

Building the Business Case for Utility Finance Programs

On Bill Recovery

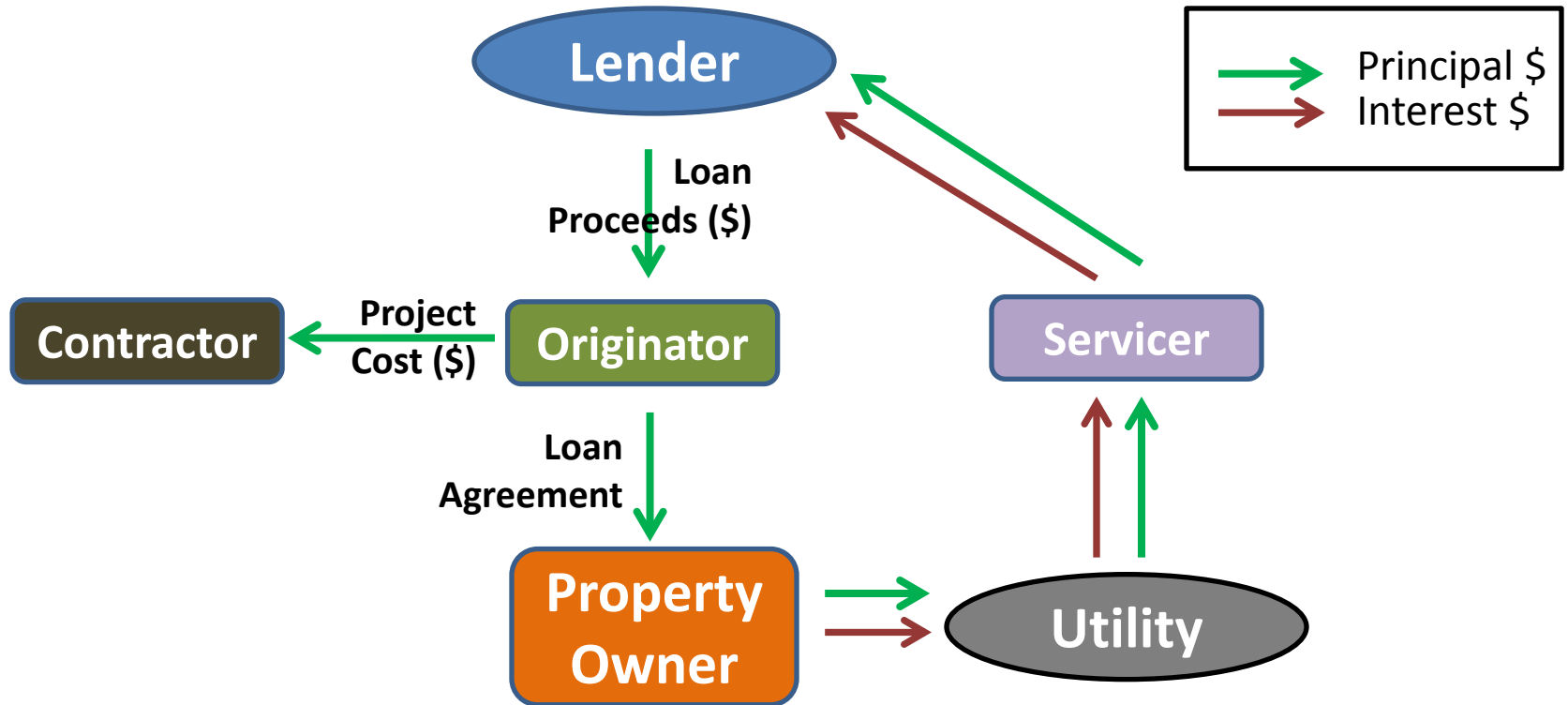
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WECC Energy Finance Solutions

Agenda

- What is On-Bill Recovery?
- Who is WECC?
- NYSERDA/WECC Experience
- Replicating the Model

On Bill Recovery



Who is WECC?

- Established in 1980
- Currently serve 16 states
- Integrator, designer, and implementer
- Energy Finance Solutions (EFS) launched in 1996
- Over \$165M in efficiency projects



NYSERDA's OBR Program

- Launched January 2012
- Integrate with Home Performance with Energy Star and Smart Energy Loan programs
- Provide access to financing for broader mix of residential customers
- To date, over 1,000 OBR loans closed achieving over \$11M in energy efficiency

Features to Customers

- 1- to 4-unit residential properties
- Owner or renter
- 3.49% interest rate
- Cash flow positive project
- Two tiers of credit qualification
 - Tier 1: standard underwriting
 - Tier 2: mortgage and utility bill repayment
- Borrower billed by servicer if utility service terminated



Program Approach

- Launched with Green Jobs Green New York revolving loan fund
- 2-tier underwriting criteria
- Recorded declaration; transferrable upon sale
- Third party servicer: single line item to utility
- Utility has shut-off authority after remediation

Replenishing Funds in NY

- Insignificant history limited ability to get bond rating
- Issued Residential Energy Efficiency Financing Revenue Bonds for pool of Unsecured (65%) and OBR (35%) GJGNY loans
 - P&I Guarantee by the New York State Environmental Facilities Corporation

Ability to Replicate

- Legislative or regulatory authority to put line item on utility bill
- Self and/or 3rd party integrator
 - Program Design
 - Funding
 - Origination
 - Servicing

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