



# **On Bill Finance and Repayment Work Group – Progress Report**

# Mission

- Twofold Mission:
  - Explore and work to acquire outside funding for 2011 and 2012 (and beyond) energy efficiency programs
  - Raise and answer the questions related to effective on-bill repayment.
- Origins in Statewide plans to acquire significant outside funding for PA Energy Efficiency Investment Plans in 2011 and 2012.

# Working Group

- Constituted by Council, including voting and non-voting Council members, Program Administrators, members of the public, with facilitation by DOER and support by Council Consultants.
  - Primary working group has met 4 times. Two subgroups on Termination and Obligation have met once.
  - Initial focus on On-Bill Repayment issues.

# Issues Matrix

Issues	Straw Proposal
Repayment obligation: tied to the customer or to the meter?	Under Discussion –Tied to customer for some customer groups, possibly tied to meter for others.
Where does payment appear?	Under Discussion – Simplicity of payment appealing to customers and utility system provides lender assurances but of concern to some utilities
Termination for non-payment	Differing Viewpoints but Statute may restrict terminations for other than energy/distribution charges for res. customers
Positive Cash flow	Under Discussion - Not required but goal to approach (e.g. 75%-80% of expected savings)

# Matrix 2

Issue	Straw Proposal
Allocation of payments	Under Discussion –allocation of partial payments with loan payments treated as part of distribution charges
Savings Guarantee	No
Remedy if savings not realized	Determined by EE program
Charge fixed or float with savings	Fixed
Eligible measures	Non-portable ee measures offered through PA programs.

# Matrix 3

Issue	Straw Proposal
Customer eligibility	
Customer class	Small commercial and residential non-low income – some concerns about customers 60-120% median income
Owned v Rental units	Both. Possible differences in offerings- concerns about split incentives in rentals, need mechanisms most appropriate to rental property owners
Credit checks	No individual credit checks
Customer repayment history	Under Discussion – possibly limited to customers current past 12 months (all classes?)

# Matrix 4

Issue	Straw Proposal
Maximum loan amount	TBD
Maximum term	TBD
Source of capital	TBD
Disclosure requirement	Full Disclosure all terms in plain language
Interest rate	TBD (low customer rate)
Collection procedures/protections	
Who is at risk for uncollectibles	PA through collections
Relationship to low income program	Low income customers not to be offered loans
QC on measures / installations	According to EE programs
Applicability of banking laws	TBD

# Next steps

- Continue meeting to resolve differences, seek Council direction where differences not resolved.
    - Several disputed areas –
      - obligation,
      - termination,
      - owned v rental properties
- suggest customer-sector-specific solutions rather than one size fits all.