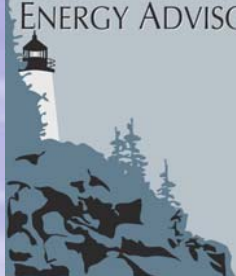


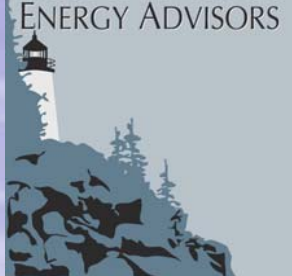
"On-Bill Financing"

- Initially developed by National Grid in the 90's
- Applied as one of the components in a turnkey, full service direct install program for small businesses
- Financing – any financing – must fit within a program context
- NSTAR and WMECO have similar arrangements – through sundry billing
- Massachusetts on-bill financing innovations have been identified in many national "best practice" studies, and have been replicated elsewhere.



In the National Grid model...

- Customer has a 30% co-pay
- Customer may choose one lump-sum payment on the bill, with a 15% discount (which revises the co-pay to 25.5%), or
- Zero interest financing for 12 or 24 months
- 42% of customers finance
- If co-pay is $< \$1,000$ – 60-65% take the lump-sum option; if co-pay is $> \$5,000$ – 65% select the 12-24 payment option
- Keys seem to: it comes from the utility, it's unsecured, and it's simple



How much difference does it make?

Implementer	% incentive offer	Uptake (actual or estimate)	Financing?
Cape Light	80%	70%	No
PSNH	50%	40%	No
CL&P	35%	45%	Yes – sundry bill
Efficiency VT – '08	100%	92%	No
Efficiency VT – '09	75%	62%	No
NGrid - MA	70%	80-85%	Yes
NSTAR	70%	70%	Yes - sundry
SoCalEd	100%	88%	No