

On Bill Repayment Issues -- 12/15/09 – DRAFT

(Note: may need to clarify any differences between residential and small commercial financing below; also possibly between owners vs. renters, and possibly between single family residential and multifamily)

Issue	Pay and Save Pilot	Straw Proposal to EEAC
Repayment obligation: tied to the customer or to the meter?	The customer	
Allocation of partial payments	Handled according to the Terms and Conditions for Distribution Service (TCDS), with loan charges treated as part of distribution charges.	
Termination for non-payment	Yes	
Requirement of positive cash flow	Loan payment no more than 75% of expected savings	Objective or requirement of positive cash flow for certain customer segments (e.g., loan payment no more than 75% of <i>expected</i> savings); optional for other customer segments (allow shorter terms if customers prefer)
Savings guarantee	No	No
Remedy if savings do not materialize	Determined by underlying EE program	Determined by underlying EE program
Nature of charge: fixed or floats with savings?	Fixed	Fixed
Eligible measures	“Non-portable electric measures,” including both efficiency and renewable measures offered through the EE programs	Non-portable efficiency measures (regardless of fuel) ¹ offered through the EE programs.
Customer eligibility		
<ul style="list-style-type: none"> Customer class 	Residential and small commercial	Residential and small commercial
<ul style="list-style-type: none"> Owners vs. renters 	All are eligible	
<ul style="list-style-type: none"> Credit checks 	No	No
<ul style="list-style-type: none"> Customer bill payment history 	No	Eligibility limited to customers that have been current on their electric bill for at least 12 [24?] consecutive months
Maximum loan amount	Residential: \$500; Commercial: \$1,000	
Maximum term	Not specified	
Source of capital	Energy efficiency program funds	Outside capital
Disclosure requirement	Not specified	Full and fair disclosure
Interest rate		TBD
Collection procedures/protections	Standard utility procedures/protections	Standard utility procedures/protections

¹ This raises regulatory issues (collecting for oil and propane related measures on the utility bill) and “presentation to the customer” issues (electric bill goes up but total energy bill goes down). Consider the alternative of a companion/sundry bill paid by the customer in a manner very similar to the utility bill, but not necessarily directly on the utility bill, and collected through utility collections (with same allocation of partial payments), which could also be an integrated summary of the impact on the customer’s total (not just electric) energy costs.

Issue	Pay and Save Pilot	Straw Proposal to EEAC
Who is at risk for uncollectibles	Program funds	Program funds, through loan loss reserve
Relationship to low income program	Loans are available to participants in the RCS program.	Protections to ensure that customers eligible for low income programs participate in those programs and do not receive loans
QC on measures / installations	Determined by underlying EE program	Determined by underlying EE program
Applicability of banking laws		TBD