is also requested and highly encouraged.

The Energy Efficiency Loan Program provides loan capital to businesses across Tennessee that represents a number of industries and business sectors. The following chart displays the percentage of the Energy Efficiency Loan portfolio by 2-Digit NAICS Code.



NAICS Code	Loans \$
44-45: Retail Trade	152,640.00
53: Real Estate and Rental and Leasing	313,968.00
31-33: Manufacturing	188,000.00
71: Arts, Entertainment, and Recreation	478,000.00
	<b>\$ 1,132,608.00</b>