

# DUNSKY OVERVIEW



## CLIENTS (partial list)



## EXPERTISE

- ▶ Energy Efficiency and Demand-Side Management
- ▶ Renewable Energy and Emerging Technologies
- ▶ Greenhouse Gas Reductions

## SERVICES

- ▶ Design and evaluation of programs, plans and policies
- ▶ Strategic and regulatory support
- ▶ Technical support and analysis

## EE/RE FINANCING

- ▶ Strategy and business case development
- ▶ Program Design
- ▶ Market Assessment
- ▶ Program Evaluation



- **Net incremental savings (2014): 3.51% of retail sales**
- **Keys to success**
  - ▶ EE Program Spending (2014): \$81.1M, 6.81% of utility revenues
  - ▶ Least Cost Procurement, RGGI, generous incentives
- **Challenges on the horizon**
  - ▶ Lighting market nearing maturity
  - ▶ Ensure optimal use of rate-payer monies



- **DUNSKY assisting the EE Resource Management Council**

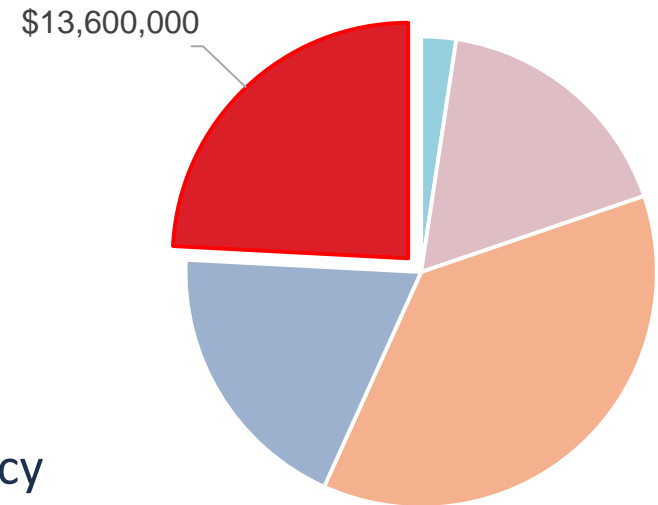
- **Assess and propose adjustments to financing programs toward EE goals**

- 1) Impactful and equitable use of funds*
- 2) Identify gaps or overlap*
- 2) Deliver deep savings toward targets*

- **RI Infrastructure Bank Formed**

- ▶ Expansion of Clean Water Financing Agency
- ▶ Spearheading PACE (Commercial and Residential)
- ▶ New public building fund

Retrofit Financing and Incentive Programs Spending (2015)



- ENERGY STAR® HVAC
- EnergyWise
- Large Commercial Retrofit
- Small Business Direct Install
- Financing Delivered

# MARKET OPPORTUNITIES

## RESIDENTIAL



### HEAT Loan (RI)



- 0% financing unsecured (5% buy-down)
- 7 year maximum tenor
- \$25,000 maximum

### Enhabit (Oregon)

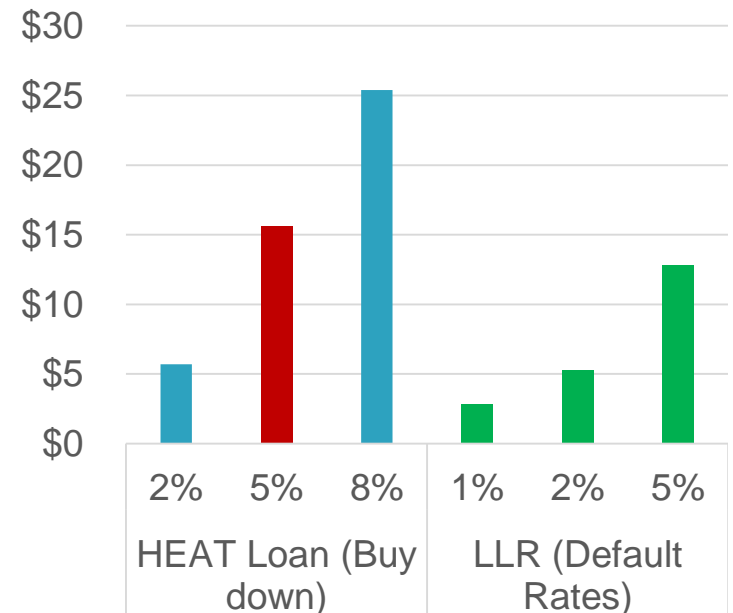
- 3.75% - 5.99% interest rate
- 20 year maximum tenor (secured and unsecured options)
- \$1,000- \$30,000 maximum



## Challenges and opportunities:

- Does 0% interest drive participation?
- Integrating PACE + unsecured loan options (through EnergyWise programs) may be ideal

Cost to Rate-Payers: 2015-35 (NPV in \$M)



# MARKET OPPORTUNITIES

## COMMERCIAL



### OBF Revolving Fund (RI)

- 24-60 months tenor
- Small business, large commercial and public

### Small Business Energy Advantage (CT)

- 40% maximum incentive
- CT EE Fund provides LLR to support IOU capital

### OBF –Multiple IOUs (CA)

- 5 year tenor (10 years for public)
- 20% maximum for lighting

### Challenges and Opportunities:

- Short-term (heavy lighting focus), high cost, fund under-utilization
- Integrate incentives with C-PACE program

	Average Loan Size	Maximum Incentive	Average Project Value	IOU cost per project
NGrid SB OBF	\$2,265	70%	\$7,550	\$6,547 (67%)
SBEA - CT	\$8,490	40%	\$14,151	\$4,920 (35%)



## HIGH DEMAND IN THE PUBLIC SECTOR

1. RI Public Energy Partnership (RIPEP): \$1M revolving fund
  - ▶ **Full utilization** of available funds in each of past 3 years
2. Efficient Building Fund (EFB): \$20M in 2016
  - ▶ First round **demand three times the fund value**

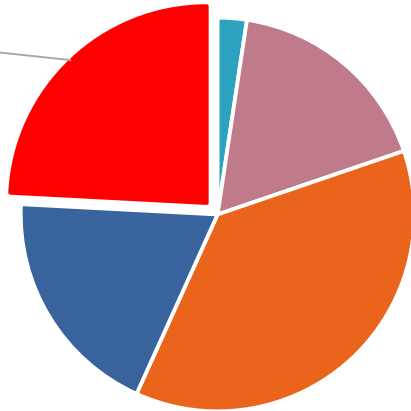
## Challenges moving forward

- ▶ Assess ideal role of RIPEP vis-à-vis EFB
- ▶ Capitalize the EFB



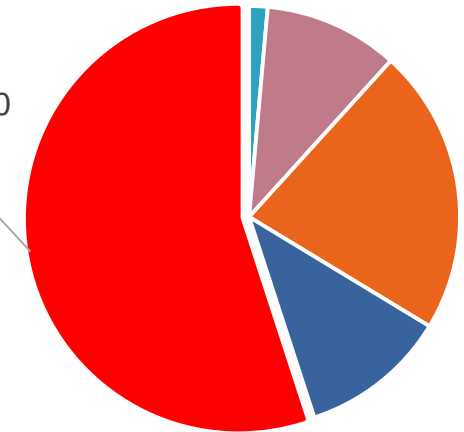
2015

\$13,600,000



2020 (High End Scenario)

\$57,600,000



- ENERGY STAR® HVAC
- EnergyWise
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- Small Business Direct Install
- Financing Delivered

## ■ What is the vision for financing to support deep savings and maintain RI's leadership?

- ▶ Design programs to increase participation with longer terms
- ▶ Integrate PACE and assess role of utility in financing
- ▶ Capitalize RIB programs: 3<sup>rd</sup> party funds and ratepayer money
- ▶ Use financing to transform markets

# QUESTIONS?

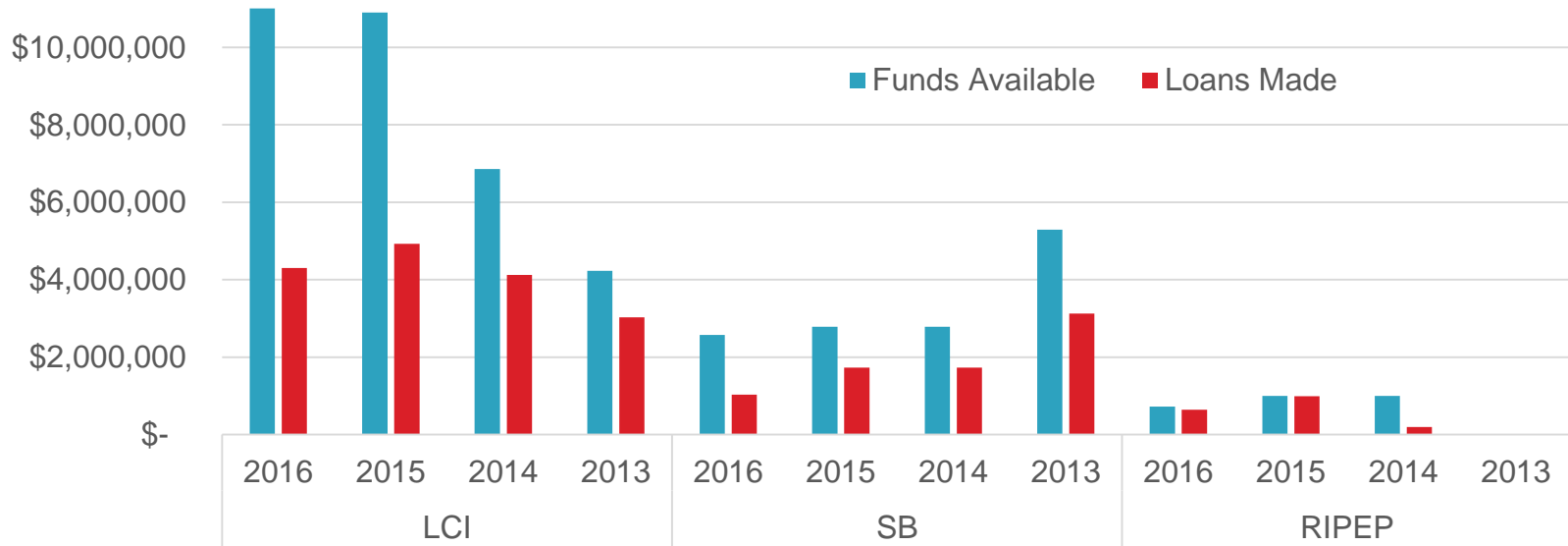
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Year over Year OBF Progress



- LCI Loan volume appears to reach equilibrium in 2014-2016: Average \$4.45M per year delivered
- SB Loan volume decreasing 2013-2016: Average \$1.8M per year delivered
- RIPEP come closest to using 100% of available funds: Average \$900K per year available 2014-2016