

Electric Co-ops and On-Bill Financing: An Opportunity for SEOs

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Outline

- Inland Power's Interest in On-Bill Financing
- EE Financing and On-Bill Financing (OBF)
- Co-op Success Stories
- Inland's Next Steps
- How SEOs Can Help

EE Financing is Growing

- EE Finance History had few bright spots
- Recently great progress
- Some successful areas
 - New York
 - California
 - WHEEL

Attractive Features of OBF

OBF has the potential to:

- Be less expensive than rebates
- Attract hard-to-reach segments
- Attach debt to the meter
- Provide greater flexibility
 - More measures
 - Diverse fuel sources
 - Energy and/or demand savings
- Be fully cost recoverable

Successful Co-op OBF Programs

- **Midwest Energy's How\$mart**
 - Over 1000 projects completed since 2007
 - Tariff approach based on Pay-As-You-Save[®]
 - Increased member satisfaction
- **South Carolina's Help My House**
 - 8 co-ops in 2011 pilot
 - Saved 35%, energy savings > loan payments
 - Minimal lost margin
 - Several co-ops have created on-going programs

A Loan or a Tariff?

- Loan programs used by many utilities
 - Customer has debt, sometimes a lien
 - Usually the debt is on customer, not meter
 - Sometimes require credit reports or large guarantee funds
- Tariff on-bill programs are available to utility industry
 - Tariffs attach to the meter, not the customer
 - Can provide better repayment rate and bad debt recovery
 - Credit reports not required
 - One approach (PAYS[®]) approved in 5 states
- Both options worth considering
 - Consider legal authority for both

Inland Power's Interest in OBF

- Inland history of energy efficiency
- OBF can help members manage energy use
- OBF can help Inland
 - Resource Acquisition
 - Meet I-937 targets
 - Avoid higher wholesale rates
 - Avoid over-dependence on NEEA, BPA programs

Inland Power's EECLP Application

- Received grant from WA Dept of Commerce
- Hired Collaborative Efficiency
- Completed Scope and Scale Analysis
- Completed Business Plan and QA Plan
- Now completing EE Workplan



How SEOs Can Help

- Link with existing state/local revolving loans or loan loss reserves
- Support an EECLP application
- Engage small utilities to find out their needs
- Encourage small utilities to partner
- Assess or demonstrate OBF potential
- Help small utilities learn best EE practices
- Train service providers

*Consult small utilities!
EESI team could help SEOs*



Questions??

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