



What Is OBF?

- A. Old, bald fogey
- B. The latest text message slang
- C. A new, rare disease
- ★ D. On-bill financing!

- Tool that allows customers to finance the costs of energy-efficiency improvements or renewable energy systems and pay the loan back with monthly utility bill
- Great for business and residential customers
- A growing number of utilities offer this tool and do it *successfully*
- OBF *reduces* risk—customers with lower energy bills pose less risk than customers who are unable to pay high bills due to inefficiency

Lessons Learned

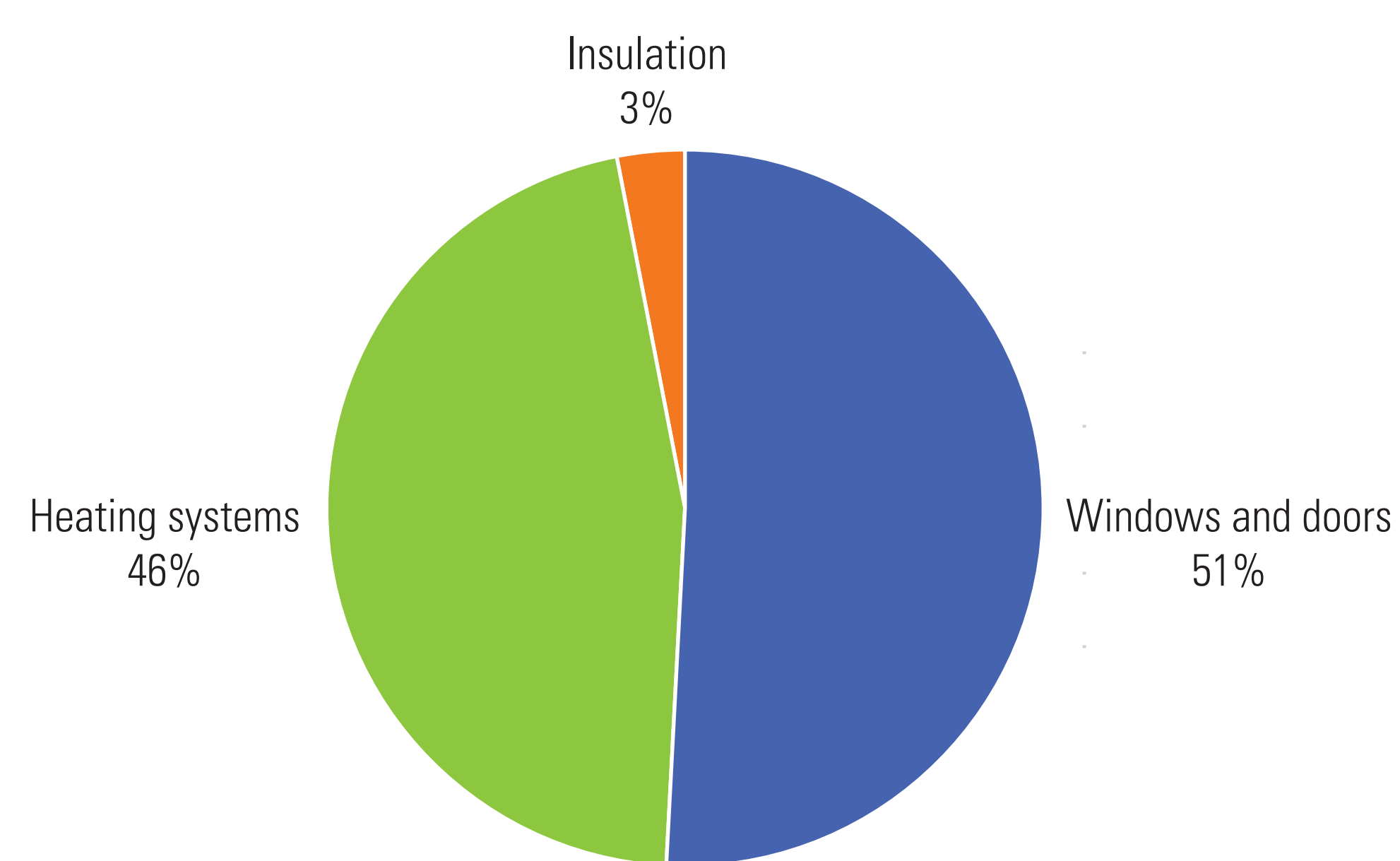
- Keep the program simple
- Structure the loan for a neutral or positive cash flow
- Offer extended loan terms for more comprehensive retrofits
- Approve loans based on utility billing history
- Build a strong contractor and distributor network

Manitoba Hydro Power Smart Residential Loan

Loan terms
✓ No down payment
✓ Fixed interest rate, currently set at 4.9%
✓ Terms up to 60 months
✓ Minimum loan = \$500; Maximum loan = \$7,500

- Launched March 2001
- Approved >51,000 efficiency loans = ~10% of residential customers
- Provided loans totaling \$200 million
- Loan default rate = less than half of 1%

Measures Installed



© E SOURCE; data from Manitoba Hydro

Eligible measures include:

- Insulation
- Ventilation
- Lighting
- Windows and doors
- Furnaces and water heaters
- Solar water heater systems

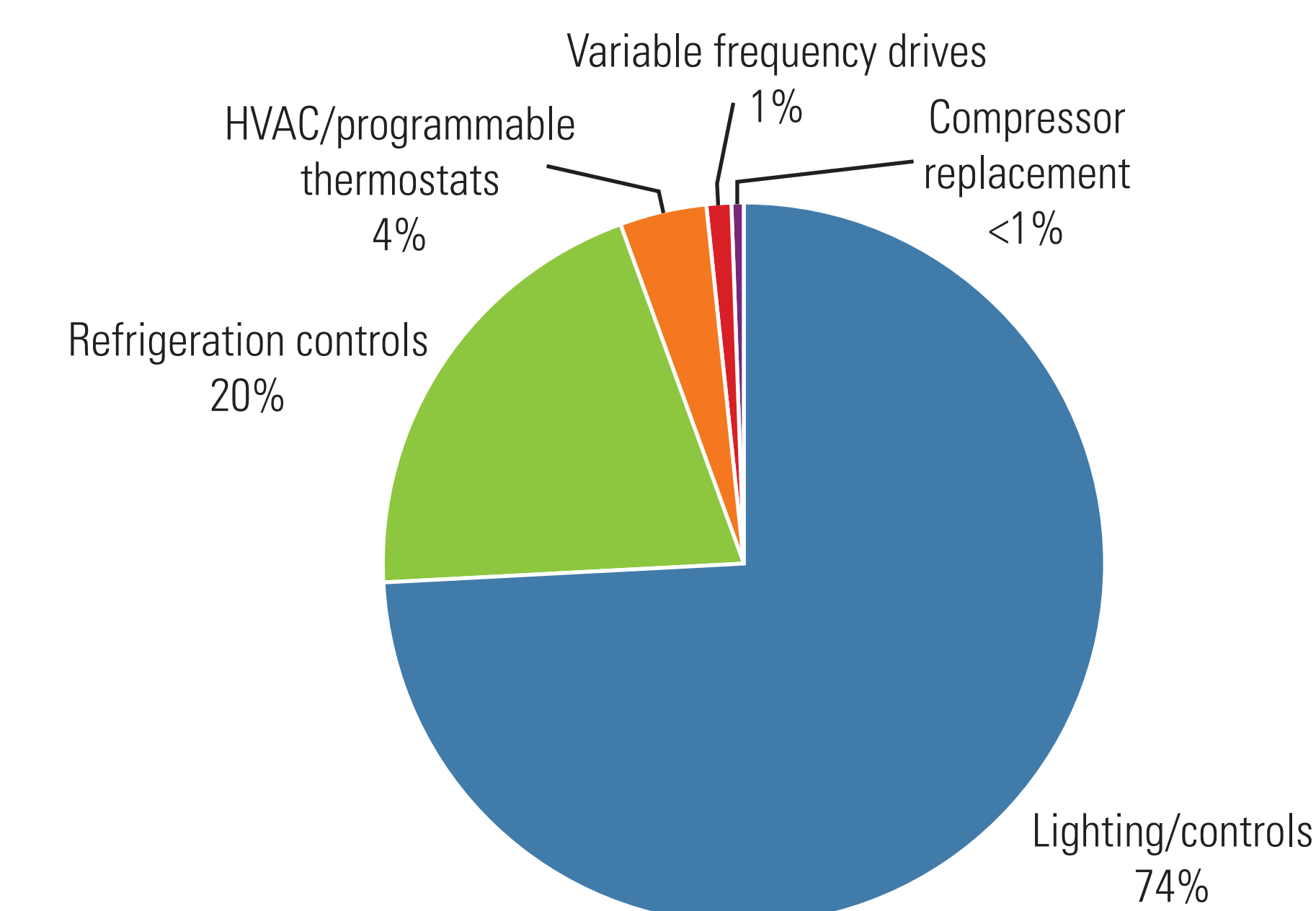
150 participating retailers and ~900 contractors

United Illuminating Small Business Energy Advantage Program

Loan terms
✓ No down payment
✓ 0% financing; terms up to 36 months
✓ No cost, no obligation energy audit
✓ Incentives up to 40% of project costs

- Launched 2000
- >3,400 small businesses have participated = 20% of small biz customers in territory
- Provided loans totaling \$25.4 million
- Loan default rate = <1%

Measures Installed



© E SOURCE; data from United Illuminating

- Paid out \$9.2 million in incentives
- Costs about 21¢ for every kWh saved
- Provide qualified sales leads to approved contractors