



October 8, 2019

**VIA ELECTRONIC DELIVERY**

**Memorandum**

**To:** Potential Underwriters

**From:** Heather Litzebauer, Managing Director

**Re:** The Delaware Sustainable Energy Utility (the “DSEU”)  
Taxable Advance Refunding of the DSEU’s Series 2011 Bonds

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The Delaware Sustainable Energy Utility (the “DSEU”) is undertaking a taxable advance refunding in which proceeds from the sale and issuance of its Energy Efficiency Revenue Refunding Bonds, Series 2019 (“Refunding Bonds”) will be used to (i) advance refund and redeem all or a portion of the callable \$43,900,000 outstanding principal amount of the DSEU’s Energy Efficiency Revenue Bonds, Series 2011, originally issued in the principal amount of \$67,435,000, dated August 1, 2011, maturing on September 15 in each of the years 2022 through 2034, inclusive (the “Refunded Bonds”) and (ii) pay all the costs associated with issuing the Refunding Bonds. The Refunded Bonds are subject to redemption on or after September 15, 2021 at a redemption price of 100% of the principal amount of the Refunded Bonds. In connection therewith, the DSEU is seeking proposals from underwriting firms to act as underwriter on the issuance of not to exceed \$50,000,000 aggregate principal amount of Refunding Bonds. The Refunding Bonds are limited obligations of the DSEU payable solely from installment payments from six agencies. The agencies’ obligations to make installment payments are subject to appropriation by the State of Delaware (see the Refunded Bonds Official Statement for more information on the security of the bonds). The Refunding Bonds are expected to be rated AA+.

**Proposal Requirements**

- 1) Provide a brief overview of your firm’s experience and qualifications on taxable municipal bond transactions.
- 2) Summarize the firm’s experience with governmental entities in the State of Delaware since January 2017.
- 3) Summarize the firm’s experience with energy and ESIP financings.
- 4) Describe your marketing strategy for the proposed issue.
- 5) Please provide a proposed interest rate scale for the transaction based on Treasury rates at the close of business on October 2, 2019. Responses should include coupons, yields and spread to individual

Treasuries. Please provide which Treasury securities you are spreading to for each maturity. The Refunding Bonds will need to be structured in order to have level annual savings.

- 6) Provide a proposal for compensation for the provision of underwriting services identifying discount and expenses on a per bond basis. The proposed compensation should be exclusive of fees for underwriter's counsel, which shall be determined at a later date.

Here is the link to the Official Statement of the Refunding Bonds: <https://emma.msrb.org/EA466605-EA361618-EA757647.pdf>

The underwriter shall be selected based on an evaluation of the responses to this RFP. Responses will be evaluated according to the following criteria: related experience, past performance, marketing plan/pricing analysis and fee proposal.

Please forward an electronic of your proposal to NW Financial Group, LLC by **3:00PM on Friday, October 18<sup>th</sup>**, for consideration by the DSEU to Heather Litzebauer ( [hlitzebauer@nwfinancial.com](mailto:hlitzebauer@nwfinancial.com) ).

cc: Anthony DePrima, Executive Director, Delaware Sustainable Energy Utility  
Douglas Bacher, Principal, NW Financial Group, LLC