#### **ON-BILL REPAYMENT:** Flexible Financing for Energy Efficiency and Renewable Projects

ACEEE May 15, 2013



Finding the ways that work

### EDF PROPOSAL: ON-BILL REPAYMENT

- *Private* financing for qualifying *Energy Efficiency* and *Renewable Energy* projects
- Obligation is repaid on utility bill
- Repayment obligation becomes tariff on meter
- Projects originated by contractors
- Projects required to produce net monthly savings
- Utilities follow standard collection procedures



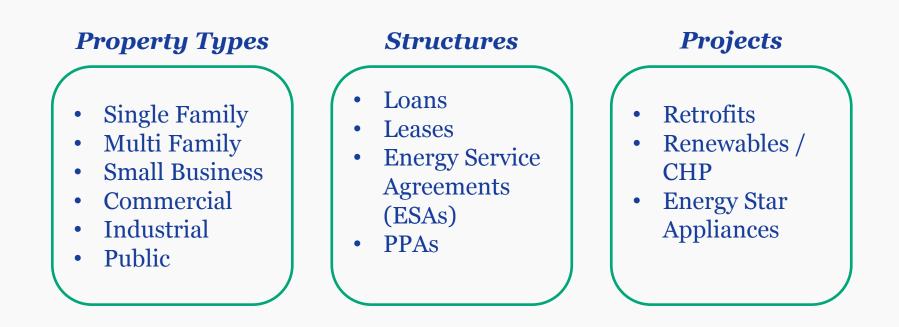
Tying the obligation to the meter and requiring repayment on the monthly utility bill lower credit risk for lender

# **COMPONENTS OF OBR**

- OBR is a network, not a prescribed program
  - Open-source model that accommodates variety of contractor and financial business plans
- Third-Party servicer would process payments
  - Reduces the administrative burden on utilities
  - Creates uniform standard for contracts, lowers transaction costs
- Scale and standardization can reduce costs
  - Recommend uniform statewide programs
- Utilities should be adequately compensated for services
  - Fees from lenders/investors
  - Credit for energy savings

## **OBR OFFERS FLEXIBILITY**

A well-designed OBR program maximizes *Flexibility* with a range of eligible property types, transaction structures, and projects



# WHERE WE ARE TODAY

- The California PUC passed a decision last year requiring the state's IOUs to implement On-Bill Repayment for commercial properties
  - EDF is working closely with stakeholders to design a program that maximizes flexibility
  - The IOU's consultants, Harcourt Brown & Carey, released pilot proposal on 10/19
  - Expected to be operational Q3 2013
- Interest from broad range of EE and solar project developers and investors
  - Strong launch will build national momentum
- EDF is working with stakeholders in Hawaii, Ohio and Other States to pursue programs in 2013

## **THANK YOU**

#### **Brad Copithorne**

Director of Financial Innovation, Energy Group <u>bcopithorne@edf.org</u>

#### Jessica Feingold

Financial Policy Fellow, Energy Group jfeingold@edf.org

edf.org/energy/obr