

EXPANDING ENERGY EFFICIENCY WITH INCLUSIVE FINANCING SOLUTIONS

2016 Energy Efficiency Finance Forum
Achieving Deep Energy Efficiency
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VISION: 100% CLEAN ENERGY FOR ALL



Image Source: NASA

A faint, light blue world map is visible in the background of the slide. The map shows the continents and is centered on the Atlantic Ocean. Three horizontal lines are drawn across the map, separating the three text blocks.

Common financing models fail to reach key market segments

Barriers to financing limit participation, constrain investment, and slows market development

Utilities customers around the world regardless of renter status, income, or credit score

BARRIERS



Up-front costs &
associated risks

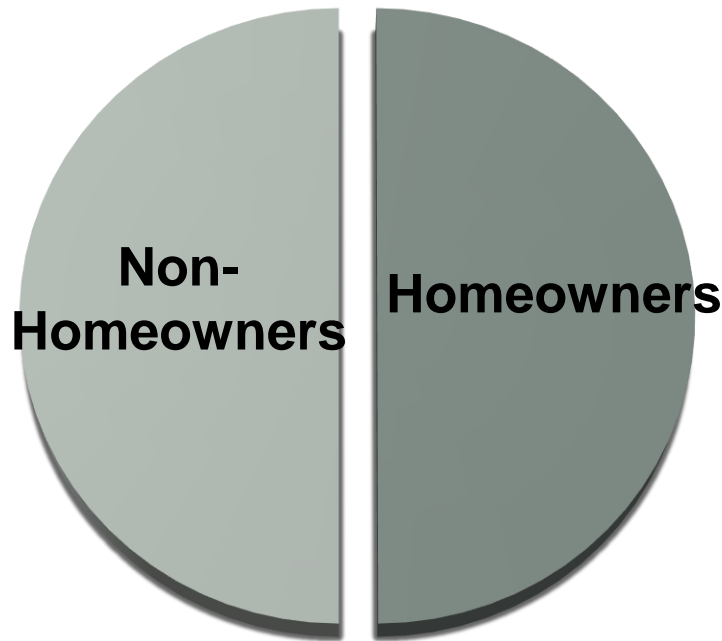
Financing only
able to reach
limited market

Limited pool of
subsidies and
incentive
programs

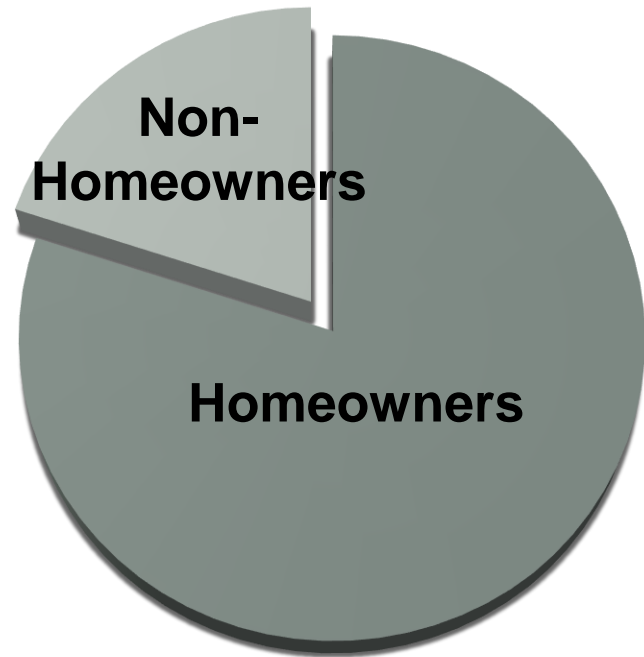
Historically poor
customer
experience

BARRIERS TO FINANCING IN THE CLEAN ENERGY ECONOMY -- PROPERTY OWNERSHIP

Below Median Income



Above Median Income



More than 1/3 of all U.S. households are not in a home they own.

MAKE IT EASY FOR CUSTOMERS TO SAVE, TRADES TO SELL, MARKETS TO INVEST

Reduce up-front
costs &
associated risks

Expand the
addressable
market

Enhance
subsidies and
incentive
programs

Improve
industry/trade
performance

QUESTIONS AROUND ON-BILL

A world map with a blue and white color scheme, showing city lights in yellow. Three dark blue circles are overlaid on the map, each containing white text. The circles are arranged horizontally across the middle of the map.

Accelerate
Adoption

Existing
DSM \$

Scalable

EXAMPLES – ACCELERATE ADOPTION

CONNECTICUT ENERGIZECT LOAN

Audits /Upgrades	12,350 /2,900
Approved/Closed	791
Investments in retrofits	\$5.2MM
Default/Charge-off	NA

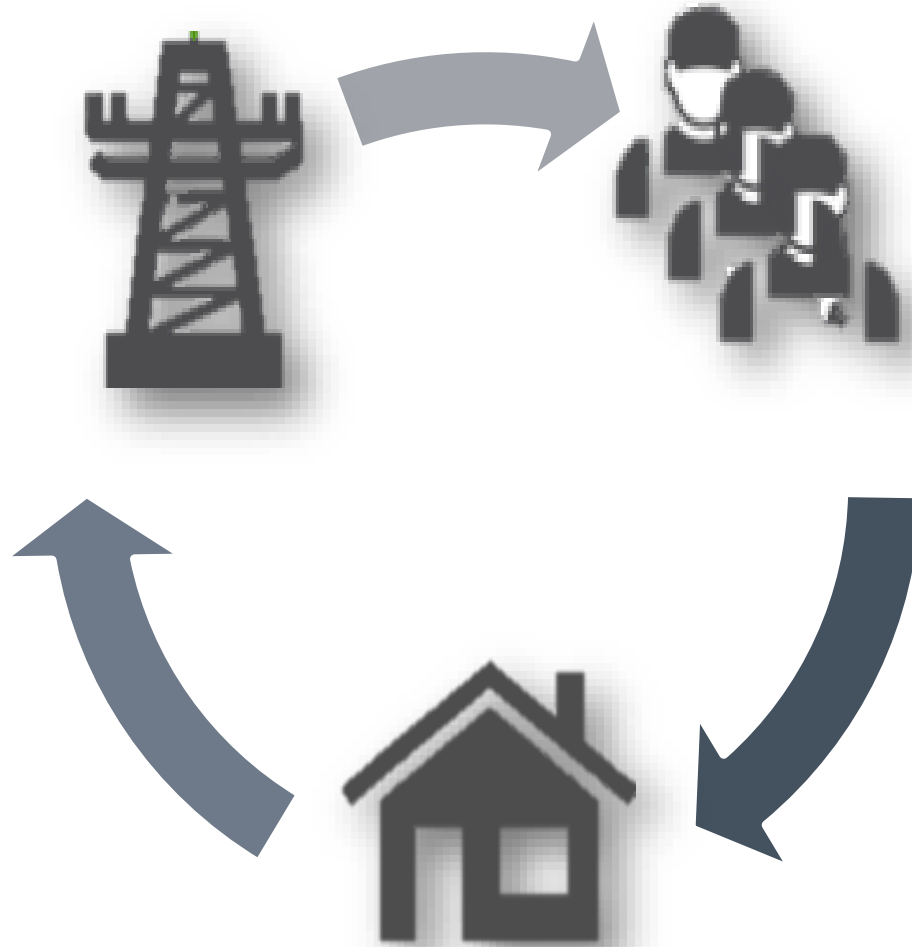
*2015 EnergizeCT StateWide Dashboard

NEW YORK Green Jobs Green New York On-Bill Recovery

Applications	13k
Approved/Closed	4800
Investments in retrofits	\$35MM
Default/Charge-off	.03%

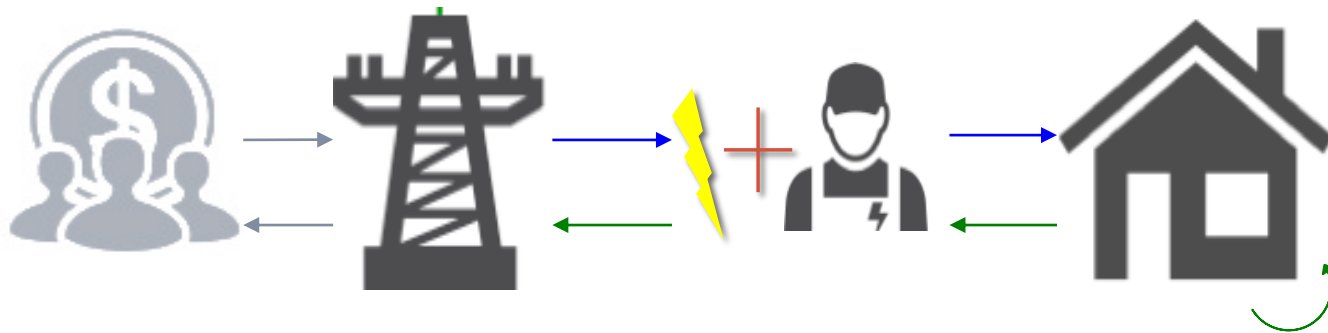
*GJGNY Loan Status Report

CAN WE DO BETTER IF WE BUILD A CONNECTED SYSTEM?



TARIFF BASED FINANCING

Simplifies the transaction, leverages the utility business model and infrastructure



Capital investment now considered essential utility services and tied to meter and the utility's ability to collect / shut-off

IMPACT OF TARIFF MODEL

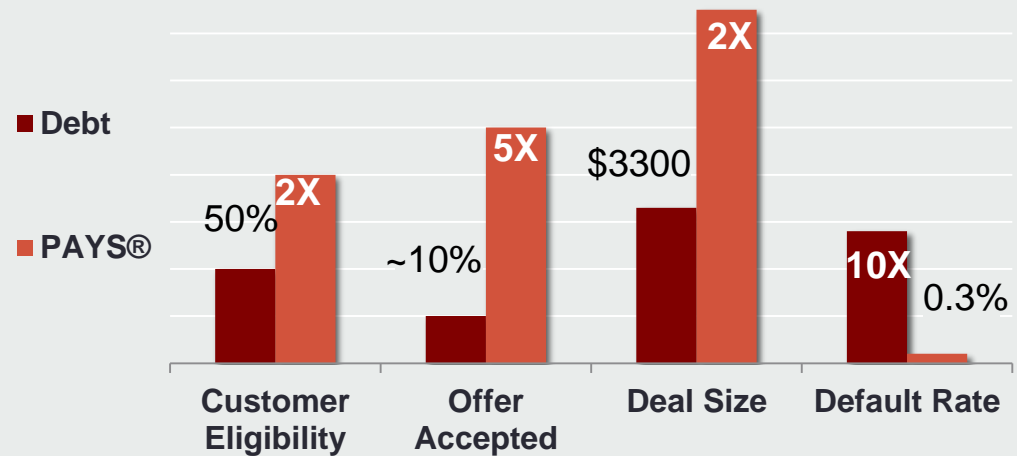
Removes dependence on subsidies and incentive programs ✓

Reduces up-front costs & associated risks for investors ✓

Expands the addressable market to all ratepayers ✓

Improves industry performance & provides a navigable solution for everyone ✓

Existing Program Performance v Debt Based Financing



EXAMPLE: NEW OPPORTUNITY



Program Status To Date	
Completed Energy Audits	279
Completed Retrofits	140
Investments in retrofits	\$1MM

\$8000
Avg \$
per
retrofit

5500
kWh Avg
annual
savings

\$52 Avg
mo
savings

\$40 Avg
mo
charge

EXAMPLE – EXPAND MARKET

ARKANSAS OUACHITA ELECTRIC

- The utility *switched* from an on-bill loan program (HELP) to a tariffed on-bill program (HELP PAYS®).
- Comparing the last 3 months

2X customers seeking assessments

100% opt-in for multi-family rental units, and >80% for single family

2X capital improvements from an average of \$3000 to above \$6000

4x investment, from \$225k to above \$1 million.



THANK YOU



APPENDIX FOR REFERENCE

TYPES OF ON-BILL FINANCING

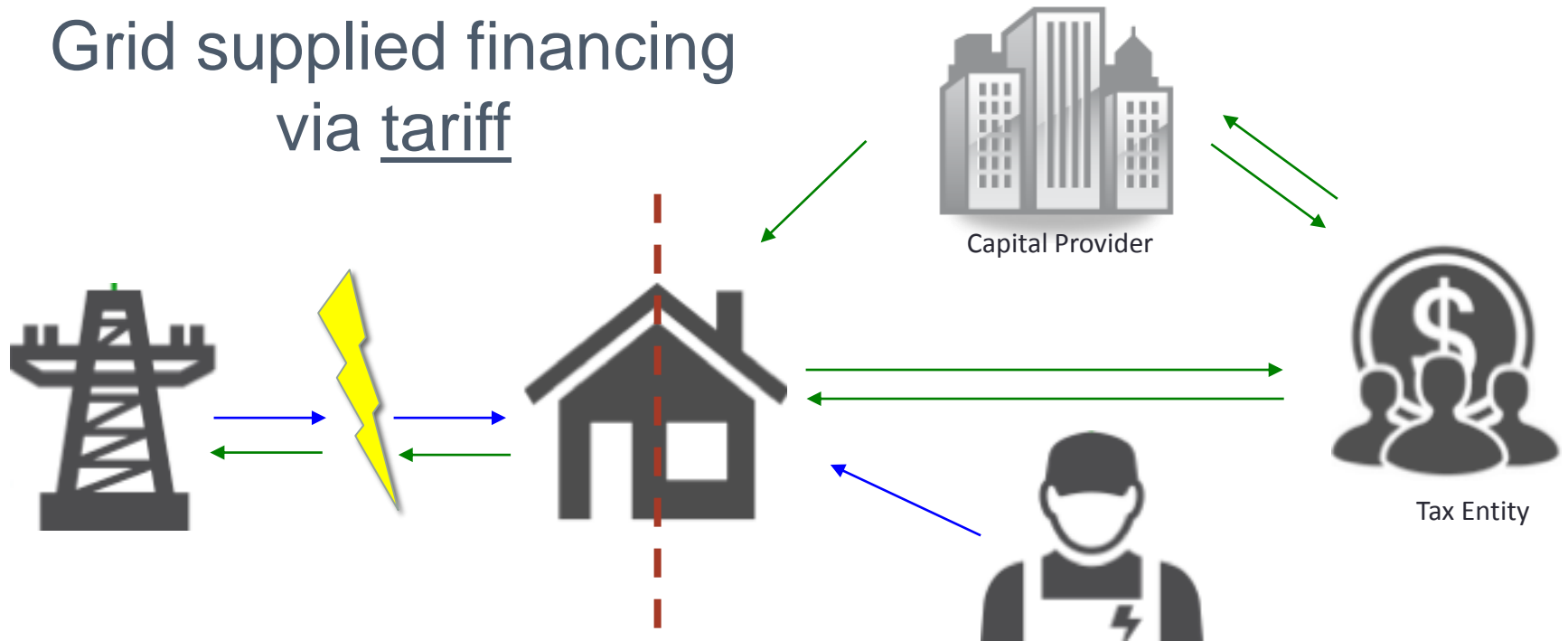
- On-Bill Repayment
- On-Bill Loans
- Tariffed On-Bill investments

DEBT FINANCING + ON-BILL REPAYMENT



INCUMBENT FINANCING FOR DISTRIBUTED SERVICES

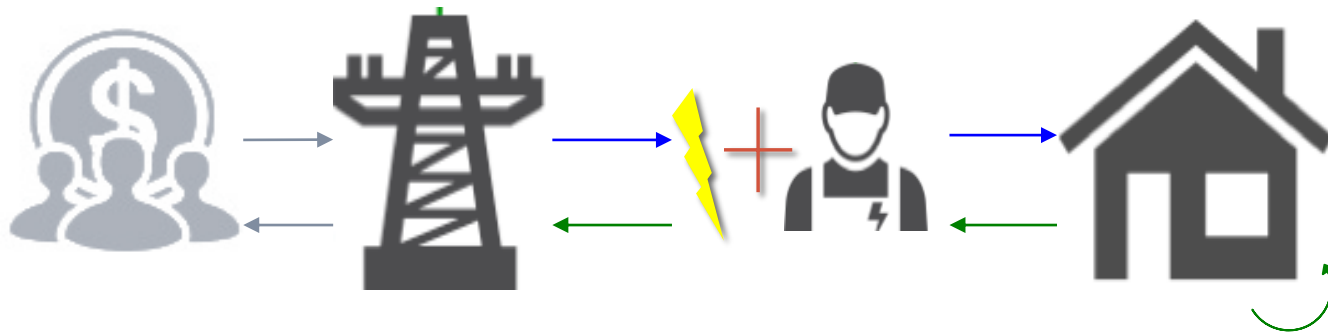
Grid supplied financing
via tariff



Financing with **Loans, Leases, and Lien Backed Loans** helps only those who are land owners and with good credit

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