



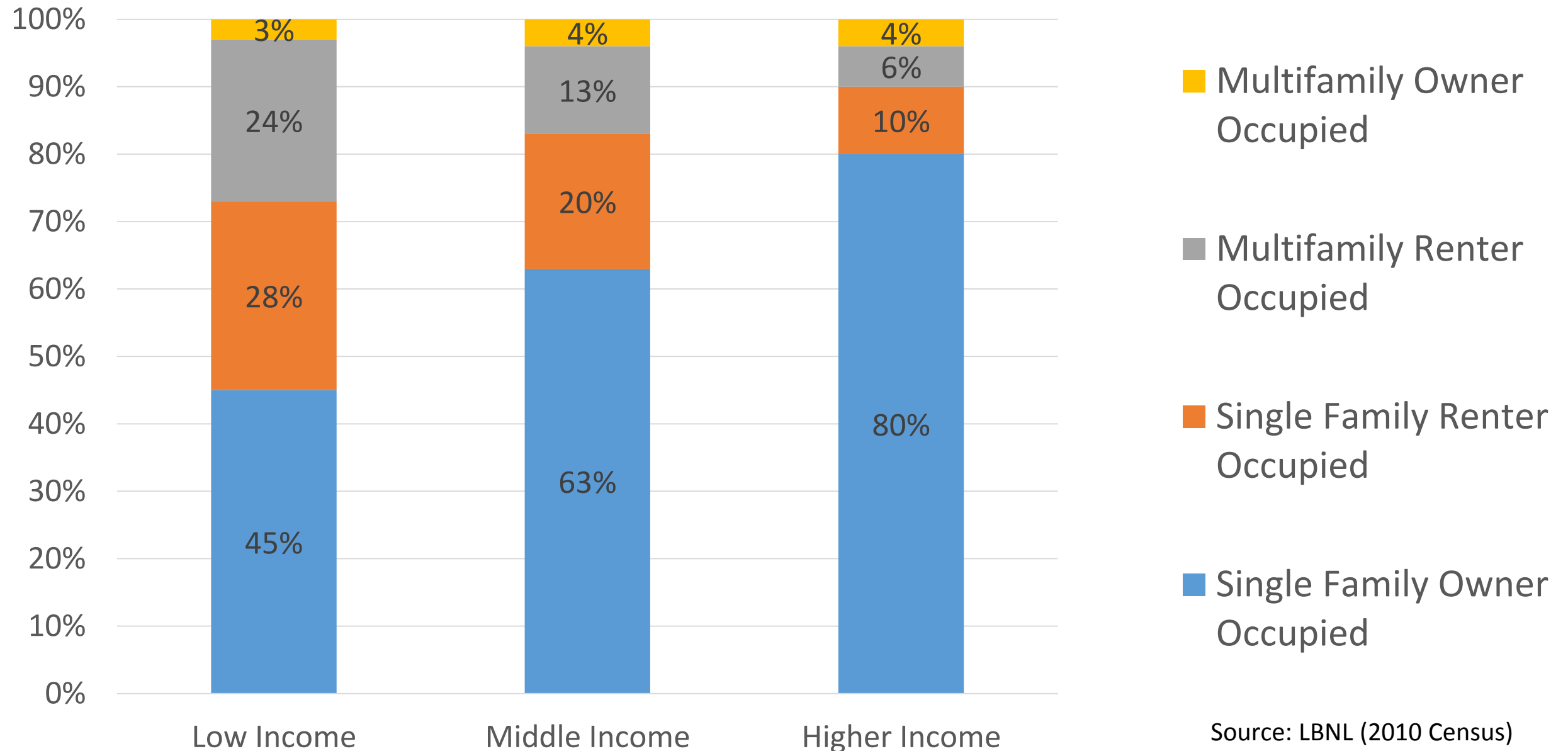
ENERGY EFFICIENCY FINANCING FOR LOW AND MODERATE-INCOME SINGLE-FAMILY HOMES

May 24, 2016



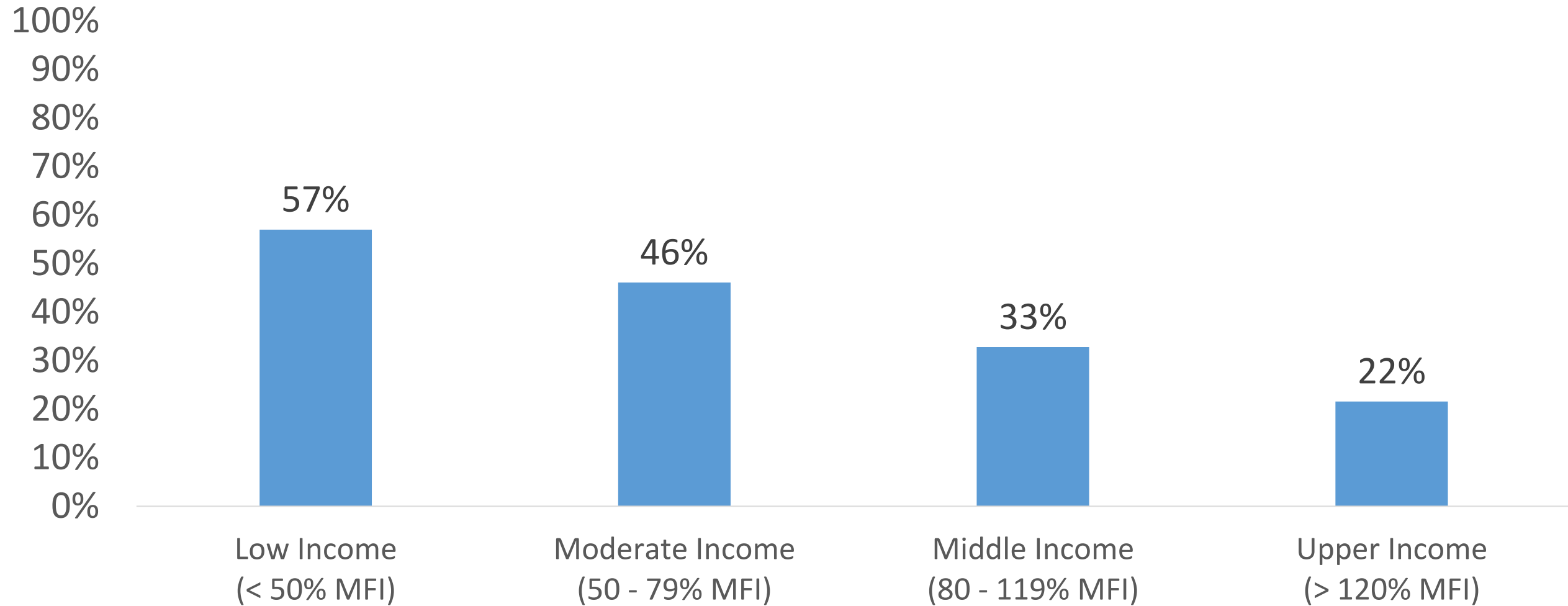
Chris Kramer, Energy Futures Group

Housing Type and Ownership by Income



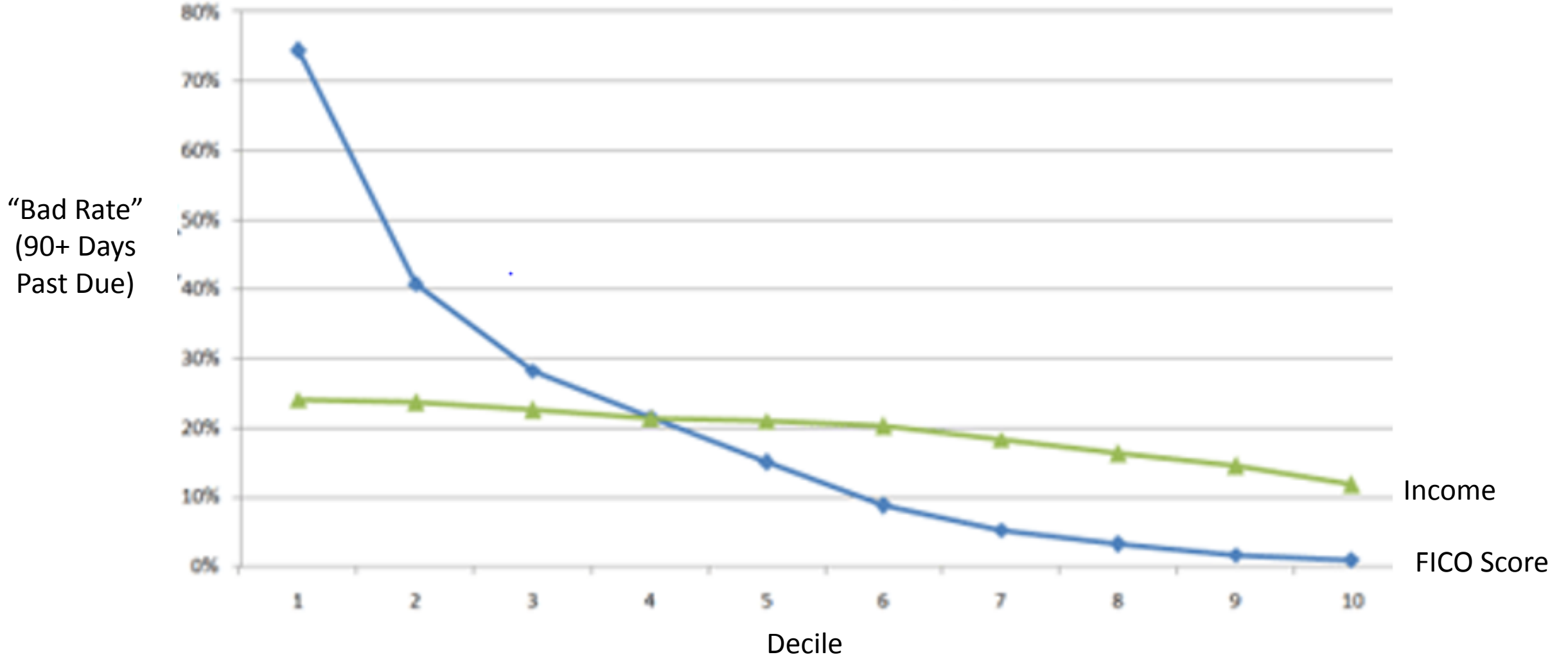
Source: LBNL (2010 Census)

Share of Equifax Risk Scores < 660 (Q2 2015)



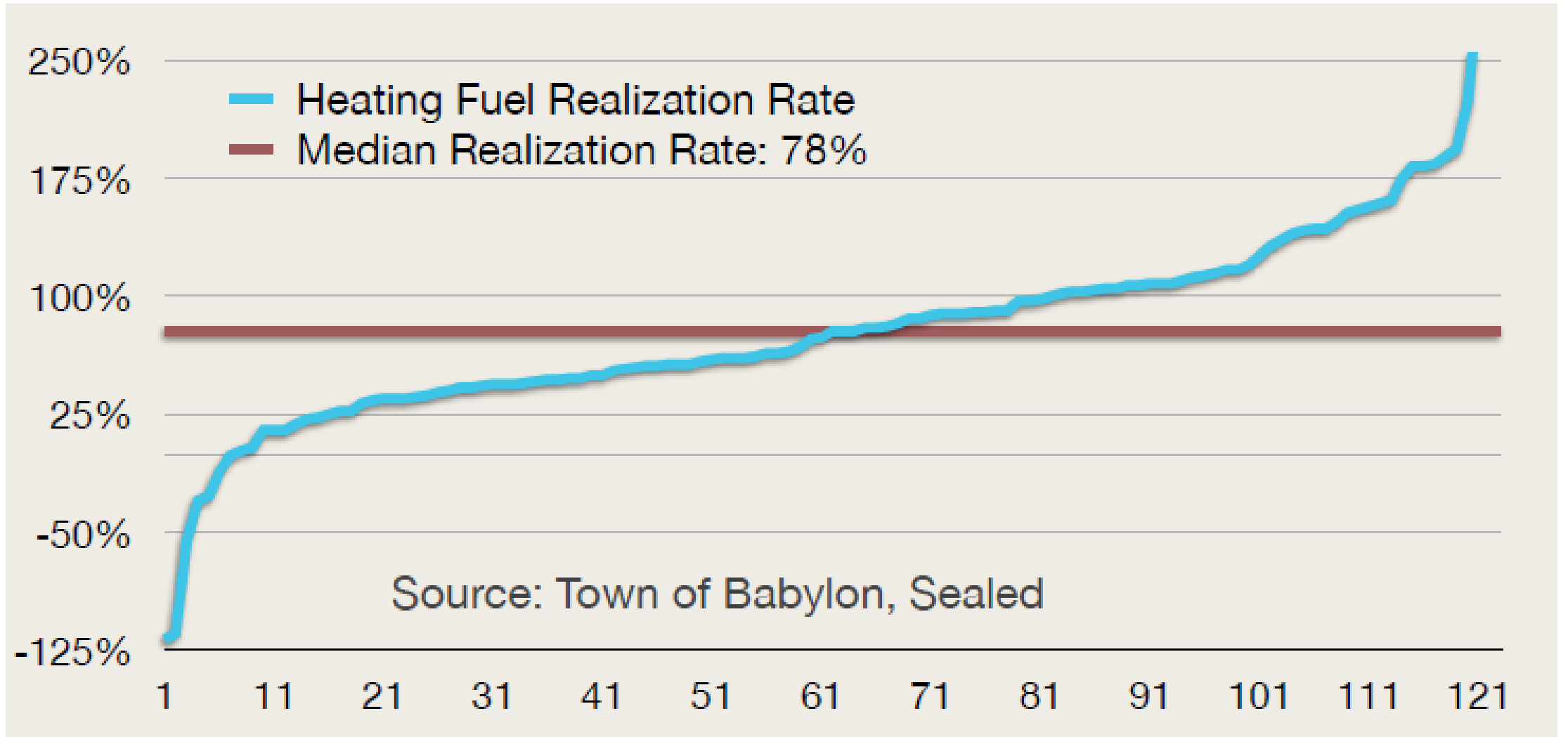
Source: Federal Reserve (Income Estimated based on Census Tract)

Payment Risk: FICO vs. Income



Source: FICO (2010)
Income is self-reported

Projected Savings as Consumer Protection?



Addressing Performance Risk

Two Green Banks (NY and CT) now addressing residential performance risk with guaranteed savings models

NY Example: Sealed PAYS

- ❑ \$7.5 Million Energy Savings Fund with NY Green Bank
- ❑ Lets customers pay for efficiency improvements with the energy savings that Sealed guarantees

PAYS has been around for a long time: bill neutral on-bill financing

- ❑ Has always been based on *projected* positive cash flow
- ❑ New model layers on a savings guarantee to address performance risk
- ❑ Portfolio approach and public commitment help address risk to provider

LMI Strategy Backed by a Savings Guarantee

Connecticut Green Bank Example: PosiGen Partnership

- ❑ Offers low-to-moderate income homeowners a solar lease that also combines energy efficiency measures.
- ❑ PosiGen serves LMI populations through community-based marketing, alternative underwriting and streamlined energy efficiency installation
- ❑ Supported by \$5-\$10 MM debt capital investment from CT Green Bank
- ❑ Backed by a PosiGen savings guarantee

Questions?

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