

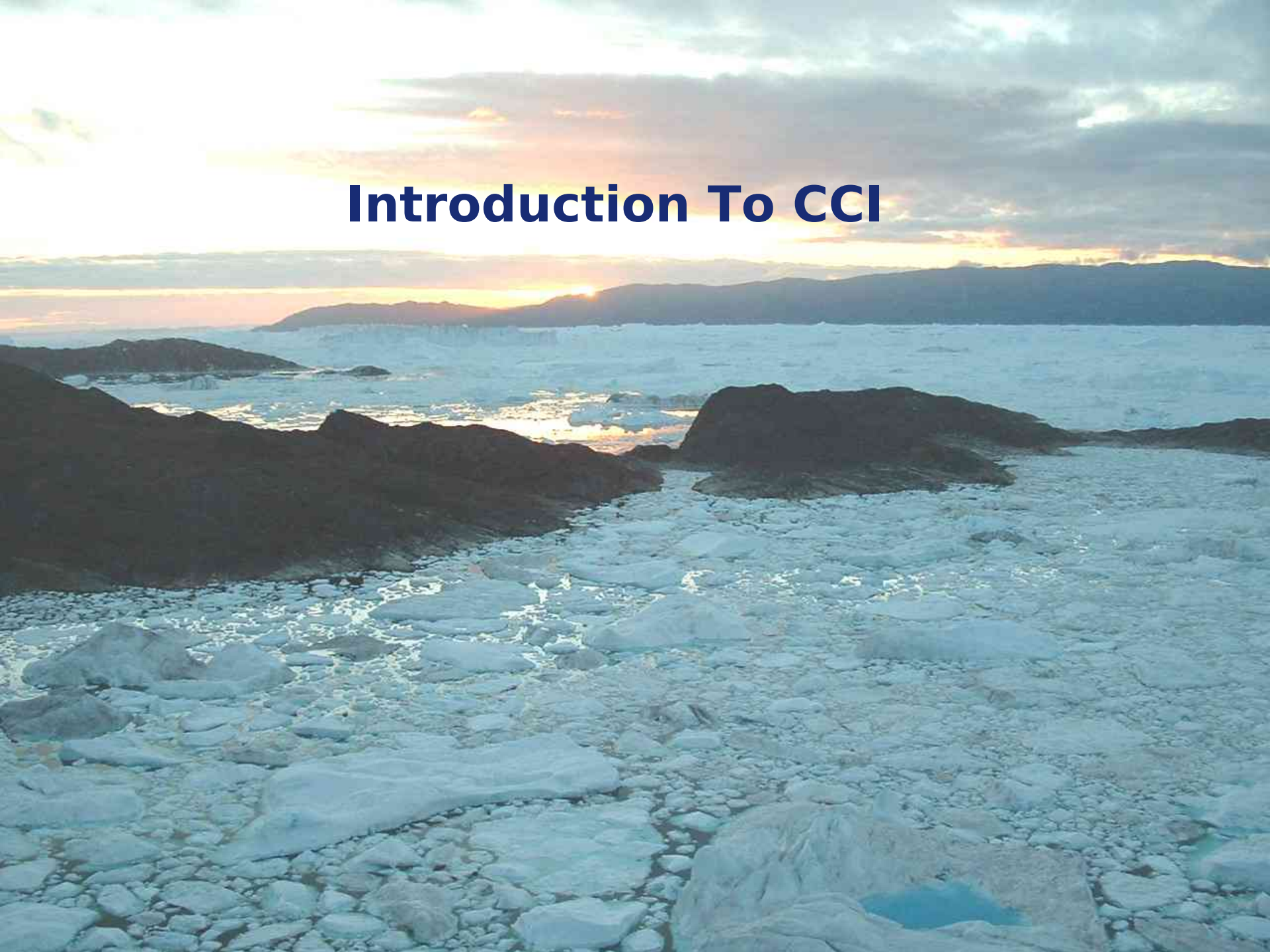


CLINTON
CLIMATE
INITIATIVE

**CCI Programs in India
Delhi**

July 11, 2007

Introduction To CCI



The Clinton Climate Initiative

MISSION

Make a difference in the fight against climate change in practical, measurable, and significant ways.

APPROACH

- Generate Political Will
- Convene Stakeholders
- Stimulate Markets
- Remove Barriers to Scale-Up
- Organize Partners
- Mobilize Resources
- Share Best Practices
- Measure Results

PHILOSOPHY

- Think Big
- Move Quickly
- Use Markets
- Create Partnerships
- Get Results

Strategic Partnerships

CITIES INITIATIVE

- As its first project, CCI is serving as the implementing partner of the “C40,” an association of 40 large cities and 14 affiliate cities around the world.
- CCI is assisting these cities to implement large scale projects that reduce energy use, increase the use of clean energy, and reduce GHG emissions.

EXTENDING OUR IMPACT

- Technical Partnerships
- Corporate Partnerships
- U.S. Conference of Mayors (USCM)
- Green Schools Program with U.S. Green Building Council (USGBC)
- American College & University Presidents Climate Commitment (ACUPCC)

C40: 40 Partner Cities & 14 Affiliate Cities



Programs & Supporting

FOCUS AREAS

Building Retrofits

Outdoor Lighting

Solid Waste Management

Transportation

Clean Energy

Water & Wastewater

Ports

Airports

Developing Countries Initiative

SUPPORTING INFRASTRUCTURE

City Teams

Program Teams

Technical Assistance

Purchasing Assistance

Financing

Measurement Tools

Energy Efficiency Building Retrofit Program

FOCUS ON EXISTING BUILDINGS

- The largest contributors of GHG emissions in most urban areas

PARTNER WITH CITIES

- To encourage & streamline retrofits

PARTNER WITH PUBLIC & PRIVATE BUILDING OWNERS

- To identify opportunities for large scale, measurable projects

PARTNER WITH LEADING ENERGY SERVICE COMPANIES (ESCOs)

- To promote best practices for cost-efficient projects

PARTNER WITH LEADING FINANCIAL INSTITUTIONS

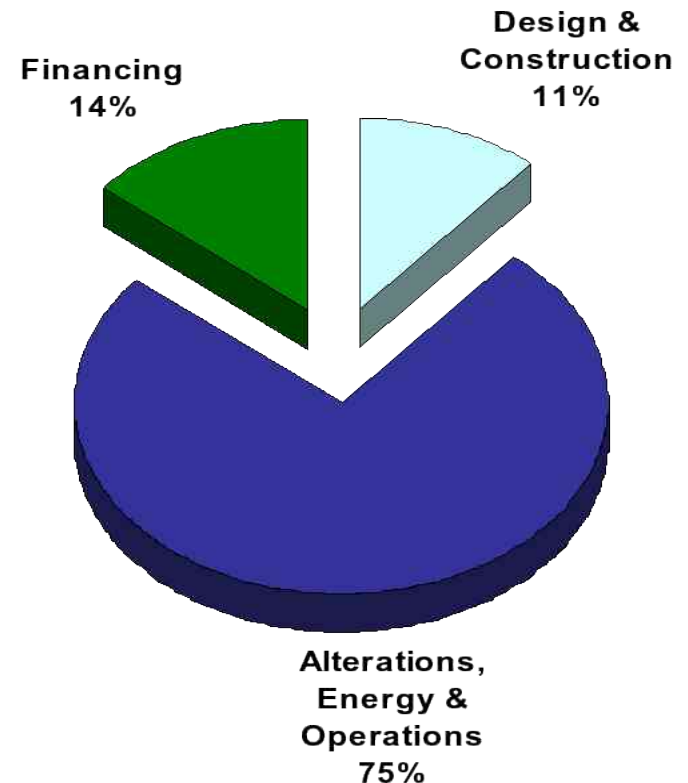
- To provide capital through a variety of project financing mechanisms

PARTNER WITH SUPPLIERS OF ENERGY EFFICIENT PRODUCTS

Why Existing Buildings?

- Buildings contribute 50 – 70% of GHG emissions in urban areas
- There is excess energy and savings trapped in existing buildings, typically 20 – 50%
- Existing buildings use an average of 25% more energy than new buildings
- 3/4 of building lifecycle costs occur after construction is complete

Typical Building Lifecycle Costs



Benefits of Building Retrofits

CAPTURE WASTED ENERGY & MONEY

- Reduce energy use, lowering operating expenses
- Upgrade/renew aging infrastructure & address deferred maintenance
- Improve facility comfort & performance
- Create a market advantage
 - Tenants want (and will pay for) high-performing space
 - Reposition aging assets
 - Analyze portfolio for opportunities & deadweights

DELIVER ON PROMISES

- Reduce GHG emissions and carbon footprint
- Revive communities & local businesses
- Promote “green collar” jobs

Sources of Energy Savings

- High-efficiency HVAC systems
- High-efficiency windows and lighting products
- Energy consumption regulators
- Other durable & sustainable building technologies

Energy Service Performance Contracts (EPCs)

INNOVATIVE CONTRACTING MODEL

- Procurement process is streamlined & project development costs minimized
- A single provider is accountable for design, construction, performance measurement
- Success is measured by savings results rather than lowest cost

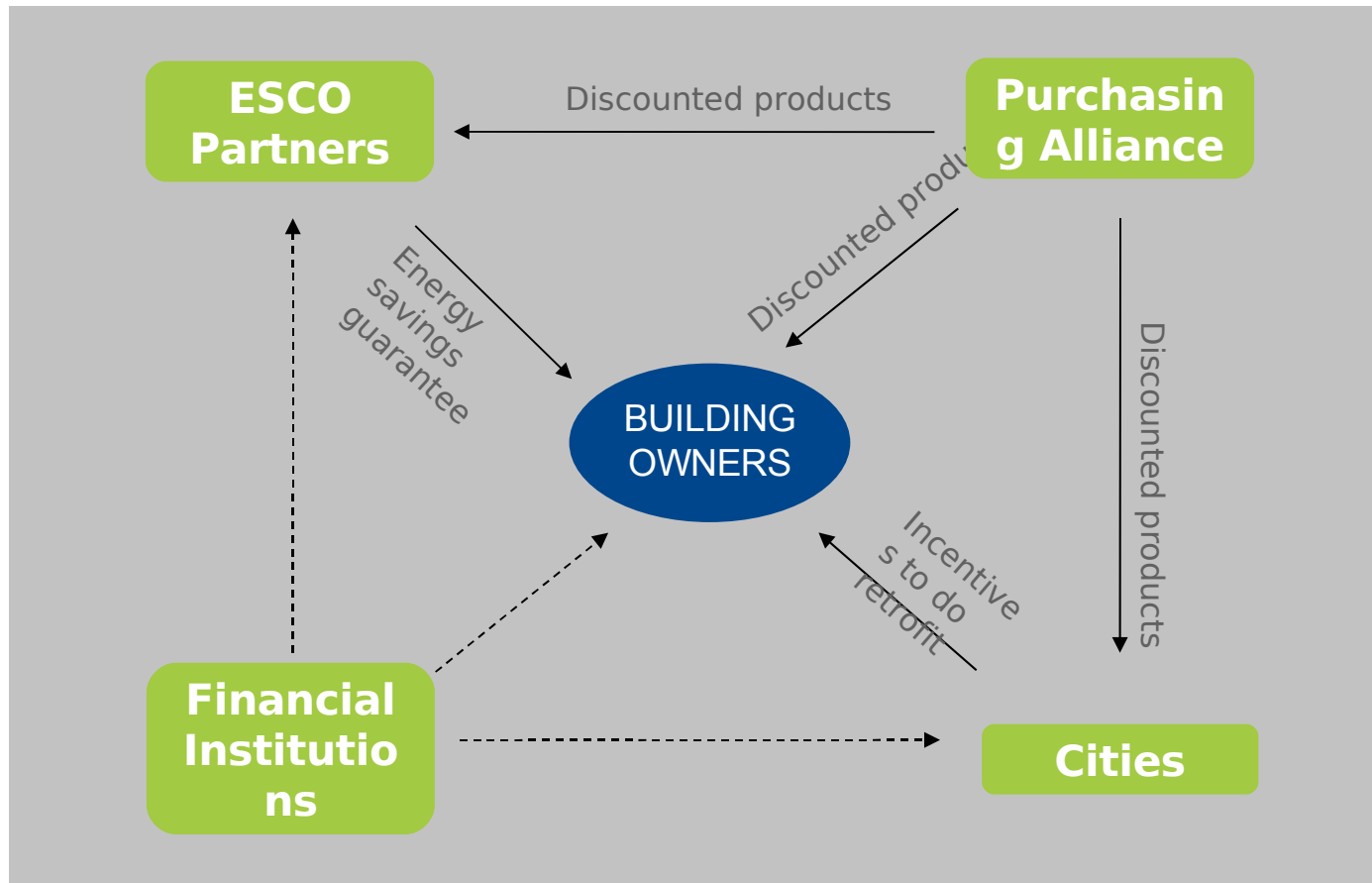
EPC PROJECTS PAY FOR THEMSELVES

- Project cost and energy savings are guaranteed by ESCO
- Utility savings over time pay for investments in equipment and services
- Projects can be 100% financed – energy savings are source of funds to repay loan

BUILDING OWNERS CONTROL PROCESS

- Owners indicate project specifications (buildings, investment, and other criteria)
- ESCO assesses project opportunity and identifies energy conservation measures
- EPC defines performance and specific level of energy savings for life of agreement

Partnership Model



Role of ESCOs

DELIVER FINANCIALLY JUSTIFIABLE & SUSTAINABLE PROJECTS

- Identifies energy conservation measures to meet owner's goals
- Implement and measure agreed-upon project
- Guarantee performance for life of contract

WORK IN ALIGNMENT WITH CCI NEGOTIATED TERMS & CONDITIONS

- Guarantee maximum pricing – owner knows project cost up front
- Guarantee savings – owner knows exact savings over time
- Provide price transparency on costs and markups
- Pass through project savings to owner through gain sharing

WORK WITH CCI TO MINIMIZE COSTS & PASS ON RESULTS

- Streamline process to reduce project development costs
- Include CCI pricing on energy-efficient products where feasible

CCI ESCO Partners

- Ameresco
- Carrier
- Chevron Energy Solutions
- Constellation Energy
- Honeywell
- Johnson Controls, Inc.
- Noresco
- Schneider/TAC
- Siemens
- Trane
- Local ESCOs

As of May 2008

Role of Financial Partners

PROVIDE REASONABLE & EFFICIENT ACCESS TO CAPITAL

- Fund projects using the best financial solutions available
- Provide 100% financing through commercial loans – *not grants* - to qualified building owners at market rates
- Each bank has committed up to US\$1 billion in capital

DESIGN FINANCIAL SOLUTIONS FOR RETROFITS

- Work with CCI on financing innovations for projects
- Explore the use of ESCO performance guarantees to provide security for loans
- Evaluate energy savings as a way of analyzing debt capacity of the project

CCI Financial Partners

- ABN AMRO
- Citi
- Deutsche Bank
- Hannon Armstrong
- JP Morgan Chase
- UBS
- Local Banks

As of May 2008

SOME WAYS ENERGY EFFICIENCY PROJECTS ARE FINANCED:

Receivables purchase agreements

Multi-level lending structures
repayment

Direct tax-exempt finance

Master lease agreements

Operating leases

Utility-based project

Revenue bonds

State-based revolving

Role of Building Owners

- Work with CCI on project goals & schedule
- Establish cross-functional team & leader to manage project
- Select buildings for program participation
- Qualify ESCO & financial partners for services
- Work with CCI on determining best process to bring financially positive, measurable projects to fruition

Role of CCI

FACILITATE PROJECT DEVELOPMENT & IMPLEMENTATION

- Connect building owners with ESCO & financial partners
- Ensure that owner's interests and expectations are met
- Monitor & assist owner throughout project cycle
- Provide purchasing assistance and product discounts

PROVIDE TECHNICAL ASSISTANCE

- Share best practice examples and support at each stage of project
- Connect owners to technical experts where required

FACILITATE BEST PRACTICE SHARING

- EPC project development and implementation
- Working with ESCOs and financial institutions

HIGHLIGHT LEADING BUILDING OWNERS' REDUCTIONS IN CARBON FOOTPRINT

Purchasing Assistance for Building Projects

TECHNOLOGIES

- Building Technologies
- Commercial & Industrial Lighting

NEGOTIATED PRICE CEILINGS

- Typically 5%-40% discounts off best-customer or prevailing prices, (based on order size, local market conditions & buyer specifications)
- Price ceilings based on projected sales volumes & predictable pipeline
- Final price negotiated by owner or ESCO at/under ceiling price

TECHNOLOGY SELECTION CRITERIA

- Impact on GHG & Energy Efficiency
- Product Quality & Innovation
- Discount Level

NOTE: Supplier inclusion in the CCI Purchasing Alliance does not constitute an endorsement or certification of the supplier by CCI or the William J. Clinton Foundation, nor a recommendation to

Building Products

CATEGORY	SUBCATEGORY	SUPPLIERS	TYPICAL DISCOUNTS
Envelope Products	Window Films	3M Solar Gard/ / Bekaert	25 – 50%
	Reflective Coatings	Tremco	17- 20%
Cooling Products	Chillers	Carrier Corp.	5-20%
	Chiller Optimization Application	Optimum Energy	35%
Lighting Technology	Fluorescent	General Electric Acuity Lighting Cooper Lighting	5%-30%
	HID	Acuity Lighting Cooper Lighting	5%-30%
	LED	Lemnis Lighting	Up to 70%
	Sensors	Cooper Lighting	5%-15%
	Specialty (e.g., emergency)	Acuity Lighting Cooper Lighting	5%-30%

Note: Installed prices and availability vary by geography, local labor costs, and installation requirements

Measuring Success: Project 2

Degrees

THE EMISSIONS TRACKER SOFTWARE WILL ALLOW USERS TO:

- Upload data on emissions producing activities by sector
- Establish baseline GHG emissions
- Manage inventories
- Set emissions forecasts & targets
- Track effectiveness of emissions reduction programs
- Choose data to make public
- Create graphs, charts & reports by sector

PARTNERS

- Microsoft
- ICLEI
- Center for Neighborhood Technology

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