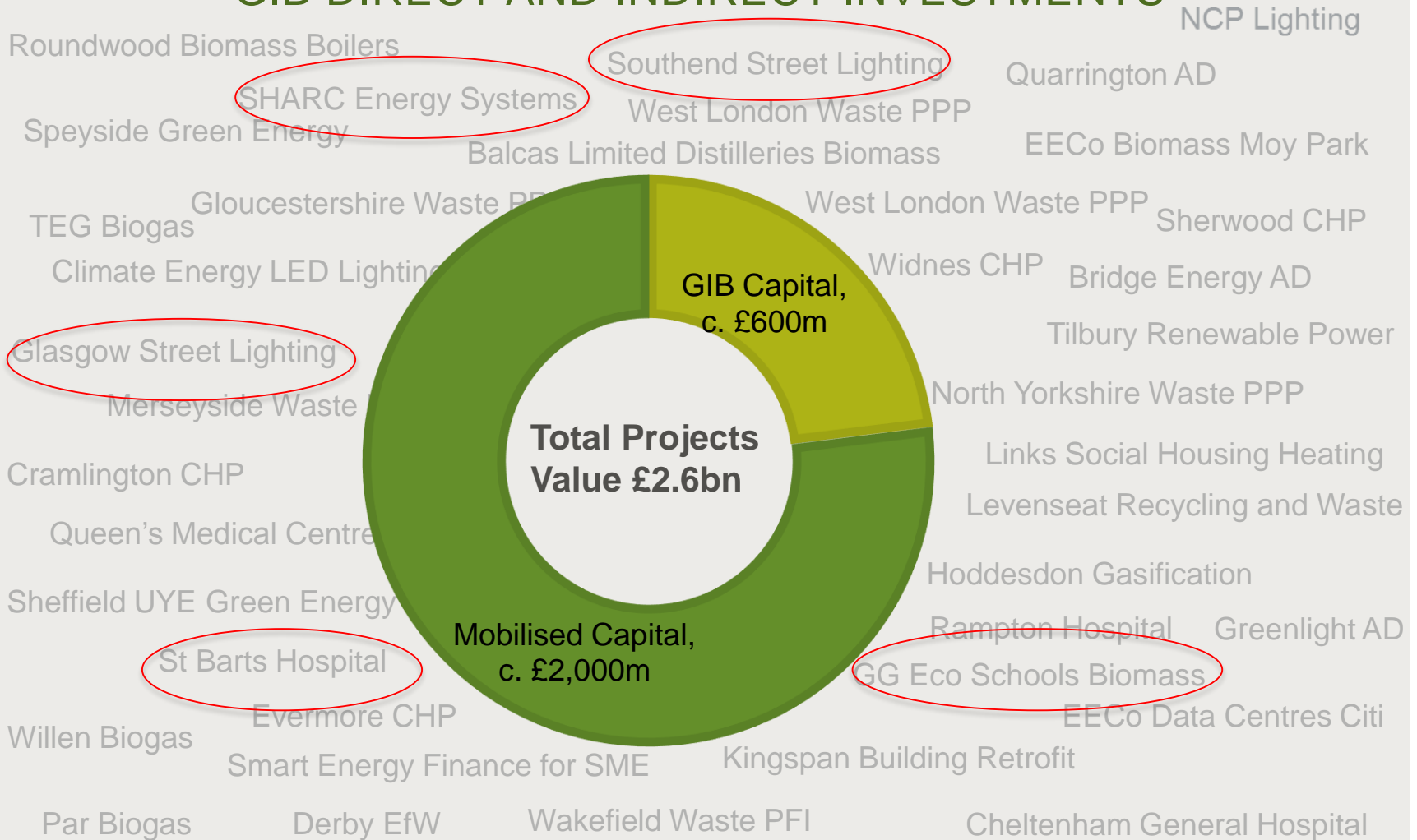


Delivering energy schemes for the UK public sector

Gavin Templeton, Head of Sustainable Finance

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GIB DIRECT AND INDIRECT INVESTMENTS



We aim to partner with public institutions

We are a strategic investor with green and finance credentials and can support our public sector clients by engaging early on projects and can provide a full range of structured financing options.



Early engagement with project team to identify low carbon investment opportunities

Sponsor and promote low carbon on strategic agenda. Prioritise projects by green credentials and financial impact

Understand policy drivers, delivery capacity, project development status and financial constraints. Support development of investment business cases

Continue discussions towards agreement of indicative terms

Provide debt or equity capital to enable projects to be developed

Development of Green Loan

GIB developed the Green Loan for Local Authorities, recognising the need for flexible and simple Energy Efficiency financing product

Pathfinder

- 2013: Glasgow City Council agreed to work in partnership with GIB to develop the Green Loan for its pathfinder LED lighting project
- 2013: Green Loan developed as a more flexible alternative to PWLB and to provide certainty for ring-fenced multi year programme funding to achieve long-term benefits

Market Report & Green Loan Launch

- Feb 2014: Issued the 'Low energy streetlighting: making the switch' market report to publicise the opportunity for investment in the UK 's streetlighting infrastructure
- Feb 2014: Launched the Green Loan, a direct corporate facility to Local Authorities for streetlighting
- 2014: GCC and GIB work together to test Green Loan affordability and value for money to develop financing documentation

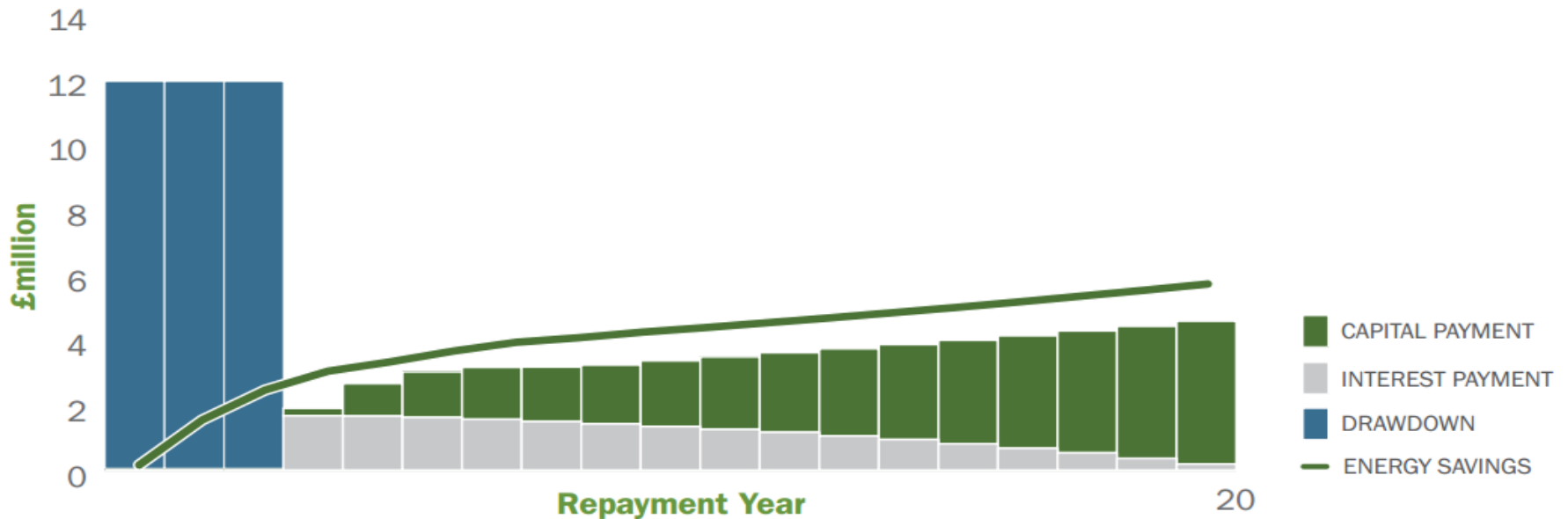
Standardisation

- Sep 2014: Glasgow Phase 1 reached commercial close, signed Green Loan Facility Agreement
- Current: Glasgow and GIB working together in all project areas – technical, legal and financial as project goes into procurement
- Current : Standard documents and process being developed: financing model, term sheet, loan documentation and green monitoring

GIB Green Loan

Green Loan debt service is matched to forecast cash flows – providing a low cost funding option which gives positive cash flows each year

Green Loan Sculpted Repayment



UK Financing Options Comparison

Option	Low Cost	Deferred Repayment	Fixed Rate
Contractor Finance	x	✓	✓
PWLB Single Drawdown	✓	x	✓
PWLB Multiple Drawdowns	✓	x	x
Internal Cash	✓	x	x
Salix	✓	x	✓
GIB Green Loan	✓	✓	✓

The GIB Green Loan combines a number of benefits compared to other finance options considered by Local Authorities working with GIB

LED Streetlight and Energy Savings in UK

7.4m number of streetlights in the UK. Less than 10% are currently low energy LEDs.



100,000 number of hours of light provided by a LED. A standard streetlight only provides **15,000** hours.

30% of light from a standard streetlight is wasted as it is dispersed upwards.



£300m



annual UK spend on energy for streetlighting; rising in line with escalating energy prices.

£200m annual energy cost saving by switching to LED streetlighting; paying off the investment in 10 years.

30% of a Local Authority's energy bill is for streetlighting.



50 to 80% of energy costs could be saved by switching to low energy streetlighting.

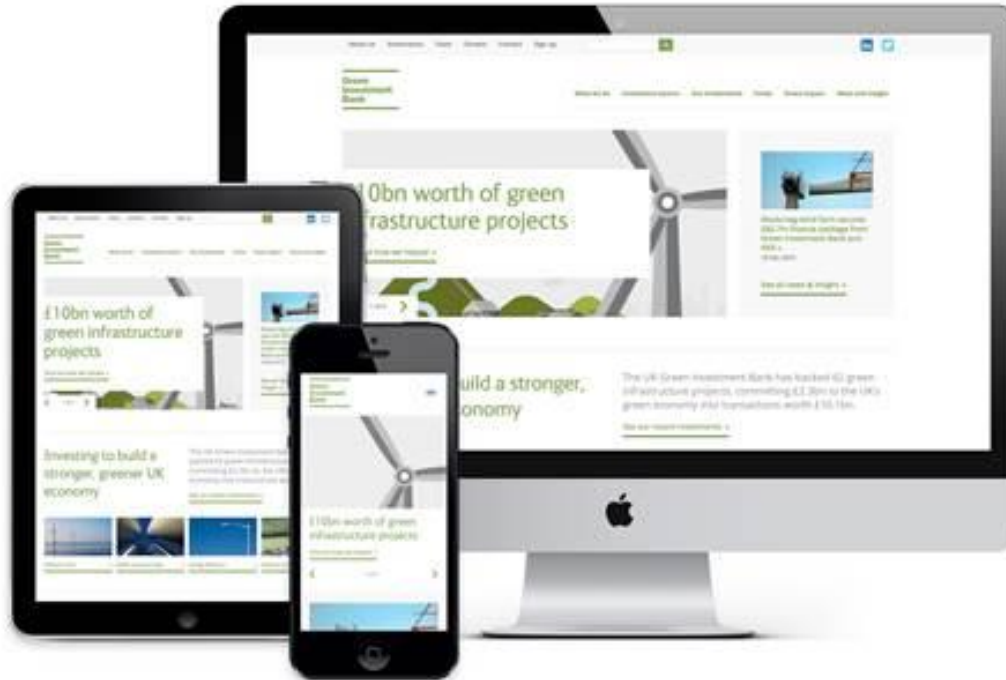
Saving greenhouse gas emissions (CO₂) equivalent to taking

330,000 cars off the UK's roads.





Find out more



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