



# Pathway Lending

Financing Businesses. Strengthening Communities.

## **Energy Efficiency: Powering Economic Growth**



# Pathway Lending

Financing Businesses. Strengthening Communities.

**Economic development lender who provides loans to Tennessee businesses when traditional financing is unavailable.**

**Founded:** 1999

**Strong Partnerships:** Public & Private

**Lasting Community Impacts:**

450+ LOANS to 350 Tennessee Companies totaling \$40MM

Created 1,500 and Retained 2,600 Jobs in Tennessee

**Rural Opportunity Fund:**

60 Loans to 44 Rural Tennessee Companies totaling \$9+ MM

Created 200 and Retained 400 Jobs in Rural Communities

# Solutions Model

- **IDENTIFY PROBLEMS:**

Projects which provide benefit but are difficult to finance;

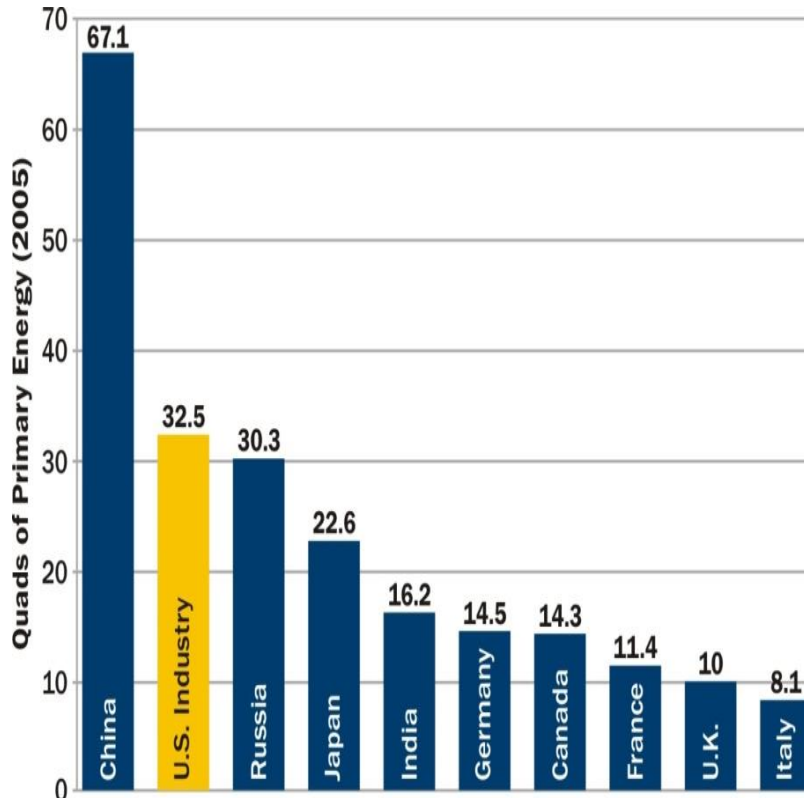
- **BUILD PARTNERSHIP NETWORKS:**

Public and private partnerships build knowledge across industries and geographies; and

- **CREATE PRODUCTS THAT FILL MARKET GAPS:**

Significant research and development to best meet the needs of industrial and commercial businesses.

# Industry is Key to Energy & Emissions



Source: U.S. Industry Data DOE/AER 2007; Other countries DOE/International Energy Annual 2005

## U.S. Industrial Sector

- >200,000 sites
- Nearly 14 million manufacturing jobs
- Over \$6 trillion in goods provided
- Over \$1 trillion in exports
- Consumes more energy than any other sector of the economy (~32 quads)
- Responsible for ~1,660 MMTCO<sub>2</sub>/year from energy consumption
- Manufacturing makes the highest contribution to U.S. GDP (12%)
- Produces nearly 1/4th of world manufacturing output
- Spurs job creation and investment in other sectors

# Energy Efficiency: A Big Opportunity

- **Energy Impacts:**

Energy efficiency measures have the potential to reduce U.S. energy demand growth by more than 20% by 2020.

- **Unrealized Savings:**

75% of energy efficiency recommendations go unimplemented.

- **Economic Development Impacts:**

Jobs created/retained with savings & improved productivity

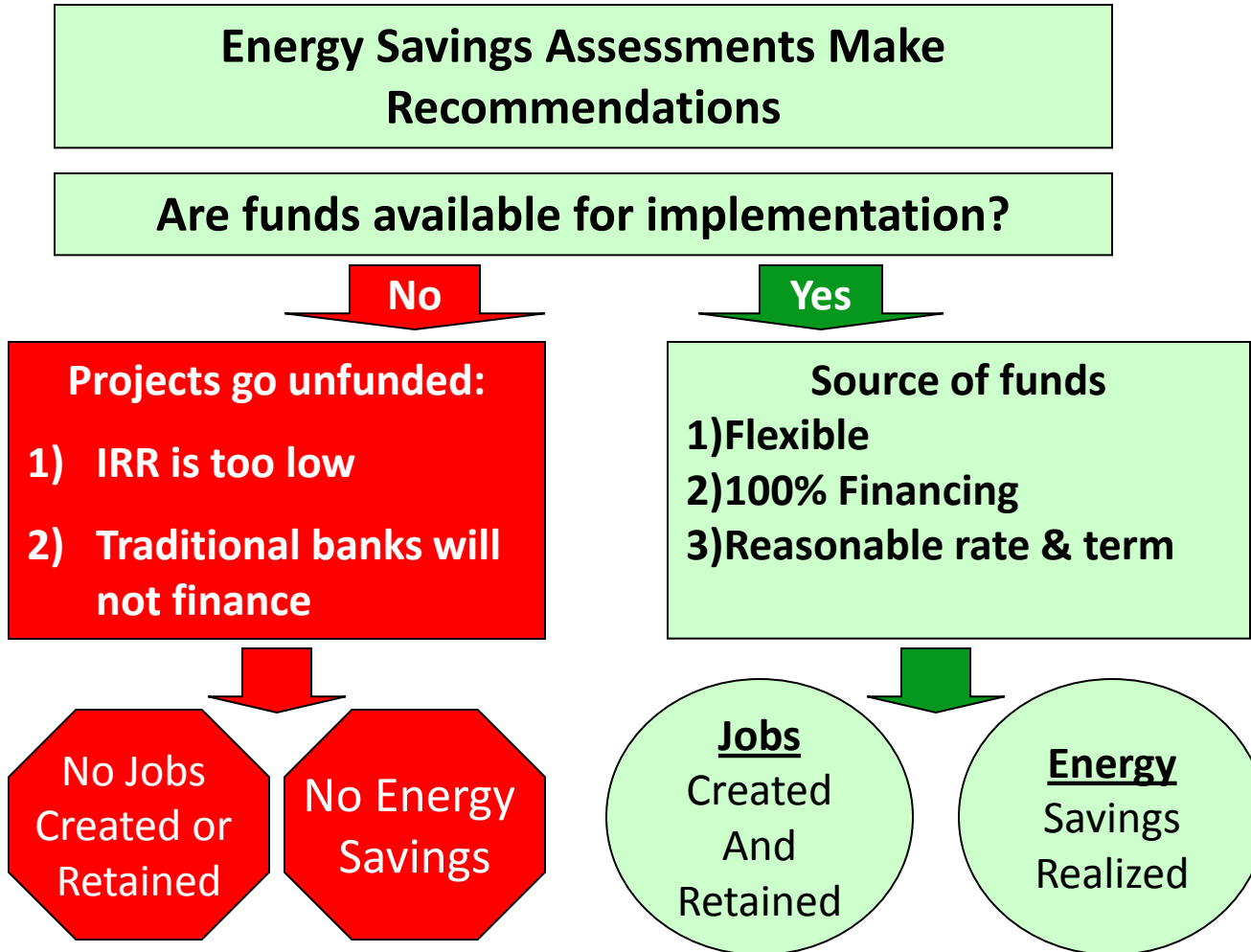
- **Companies in Distressed Communities:**

88% of large industrial facilities/ 1,556 facilities in

# Barriers to Implementation

- Lack of awareness of the potential of energy efficiency
- Lack of training or expertise on energy efficiency
- Lack of Management focus on energy efficiency
- Capital/Budget Constraints (#1 Barrier):

# Impacts of Unmet Financing Needs:



# Tennessee's Solution

**What:** A low interest, revolving loan fund to finance energy efficiency projects for Tennessee facilities.

**How:** Public & private funding partners

**Target:** Industrial, commercial & private non-profits

## Features:

- 100% Financing
- Below-Market Rates
- Terms up to 10 Years
- Building Retrofits, Lighting, Control Systems, Equipment Replacement, Etc.
- Energy Cost Saving – Up to 50% share

# How It Works: Continued

## Online Application:

- Financial Data: Company & Personal Financials (as applicable)
- Energy Data: Energy Audits, Vendor Proposals, or Technical Assessments

## When:

Mid-Summer 2010

**Building the pipeline now!**

# Questions:

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