



**Michigan Saves**<sup>SM</sup>

# Request for Proposals (RFP) for Energy Lending Capacity-building Services

## Summary

Michigan Saves seeks a consultant to guide its expansion into new lines of business, including direct lending to customers, to meet its ambitious public purpose goals over the next decade.

## Overview of Michigan Saves

Michigan Saves, the nation's first nonprofit green bank, makes energy improvements easier for Michigan energy consumers by stimulating and supporting investment in energy efficiency measures and renewable energy systems in Michigan homes, businesses, and public buildings. Established in 2009 through a grant from the Michigan Public Service Commission (MPSC), Michigan Saves envisions a future in which consumer demand for efficient homes, businesses, and communities transforms the building and remodeling industries. Michigan Saves is part of this transformation by offering the financing solutions and contractor network that make energy efficiency and renewable energy improvements easy and affordable and by advancing a more energy-conscious culture in Michigan. While more than half of the residential lending has been in low- to moderate-income communities, Michigan Saves expects to accelerate the development of financing solutions that resolve race- and income-related energy equity disparities.

Michigan Saves' mission is to stimulate and support investment in energy efficiency and renewable energy systems and measures in Michigan homes, businesses, houses of worship, and public buildings. To date, Michigan Saves has facilitated over \$270 million in clean energy investments by offering a loan-loss reserve to mitigate risk for local lenders that finance these projects. Michigan Saves also manages a statewide network of more than 800 authorized contractors with expertise in energy efficiency and onsite renewable energy systems. Additionally, Michigan Saves makes innovative, affordable financing for energy improvements through a network of authorized residential lenders (credit unions) and commercial lenders (banks), financial institutions, and equipment-leasing companies. Finally, through a network of community and utility partners,

Michigan Saves accelerates demand for greater energy efficiency and renewable energy through education and communication.

Michigan Saves is not currently a lender. Rather, Michigan Saves uses public funds, which have been endowed to the organization, as a credit enhancement to leverage private capital for energy efficiency and renewable energy improvements. Michigan Saves' credit enhancement is in the form of a loan loss reserve fund that reduces each lender's default risk, allowing them to offer below-market rates, expanded underwriting criteria, and greater access than they otherwise would have through traditional financing products. Michigan Saves' credit enhancement uses public funds to leverage private capital at a rate of \$30 to \$1, which is one of the highest leverage rates in the nation.

Michigan Saves has eight staff members and is governed by an 18-member board of directors. The board also includes a nonvoting board member appointed by the chair of the MPSC. Please see [MichiganSaves.org](https://MichiganSaves.org) for more information.

## Purpose of RFP

Despite our success in the last decade, Michigan Saves believes that the organization can do more and have an even greater impact in Michigan in the next ten years. In order to support [Michigan's climate goals](#) and in order to support our mission to make energy efficiency and clean energy accessible to all Michiganders—no exceptions—the organization will need to expand, grow, and scale our total financing portfolio to over \$1 billion in the next few years. Michigan Saves would like to expand beyond the current credit enhancement model by improving the organization's financial infrastructure and capacity, creating transformative financing programs, and serving disenfranchised communities that traditionally lack access to low-cost capital. This expansion would include the development of direct lending capabilities for the organization as well as additional capabilities identified by the consultant.

## Scope of Work

Michigan Saves invites interested consultants or consulting teams to provide technical and consulting services that help the organization redefine itself and its products and services to meet the clean energy financing needs and demands of the next decade. Michigan Saves seeks a consultant or consulting team that can identify future clean energy market demands, create a strategy for meeting those demands, and describe organizational and programmatic tactics for achieving the strategy. The consultant should also articulate and analyze all strategies, tactics, and programs through the lens of racial equity. In all, Michigan Saves seeks a consultant that can provide the strategy, tactics, and programs that reposition Michigan Saves as a market maker, not just a market participant, for the next decade.

Michigan Saves will work with the consultant to identify interim deliverables. The final deliverable is a business plan that proposes strategies to meet Michigan's climate goals and Michigan Saves \$1 billion goal. The depth of the business plan should be in the tactics that are needed to implement the strategies. For example, for Michigan Saves to provide direct lending to consumers, the consultant should make recommendations for the organizational structure and staffing needs to do so, the technological requirements for loan origination and servicing, the methods for acquiring capital, and accurate compliance with state and federal lending regulations, if applicable, among other considerations.

## Selection Criteria

Michigan Saves expects to award a contract to a consultant or consulting team that proposes the best approach to the work. Applicants should articulate their abilities, experience, and understanding in the following areas:

1. Consumer lending in the residential, commercial, and municipal markets
2. Clean energy technology, including established technologies like energy efficiency and renewable energy, as well emerging technology, such as microgrids
3. Financial structures for clean energy improvements, such as solar power purchase agreements, property assessed clean energy, utility on-bill financing programs, energy service contracting, etc.
4. The function and operation of green banks
5. Financial technology and software that supports consumer lending
6. Diversity, equity, and inclusion within the financial and clean energy industries
7. Future clean energy market trends, particularly within Michigan
8. State and federal financial regulations

Michigan Saves will give preference to applicants who have performed similar tasks for energy financing or green bank organizations.

## Submission Requirements

To respond to this RFP, please submit a narrative that:

- Provides background on your company or companies, including length of time in business, financial performance, and core competencies
- Demonstrates understanding of the services sought in this RFP and articulates a proposed approach to the work
- Identifies your organization's relevant past work and capacity as well as expertise of proposed staff in a manner responsive to the scope of work and the selection criteria
- Includes a timeline and budget for the scope of work proposed

You may include any other information that you believe Michigan Saves should consider. All responses will be treated as confidential. Michigan Saves is not liable for any costs incurred by applicants in responding to this RFP.

Please submit responses via email to Mary Templeton at [mtempleton@michigansaves.org](mailto:mtempleton@michigansaves.org).

The deadline for response is 5:00 PM EST on Wednesday, December 30, 2020.

## Timeline

After reviewing the responses, Michigan Saves may interview one or more respondents and engage in negotiations regarding the scope of work, roles, and other details to award a contract in early 2021.