



Illinois On-bill Financing: 2011-2014

- One of few statewide OBF programs in the country
- Statewide brand, single lender (AFC First)
 - 640 min FICO, \$20,000 cap, up to 10 year terms, 4.99% interest
 - Measure eligibility matched to portfolio plans
- Residential participation = 1,636 loans over 3 years
 - Average loan = \$4,700
 - ~80% HVAC



Incremental Impact

- OBF = a service to support portfolio programs, not a program itself
- Did OBF make a difference?
 - Determine net-to-gross participation
 - Forward-looking; all savings attributed to rebate program
- Was OBF worth it?
 - Determine cost-effectiveness of net savings



Net-to-Gross

- Finding: financing critical for majority of loan participants
 - NTG=0.87
- Loan component only, assessed at measure level
- Self-report approach, 75 respondents
- Freeridership = 13% of participants
 - Conservative approach
 - Self-report imperfect, but affordable
 - No consideration of spillover or market effects



Cost-effectiveness

Transaction	UCT	TRC
Benefits		
Reduced capacity costs (net)	X	X
Reduced energy costs (net)	X	X
Costs		
OBF admin, marketing, and evaluation	X	X
Loan losses	X	
Incremental measure cost (net)		X
Interest and fees (net)		X





Challenges

- UTC
 - Loan losses – estimate growth over time?
- TRC
 - Discount for the interest payments?
 - Apply NTG to interest?



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Costs		
OBF admin, marketing, and evaluation	X	X
Loan losses	X	
Incremental measure cost (net)		X
Interest and fees (net)		X
Results		

Passed

Failed



HERO PACE

- PACE = Property Assessed Clean Energy
 - Allows loans to be repaid through property taxes
- HERO has gradually increased territory
 - from ½ a county to over 75% of California
 - Sponsored by local govts, no formal utility connection
- Over 19,000 loans in under 4 years
 - Average loan size ~\$18,000



Attribution

- Purpose: attribute savings between rebates and financing
- Four-part study:
 - Survey: Discrete choice model (primary method)
 - Survey: Modified analytic hierarchy process
 - Survey: Self-report
 - Participation analysis: Quasi-experimental
- May the best method win!
 - Results expected Fall '15