



GCP
GREEN CAMPUS PARTNERS

CHP Market Development with Energy Efficiency and Renewable Portfolio Standards

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GCP Overview

- ❖ GCP is a specialized energy project development and investment firm focused on EE and DE projects serving institutional clients with energy intensive facilities.
- ❖ GCP utilizes a unique co-development business model to collaborate with clients and contractors to develop, fund, own and operate energy projects.
- ❖ GCP principals have funded more than \$5 billion of energy projects.
- ❖ GCP has unlimited funding capabilities through a combination of its own capital and access to the balance sheets of a broad range of investors.
- ❖ GCP's principals have deep experience providing structured financing solutions to healthcare and higher education clients.
- ❖ GCP is a portfolio company of Hudson Clean Energy Partners, a \$1.5 billion private equity fund headquartered in Teaneck, NJ.
- ❖ GCP is a member of NAESCO, ACORE, the US EPA CHP Partnership and a Partner in the Better Buildings Challenge.



EERS, RPS and AEPS Defined

Energy Efficiency Resource Standard (EERS) - a mechanism to incent more efficient generation, transmission, and use of electricity by requiring utilities to reduce energy consumption.

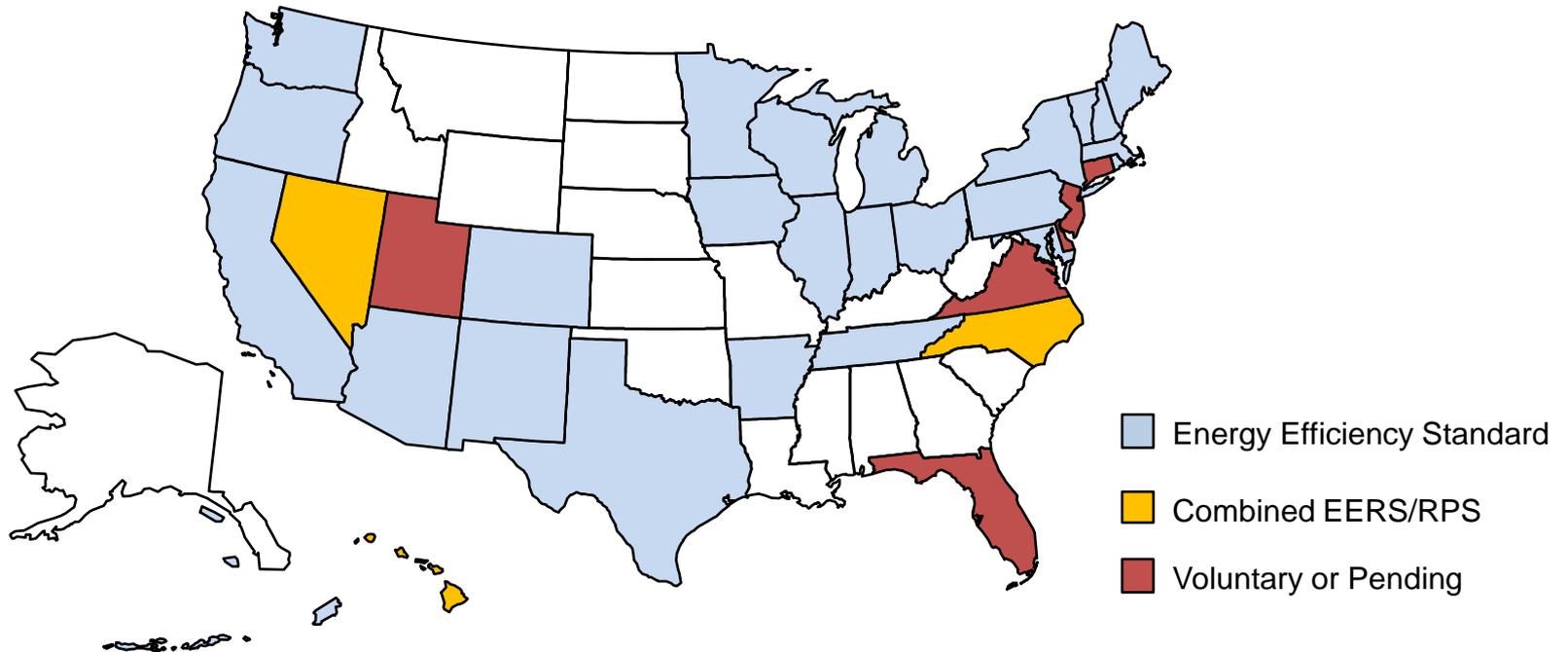
Renewable Portfolio Standard (RPS) is a mechanism to incent increased production of electricity and thermal energy from renewable energy plants such as wind, solar, biomass and certain hydro and geothermal projects by requiring utilities to obtain certain portions of their electricity generation from renewable sources.

Alternative Energy Portfolio Standard (AEPS) – typically a hybrid or sub-category of an EERS or RPS program.

Common Features	
Legislatively enabled	Administered by PUC
Specific targets and timelines	Implemented through utilities
Incentives specific technologies	“Carrot and stick” regulation
Compliance credits	Private market participants

Existing EERS

Twenty-five states have long-term, binding EERS. Six additional states have voluntary standards or pending enactment of an EERS.



Source: ACEEE

Market Impact

- Project Types
 - Significant positive impact on volume of renewable energy projects, especially utility scale wind and solar
 - Limited directly attributable impact on distributed generation CHP
- Client Decision-Making
 - Positive effect in areas where incentives directly impact client economics
 - Neutral or negative effect where client takes risk to uncertain incentive value
- Funding
 - Long-term incentive monetization continues to be difficult under most regimes (e.g. solar SREC's in NJ)
 - Very limited lender willingness to underwrite or take risk to incentive values
- Market Velocity
 - Generally positive effects on market velocity in terms of development activities
 - Minimal mitigation of obstacles in transition from late-stage development to project construction and implementation
- Interplay with Other Regulatory Dynamics
 - No discernible impact on challenges such as franchise rights, permitting, interconnection, etc.

Pros and Cons

Pros	Cons
Reduce utility resistance to DG and CHP	Minimal reduction of other utility roadblocks
Provide price signal clarity	Create price signal uncertainty
Improve project economics	Monetization challenges
Increase project development opportunities	Compliance complexity
Support GHG reduction efforts	Misalignment of stakeholder interests



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