

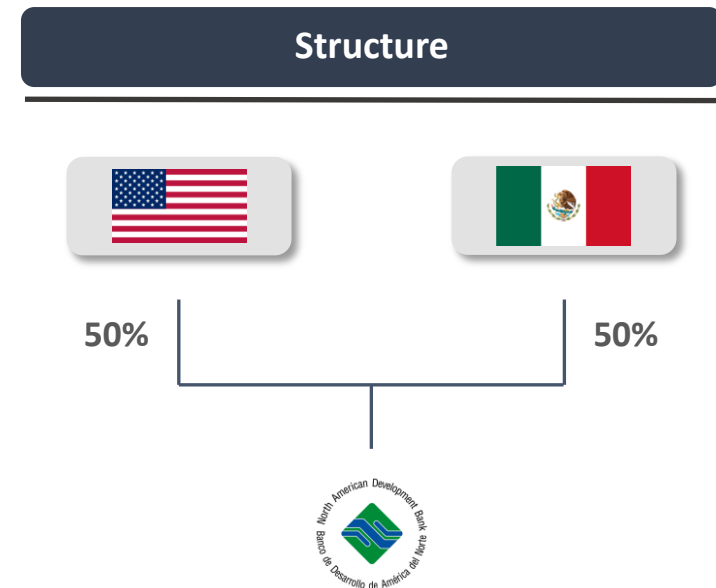
Financing & Incentives

**9th Annual Renewable Energy & Water Summit
IVEDC - IID**



Binational Institution

- ◆ Established in 1994 to address environmental issues
- ◆ Finances environmental projects along the U.S.-Mexico border
- ◆ Provides technical assistance for project development
- ◆ Headquartered in San Antonio, Texas
- ◆ Rated:
 - Aa1 - Moody's
 - AA – Fitch



NADB is capitalized and governed equally by the governments of the United States and Mexico

Programs and Eligible Sectors

PROGRAMS

Types

- ◆ Loan
- ◆ Grant
- ◆ Technical Assistance

Services

- ◆ Senior lender
- ◆ Financial / technical advisor
- ◆ Lead arranger

ELIGIBLE SECTORS

Renewable Energy	Energy Efficiency	Water & Sewage	Solid Waste	Air Quality
<ul style="list-style-type: none"> ◆ Wind ◆ Solar ◆ Hydroelectric ◆ Geothermal ◆ Bio-fuels ◆ Biomass ◆ Methane capture 	<ul style="list-style-type: none"> ◆ Equipment replacement ◆ Water efficiency programs ◆ Public lighting 	<ul style="list-style-type: none"> ◆ Water treatment ◆ Wastewater treatment ◆ Water conservation ◆ Storm drainage 	<ul style="list-style-type: none"> ◆ Landfills ◆ Recycling ◆ Equipment ◆ Toxic waste disposal 	<ul style="list-style-type: none"> ◆ Street paving ◆ Pavement rehabilitation ◆ Road bypasses ◆ Border crossings ◆ Urban mass transit systems

Loans

CATEGORIES

- ◆ Construction
- ◆ Term
- ◆ Back-leverage
- ◆ Mini-perm
- ◆ Tranche A – Tranche B

GENERAL TERMS & CONDITIONS

- ◆ Competitive fixed or floating rates
- ◆ Up to 85% of total project cost
- ◆ Terms of up to 25 years
- ◆ U.S. dollar or Mexican peso facilities
- ◆ Negotiable grace periods
- ◆ Market DSCR levels
- ◆ Market leverage levels

- ◆ Both private and public sector clients are eligible for loans
- ◆ Structuring services

Wind and Solar Projects

- ◆ 24 projects contracted
- ◆ US\$1.12 billion in loans
- ◆ >1.5 GW in installed capacity



Financial Entities & Capital Funds



conEdison



Bank of Tokyo-Mitsubishi UFJ



MACQUARIE



NORD/LB
Asset Management



Deutsche Bank

SIEMENS



INTERGEN



KDB



RBC Royal Bank



OneWest Bank



 **STi norland**

 **Gamesa**

 **NEXTracker**
Unleashing Solar Profits

 **YINGLI SOLAR**

 **ReneSola**

 **SUNTECH**

 **Vestas**

 **MITSUBISHI
POWER SYSTEMS**

 **ARRAY
TECHNOLOGIES**

 **SIEMENS**

 **SUNLINK**

 **TrinaSolar**



ASTROENERGY

 **SunEdison**

 **CanadianSolar**

 **ERCAM
TRACKERS**

 **acciona**
Energía



Tax Incentives

PTC and ITC Extension

- ◆ On December 18, 2015, Congress enacted subsidy extensions for clean energy projects
- ◆ Investment Tax Credit (ITC)
 - Solar projects
 - Construction must begin before 2022
 - In service before 2024
- ◆ Production Tax Credit (PTC)
 - Wind projects
 - Construction must begin before 2020
 - \$23/MWh

Annual Phase Out of Tax Credits

Year	PTC	ITC
2015	100%	30%
2016	100%	30%
2017	80%	30%
2018	60%	30%
2019	40%	30%
2020		26%
2021		22%
2022+		10%

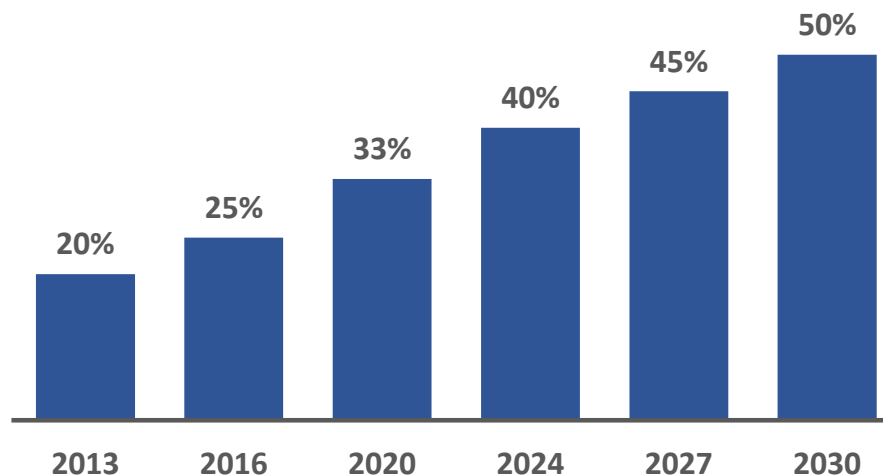
Renewables Portfolio Standard

California

◆ SB 350 signed on October 7, 2015

- Electric utilities (IOUs, SMJUs, CCAs, ESPs) must have a minimum of their retail sales derived from eligible renewable energy resources
- POUs are not regulated by the CPUC, but their governing boards are charged with establishing procurement requirements for renewable energy resources

RPS Procurement Requirements



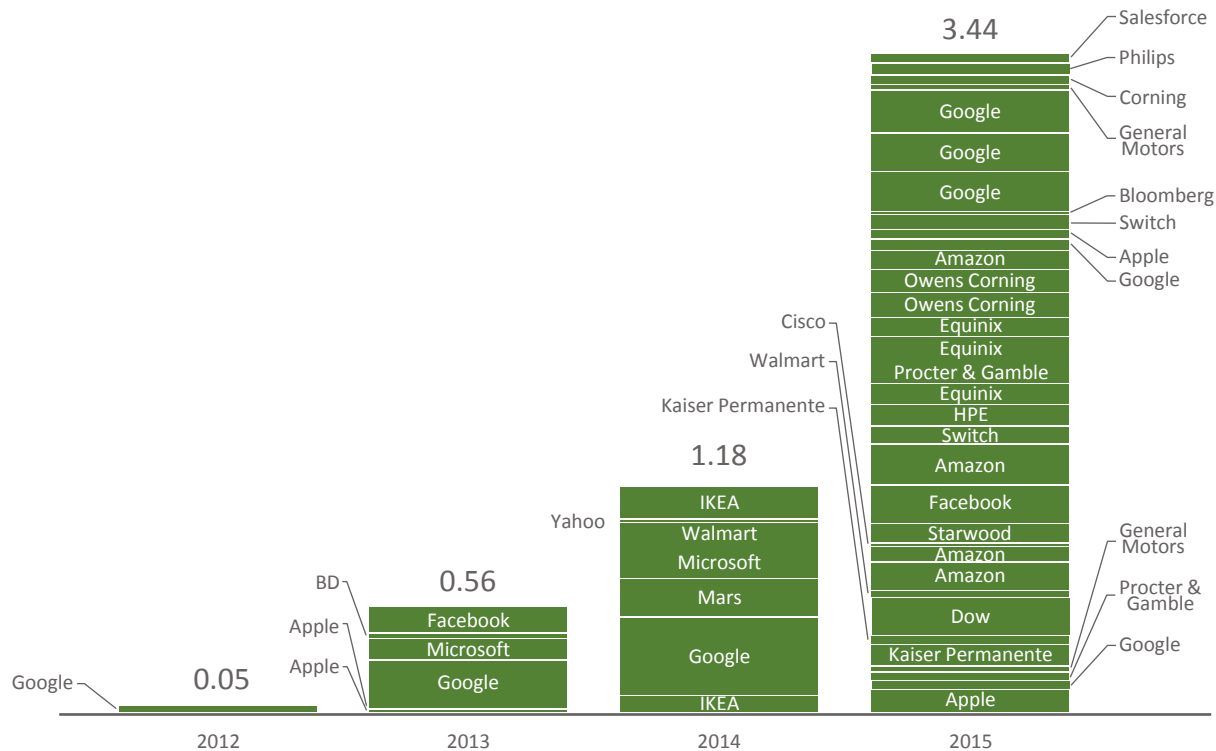
Corporate Renewables



Off-takers

- ◆ Non-utility businesses procuring renewable power via long-term contracts directly from independent generators
- ◆ New capacity has more than doubled each year since 2012

Contracted Capacity of Corporate Off-takers (GW)

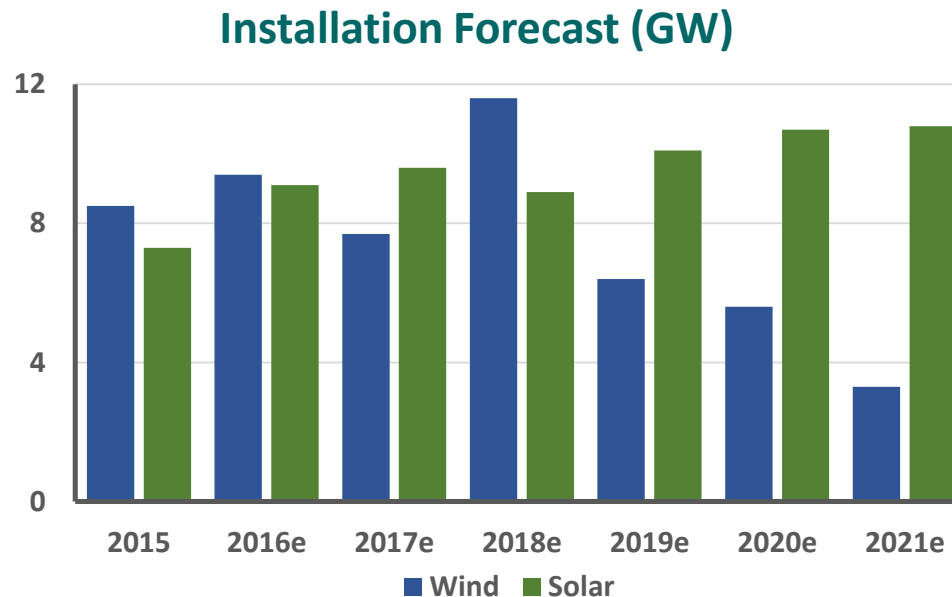


Source: Business Renewables Center

Forecast

Wind and Solar

- ◆ Current wind and solar equals 103 GW of installed capacity
- ◆ Generating capacity for wind and solar is expected to double in the next five years:
 - Wind 44 GW
 - Solar 59 GW

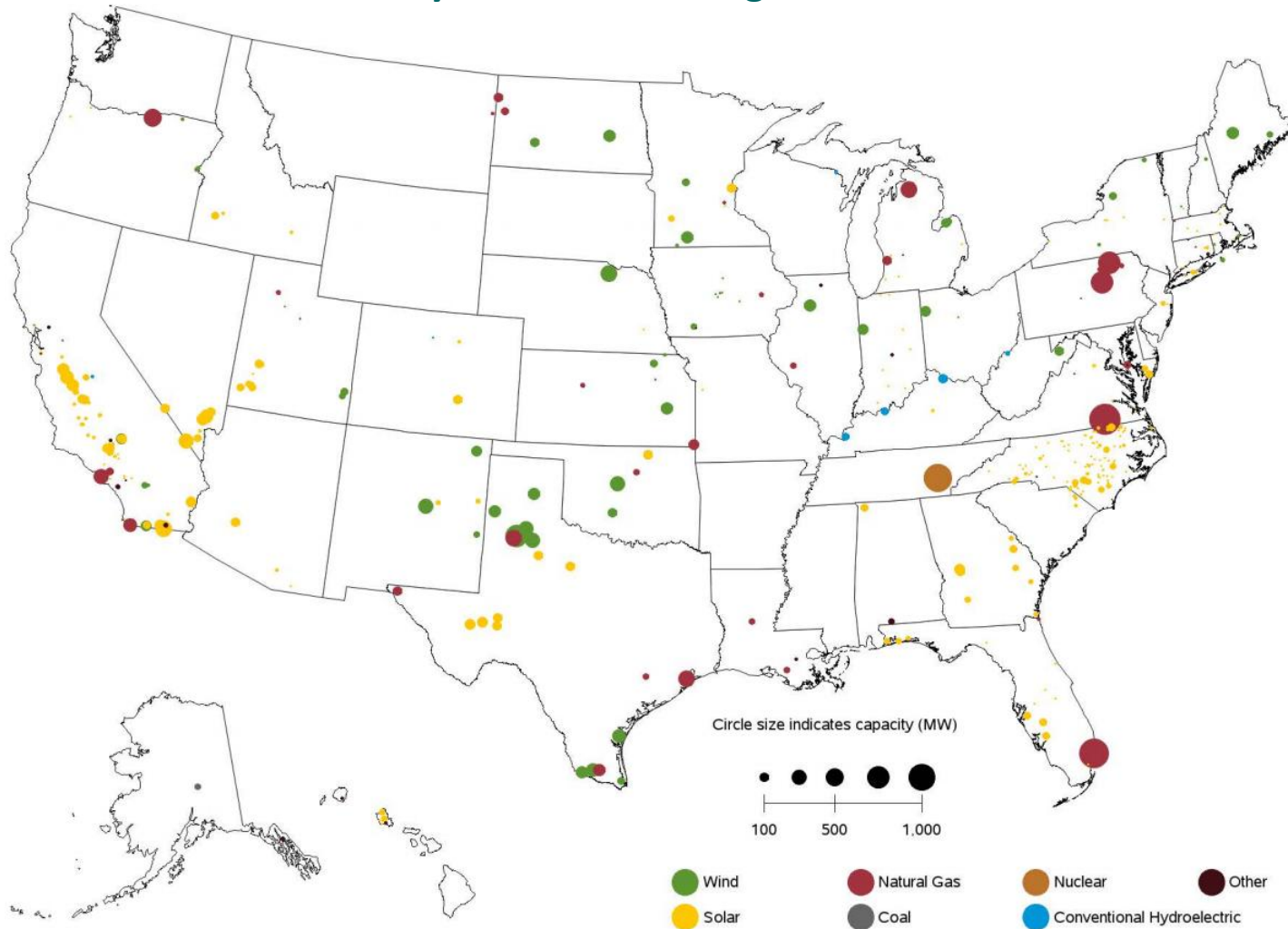


Source: Bloomberg New Energy Finance (BNEF)

Forecast

Imperial Valley

Utility-Scale Generating Units 2016



Source: U.S. Energy Information Administration





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