FRE in the Marketplace (Shameless Plug)

OUR CUSTOMERS
- MANUFACTURING
- INDUSTRIAL
- COMMERCIAL
- HOSPITALS
- SCHOOLS
- HOMES

OUR SERVICES
- GeoThermal
- SolarPower
- LightKit
- SmartSensor
- EnergyStore
- WaterSave

OUR SOLUTIONS

LOWER ENERGY BILLS
Save up to 70% on your electric bill, and up to 100% on fuel costs.

INNOVATIVE FINANCING
Pay no up-front installation cost when you switch and a fixed price for up to 25 years, subject only to inflation.

FIXED ENERGY COSTS
With no fluctuation in cost, you are hedged against rising electricity and fuel prices. What’s more, you can accurately budget and forecast cash flow regarding utility costs.

COMPREHENSIVE SERVICE
Save with free maintenance and support for the lifetime of your FRE Renewable Solutions.

LOWER CARBON FOOTPRINT
Meaningfully contribute to global greenhouse gas reduction.
The Problem: No Capital In The Market

THE GEOTHERMAL INDUSTRY

COMPARSED TO THE SOLAR INDUSTRY

TWO DRIVERS: cost of technology and cost of capital
Current Financing Options for Geothermal

- Cash
- Home Improvement/Equity financing
  - Not available for most buyers
- Senior Secured Mortgage
  - Available for new construction
  - Assumes sufficient LTV
- Title 1 HUD Loans
  - Loan amount capped at $25,000
  - Loans over $7,500 must be secured
- Property Assessed Clean Energy Loans (PACE)
  - Requires enabling state statutes (19 states)
  - Location dependent
- Green Banks
  - Location dependent
  - Regulatory restrictions
- Utility On-Bill Financing
  - WFEC
  - Not widely supported
- Corporate Debt
  - Not widely utilized, competes with higher IRR projects

NOT ENOUGH CAPITAL TO ACCELERATE THE MARKET!
Third-Party Ownership: Unlocking Capital

Third-Party Ownership creates access to debt (and equity) markets which will increase capital flow and drive down the cost of capital.

- Special purpose vehicles (SPV’s) formed to own geothermal loops.
- Thermal Energy Purchase Agreement (the “TEPA”).
- Non-recourse debt financing (e.g., Sponsor does not have to provide guarantees or other credit enhancement).
- Secured by project cash flows, UCC filings on hard assets and easements.
- Tax equity (adds complexity).
- Project-Level Debt
- Asset Securitization
- Geo Yieldcos?!!!

SECURE CASH FLOWS + SCALE, SCALE, SCALE =

BIG COMMERCIAL BANKS
CAPITAL MARKETS
INSTITUTIONAL INVESTORS
Project and Structured Finance

**KEY FEATURES**
- Non-recourse debt
- Structure: Credit Agreement
- Debt Term: 12-15 Years
- Interest Rate: 6-8% (LIBOR +)
- Gearing: 70/30
- Collateral: cash flows, UCC lien on hard assets, easements
**KEY FEATURES**

- Non-recourse debt
- Structure: Bonds (rated)
- Debt Term: 6-8 years
- Yield: 4-7%
- Advance Rate: 65-75%
- Aggregate DCF: minimum $90M
- Collateral: cash flows, UCC lien on hard assets, easements

*ITC expired in 2016*
THANK YOU!!

QUESTIONS?

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