



SCLenergy, Inc.  
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Dallas, TX 75244

July 15, 2013

Brad Copithorne  
Financial Policy Director  
Environmental Defense Fund  
123 Mission Street, 28<sup>th</sup> Floor  
San Francisco, CA 94105

Re: The June 25, 2013 ALJ Darling Proposed Decision; Application 12-07-001 et al

Dear Brad:

SCLenergy is a leading developer of energy efficiency retrofit projects for commercial properties. As such, we have been following with great interest the CPUC's recent proceedings on energy efficiency finance culminating in ALJ Darling Proposed Decision. We are thrilled that the CPUC has addressed this issue and we are generally pleased with the results of the Proposed Decision but believe that some minor clarifications around On-Bill Repayment will be needed to fully unlock energy efficiency financing to a much wider base of commercial properties.

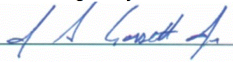
Our current market is commercial or institutional buildings that have strong credit, but this leaves out the majority of the commercial real estate market. If done right, OBR would likely enable SCLenergy to provide financing solutions for this underserved segment of the commercial real estate market. For OBR to live up to this potential, however, it must be able to survive property transfer (including a foreclosure) without relying on the consent of the post-foreclosure owner and it must not be subordinated to the energy charges on the utility bill. Without these conditions, OBR offers little benefit over existing financing products and will be unlikely to move the market.

Additionally, we fully agree with the CPUC that robust disclosure practices will only enhance a program like OBR. If implemented with survivability through foreclosure that is not contingent upon future occupants' consent, and is not-subordinated to energy charges, OBR may catalyze significant growth in the energy efficiency market.

**About SClenergy**

*SClenergy is the global leader in providing cloud-based energy management solutions for building owners and operators to optimize the performance of their building portfolios. The Company brings people, cloud technology, and capital together to help its customers and partners lower energy and operating costs, reduce environmental impact, and improve occupant experience. SClenergy and its partners have multiple offerings, from advanced energy management to Intelligent Retro-commissioning™, and capital improvements. SClenergy is Mining the Fifth Fuel™ to make the world cleaner, more sustainable, and more profitable. For more information, visit [www.scienergy.com](http://www.scienergy.com)*

Sincerely,

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Steve Gossett, Jr.

CEO

cc: Michael R. Peevey, President; Michael Peter Florio, Commissioner; Catherine J.K. Sandoval, Commissioner; Carla J. Peterman, Commissioner; Melanie Darling, Administrative Law Judge; Paul Clanon, Executive Director; Frank Lindh, General Counsel