



Other Funding and Financing for Energy Efficiency Programs

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Summary for Energy Efficiency Advisory Council

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Other Funding

- Two primary *objectives* for other funding, with two *types* of other funding in the 2010-2012 plans focused on these two objectives
 - Other program funding, which substitutes for ratepayer funding and reduces EERF \$
 - Other financing capital, which supports the financing for deeper and broader savings (but does *not* reduce EERF \$ directly, unless program strategies are changed, e.g., rebate levels)
- Two types above are split 60%/40% in the plans

Other Funding in the Plans

<u>Electric</u>		<u>2011</u>	<u>2012</u>
Other program funding	60%	60M	120M
Other financing capital	40%	40M	80M
Total other funding		100M	200M

<u>Gas</u>		<u>2011</u>	<u>2012</u>
Other program funding	60%	12M	24M
Other financing capital	40%	8M	16M
Total other funding		20M	40M

Why Financing?

- To achieve the *much higher* 2010-2012 goals
 - Each customer needs to *save more* (20% to 50% savings or more, rather than 5-10% savings)
 - EE programs need to *reach more customers*
- Financing can help interested customers to do more, so that they can save more (deeper savings)
 - Larger, multi-measure projects need financing
- Financing can assist more customers to participate in the programs (broader reach)
 - Many customers do not have the capital upfront

Ensuring the Effectiveness of Financing for Customers

- Make it convenient for customers
 - Offer it as part of the EE program, as an integrated service, often by contractors
- Make it easy to apply and qualify
 - Deliver financing as part of the program; do not require a separate trip to the bank
 - Qualify based on utility bill payment history
- Make it easy to repay
 - Repay on-the-bill or through a separate bill
- Achieve higher savings per customer

Financing Solutions Focused on Customer Segments and Opportunities

- Different market segments require different solutions
 - Need attention to *all* segments to meet different customer needs and to achieve the goals
- Significant interest in and attention to residential financing, and good progress...
 - Residential owner approach progressing
 - Residential renter approach, discussions proceeding
- ...but we also need to make progress on C&I financing, for different *sizes* and *segments* of C&I customers