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STATE AND LOCAL ENERGY EFFICIENCY ACTION NETWORK

Financing Program Data Practices

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ACEEE Finance Forum

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About SEE Action

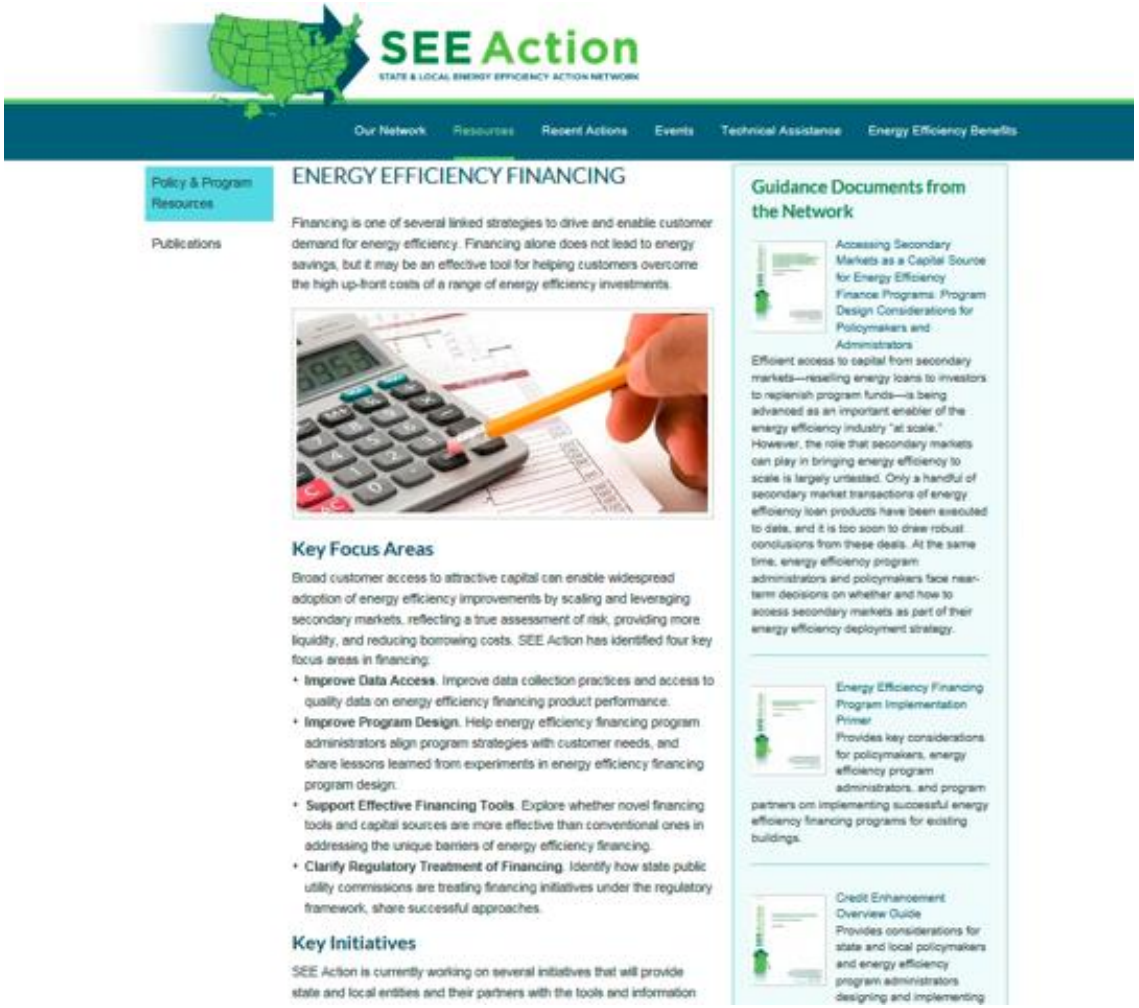
- Network of 200+ leaders and professionals, led by state and local policymakers, bringing energy efficiency to scale
- Support on energy efficiency policy and program decision making for:
  - Utility regulators, utilities and consumer advocates
  - Legislators, governors, mayors, county officials
  - Air and energy office directors, and others
- Facilitated by DOE and EPA; successor to the National Action Plan for Energy Efficiency

The SEE Action Network is active in the largest areas of challenge and opportunity to advance energy efficiency

Financing Solutions Working Group

Bruce Schlein, Director of Alternative Energy Finance at Citi

Bryan Garcia, President and CEO, CT Green Bank

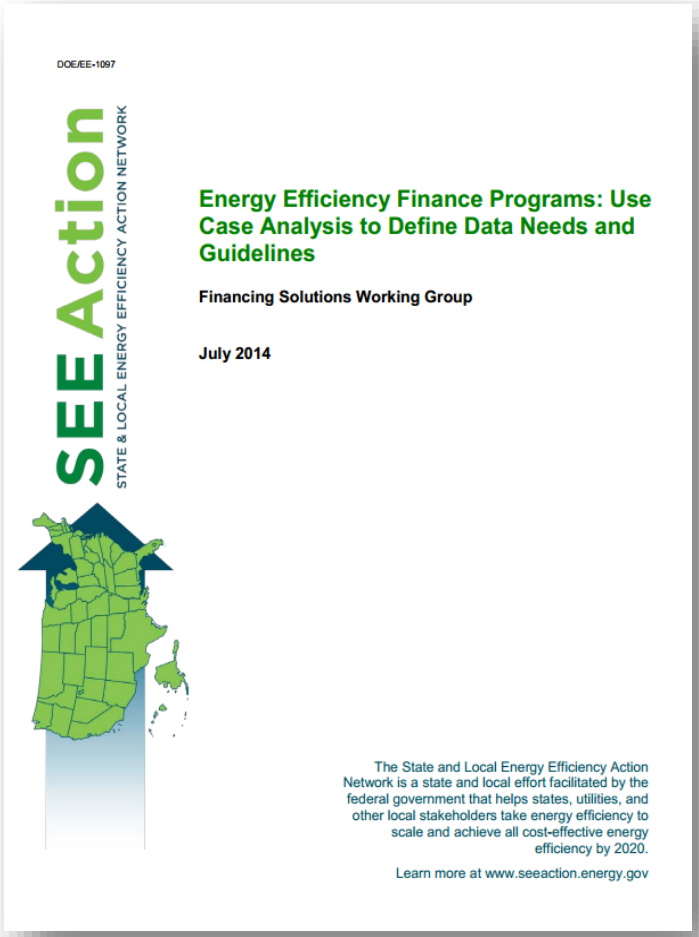


Session Overview

- Part 1: Panel
  - **James Finlay,** *Finlay Consulting*
  - **Kerry O'Neill,** *Connecticut Green Bank*
  - **Mimi Frusha,** *Renew Financial*

- Part 2: Group Discussion
  - If all residential EE lending programs collected common data fields, what would that data set look like?
  - What kind of analysis could be done on that data set, and to answer what questions?

Energy Efficiency Finance Programs: Use Case Analysis to Define Data Needs and Guidelines



- **Report Motivation**
  - To take a foundational step towards the establishment of common data collection practices for energy efficiency lending, to benefit
    - Program administrators and policymakers
    - Lenders and investors
- **Process**
  - Review existing practices for data collection for energy efficiency financing programs
  - Discussions with various stakeholders
  - Identify high-priority needs, characterize potential uses for finance program data, and identify use cases that describe how stakeholders use data for key objectives and actions

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Four Data Categories Explored

Examples

Customer Data	Financial Products Data	Facility-Level Data	Energy Efficiency Project Data
• Address • FICO • Annual Income • Electricity Provider	• Principal • Term • APR • Loan Status • Lender Name	• Floor space • Year Constructed • Heating Source • Building Type	• Measure(s) Installed • Total Invoiced Cost • Ex-Ante Energy Savings • Ex-post Energy Savings

Energy Efficiency Finance Programs: Use Case Analysis to Define Data Needs and Guidelines

Sample loan product-related data fields:

- Loan principal
- Date loan funded
- Interest rate
- Principal balance,
- Loan term
- Remaining term
- Loan status (delinquent, charged off, days past due)
- Loan product
- Secured asset value
- Other debt encumbered against the asset
- Loan to value ratio
- Remaining term
- Days past due
- Amount overdue
- Charge off amount
- Charge off reason
- Collection fees paid
- Origination channel
- Early repayment amount
- Early repayment fees
- Security taken

Two Main User Groups Have Different Data Priorities

Data Category	Data Priority	Lenders and Investors	Data Priority	Program Administrators and Policymakers
Customer	◐	Customer data, including FICO scores, income, and debt, are used for analyzing loans and portfolios.	◐	Few critical needs; however, demographic information and participant characteristics could be used in assessing a program.
Financial Products and Performance	●	This data is important for collections, risk assessment, and other operational activities.	◐	This could impact credit enhancements or capital provided to a program.
Facility-Level Data	○	Lenders are unlikely to use this data.	○	This information can help with analysis, but is relatively unimportant to stakeholders.
Energy Efficiency Project	○	Lenders did not report that EE project-level data would be used in eligibility or pricing.	●	Program administrators use EE project savings (and cost) data to evaluate the impact of the program.

Data Priority	
High	●
Medium	◐
Low	○

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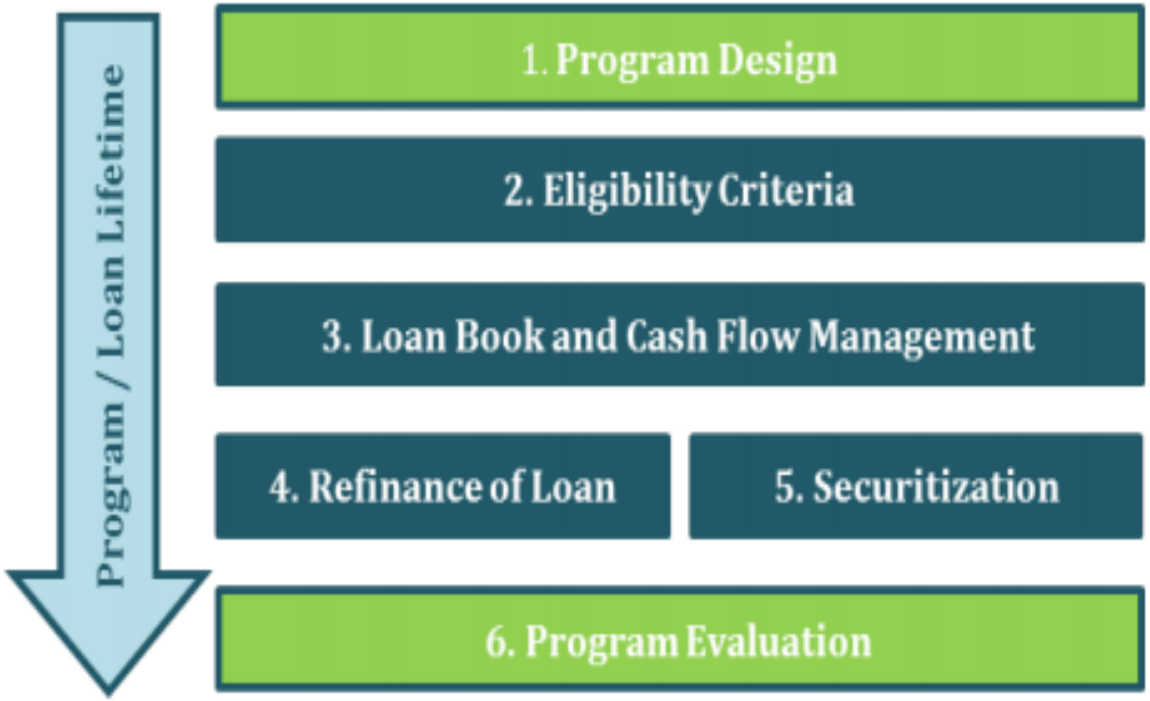
Six Use Cases Created



Outputs

Data field	Applicable Programs	Design & Implementation	Eligibility Criteria	Loans Management	Refinancing	Securitization	Program Evaluation
Loan ID	■	◐	●	●	●	●	◐
Primary Lender Name	■	◐	◐	●	●	●	◐
Requested Loan Principal	■	O	◐	O	O	O	◐
Loan Request Date	■	O	O	O	O	O	◐
Original Loan Principal	■	●	◐	●	●	◐	●
Loan Approval Date	■	O	●	O	O	O	◐
Loan Funded Date	■	●	●	●	●	●	●

and more…

Common Data Fields and (Some) Data Definitions

Ultimate Vision: Residential energy efficiency financing programs using unsecured loans collect a common core data set using the same data definitions. This enables lenders to understand these products and builds confidence, ultimately attracting more investment. This also allows program administrators to understand and refine their performance as compared to peers.

Goal of current effort: Focusing on residential sector, unsecured loan programs, develop (1) a core set of recommended data fields and (2) sample data definitions.

Common Data Fields	Data Definitions
• Sufficient for broadly applicable analyses • May be augmented, by programs, for their specific needs	• For subset of core data fields • In collaboration with the Building Energy Data Exchange Specification (BEDES)

Group Discussion

1

Who are you?

Imagine you had your “dream dataset” -- what kind of analysis would you perform with the data?

What question(s) would you be trying to answer with the analysis, and for what purpose?

Group Discussion

2

Now describe your dream dataset. What are the critical data fields it includes?

How much data history would you have?

What data quality issues would concern you / would be resolved in your dream data set?

Group Discussion

3

What challenges arise when you compare information about loans across programs?