

State of New York Public Service Commission
Case 07-M-0548 – Proceeding on Motion of the Commission
Regarding an Energy Efficiency Portfolio Standard (EEPS)

Working Group VI – On-Bill Financing

Final Report
December 19, 2008

Energy Efficiency Portfolio Standard (EEPS) – Working Group VI
On-Bill Financing Final Report

Research Summary

Programs presented here range from those that have been in place for ten or more years to smaller more recent pilot programs. Some programs are statewide, while others are utility-specific. Some utility programs stem from state initiatives and legislation, while others have been initiated by utilities. The energy efficiency measures eligible for financing and associated financing terms vary greatly by program.

The following observations and trends are worth highlighting:

- From the researched programs, Off-Bill Financing has the largest number of residential loans issued per year;
- While meter obligation On-Bill Financing programs are relatively new, the participation levels for Off-Bill Financing programs with a customer loan obligation have been higher;
- All programs allowed for early re-payment without a penalty or fee;
- Kauaʻi Island Utility Cooperative (KIUC) has both an On-Bill Financing option and an Off-Bill Financing option. No customers have elected the On-Bill Financing option while 100 customers in 2008 have chosen Off-Bill Financing. The contact at KIUC recommends conducting customer focus groups prior to initiating program design to assess interest in On-Bill Financing. KIUC's experience indicates that consumers prefer rebates and Off-Bill Financing;
- Several utilities provide energy efficiency loans but they bill loan installments through a separate invoice from their customer's utility invoice. Hawaiian Electric Company includes the loan invoice within the same envelope as the customer's utility bill. Maui Electric Company, Alliant Energy, and Sacramento Municipal Utility District (SMUD) mail a loan invoice separate from the bill;
- The program with the largest number of On-Bill Financing loans per year for residential customers is Manitoba Hydro with approximately 8,100 loans in 2007;
- The program with the highest number of On-Bill Financing loans per year for non-residential customers is National Grid's Small/Mid-Sized Business program with approximately 1,600 loans per year;
- The state-wide Keystone Home Energy Loan Program has the largest number of Off-Bill Financing loans per year for residential customers with approximately 1,300 loans per year;
- NYSERDA's Energy Smart Loan program has the largest number of Off-Bill Financing loans per year for non-residential customers with approximately 100 to 200 loans per year; and
- Three of the programs with the highest number of loans per year include monthly interest on the loan.

Programs within the United States are listed first alphabetically by state and then utility with Canadian programs following.

On-Bill Programs

Utility	State	Customer Class	On / Off Bill	EE Program	Start Date	Eligibility Criteria	Amount Financed	Financing Term	Interest Rate	Financing Source	Loan Obligation (Customer or Meter)	Payment Allocation Rules	Disconnect Policy	M&V	Participation Levels	Internal Program Evaluation	Default Rate	Comments
Alabama Power (1.4M customers)	AL	Residential	On-Bill	Dealership Incentive Program (Water Heaters, Heat pumps, Caulking/Weatherstripping, Duct/Air sealing, Building Insulation, Windows, Doors)	Sometime between 15 - 20 years ago (1988 - 1993)	Deed to property; No bad/returned checks or disconnections in prior 12 months; Good FICO score; Equifax approval based on special utility matrix	\$1,500 - \$25,000 Amounts above \$25,000 require Treasury approval.	Payable up to 7 years.	Varies based on results of eligibility criteria: 9.9%, 13.9%, 16.9%	Utility-funded by shareholders, not ratepayers	Customer	Utility gets paid first	Do not disconnect for loan non-payment, no reports to credit bureau, utility "eats" the loss	Performed by state certified and licensed dealers	Avg. ~183 loans/yr ~2,750 loans over life of program; 25% of installed heating pumps are financed. There have been 11,000 heating pump installations.	There are conversion goals not financing goals. Financing has increased installation of heat pumps but has not done much for weatherization	3%	Mandatory 13.5% annual return on investment to utility (ROI based on all loans); 10 utilities and cooperatives in Alabama offer residential financing for heat pump programs
Duke Electric Cooperative (18,000 members)	AL	Residential	On-Bill	Energy Resources Conservation (ERC) loan program;	15+ years ago	Heat pumps, Custom/ Others pending approval Improvements, upgrades, gas to electric conversions or installation of a new system	Maximum loan is \$5,000	Payable up to 5 years.	5%		Customer							Information based on limited material found on the company's website
First Electric Cooperative (83,000 members)	AR	Residential, single family, owner occupied	On-Bill	Home Improvements Loan Program	Unsure of start date, 15+ years ago; This program is the latest in a series of energy efficiency upgrade programs.	Credit checked, but lenient as long as the customer has not been subject to disconnection (included in the cut list) for the past 12 months	No minimum.	Up to 10 years. Equipment liens, 2nd mortgage on non-removable equipment	Current rate is 6.75%	Utility Money and National Rural Electric Cooperative Association	Customer	Utility gets paid first	Do not disconnect for loan non-payment		Currently, 500 active Loans out of 83,000 residential customer (0.6%)		No defaults	Customer must install heat pumps and then other measures.
San Diego Gas & Electric (3.4M consumers)	CA	Non-residential (Commercial/Industrial, multi-family, government, schools, etc.) Customers (i.e., gov't agencies) and owners of residential units who do not reside on the premises may be approved for measures to common areas, NOT tenant units	On-Bill	Small Business Super Saver (Rebate), Efficiency (Rebate), Standard Performance Contract (Incentive), Energy Savings Bid (Incentive), Multi-Family Rebate Program (for owners not living at the premises) and select Utility Third Party Programs (programs awarded via a competitive bid)	First loan application processed in 2007, however program start date is 2006. Preparation look approx. 1 1/2 years	Participant in a SDGE EE program; Active SDGE account for 24 months for the same business that relocate must have 12 months of usage at the new location); Account in good standing, with no deposit on record or disconnect notices in past 12 months	Commercial: \$50,000/meter, \$100,000/meter; No more than 100% of total project costs less rebates/incentives received. (Rebate/incentive reduced by 10% if loan repaid on the bill.)	Simple Payback: Commercial - 5 years maximum, 10-year payback formula; Single payback formula: loan amount + savings = simple payback period. No penalty for prepayment	0%	Currently utility shareholders, 2009-2011 funding requests to SDGE ratepayers. (Administered by SDGE under the auspices of California Public Utilities Commission). Financing is first-come- first-served until funds are no longer available. *NOTE: Some qualifying EE programs are 2 year programs expiring 12/31/08.	Customer; repayment due within 30 days of account being closed or customer default	Energy payments first for partial payment in month 1. Partial payments submitted in month 2 go to the oldest outstanding charges, including loan amount. No LPCs applicable to late payments	Yes - non-payment treated as default under utility account; utility can credit customary collection procedures including legal action	Utility energy assessment & pre-inspection prior to work, equipment must qualify for rebate; utility post-completion inspection	Avg. ~35 loans/yr w/avg loan amt. of ~\$21,500 As of 2008 Financed \$1.5M for 60-70 projects in less than 2 years.	Energy savings are not assigned to on-bill payment mechanism.	2006 - early 2007 was planning stage, loan approval/disbursement to on-bill began in mid-2007; Utility does not want contractor work; OGB does not have separate incremental kW or kWh energy efficiency performance targets.	

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United Illuminating (\$20,000 customers)	CT	C&I customers, including municipalities	On-Bill	Small Business Energy Advantage	2000	Up to 150 kW of average peak demand. Customer must qualify with good credit history (in business at least 1 year; there can be up to one instance of 60 day arrears however, NOT in the most recent 6 months.)	Set at level that normally provides positive annual cash flow; Customer finances project costs minus an incentive between 25-50% of project cost; up to a \$22,000 incentive; up to \$78,000 financed;	36 months (simple payback) must be equal to or less than 48 months or less before incentive is applied; Have extended for payback to 48 months for churches	0%	Connecticut Energy Conservation Fund pays incentives (earns their weighted cost of capital on the fund), utility finances balance with right to recover defaults	Customer, however loan can be transferred to subsequent owner with consent of all parties.	Priority given to OBF installments and then applied to distribution and supply charges; payment of loan amount only or failure to pay loan amount will lead to disconnect	Do not explicitly allow shut-off for non-payment of OBF installments; however, due to payment of loan amount only or failure to pay loan amount will lead to disconnect	Utility cost installation inspection	As of 6/08 2450 projects since 2000. Average about 300 programs per year. Financed \$21M in loans, \$6.8M in incentives, 670M lifetime kWh saved 2006 annual: 310 projects, 93% qualified for financing, \$2.2M in loans, \$1M in incentives, 5.8M kWh saved		2 defaults at cost of \$13,000	CT DPUC was pushing for residential program; compliance requirements with state and federal credit-related laws; DPUC dropped suggestion. Initial no-obligation energy efficiency audit performed. Installations done by approved contractors.
Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, the HECO Companies - 1.2M customers	HI	Residential (Marketed primarily to renters and landlords)	On-Bill - Due to some system limitations issued as a separate bill and included in the same envelope as customer's electric bill (Solar Water Heater loan)	Solar Water Heating Pilot Program "Solar Savers" program	June 29, 2007, 3 Year Pilot Program	Estimated life cycle savings must exceed cost of system (not necessarily on a month to month basis). Customer must be current 6 months on electric bill; system warranty related from 12 months due to customer payment performance weakening. Execution of SolarSaver Customer Agreement.	Rebate applied to total cost	Per tariff, monthly fee equal to 80% of monthly energy bill savings, as estimated for a family of four (regardless of actual family size), near quarterly for residential customers included within the integrated financing plan. Charge covers bad debt; Surcharge billing rate updated every 6 months	0%	Ratepayer Fund funded by mandatory SolarSaver surcharge on residential customers included within the integrated financing plan. Charge covers bad debt; Surcharge billing rate updated every 6 months	Water, program participation agreement to be recorded against property; property owner responsible to inform tenant of program obligation under program	Electricity use portion of bill first	Yes		Hawaii Electric Company: Pilot program limited to 300 participants over 3 year program Year 1 (year ended 6/30/08) - 90 participants - based on an estimate of 100. Year 2 - already fully subscribed. Maui Electric Company: Pilot program limited to 150 participants over 3 year program Year 1 - 0 participants Year 2 - fully subscribed. Hawaii Electric Light Company: To date 87 participants	Year 1 Program evaluation due to be filed with PUC.		Pilot program (3-yr) based on statutory authorization ² including recovery of all reasonable start-up (including billing system adjustments) and implementation costs (including costs not recovered by bill payments) as part of non requirement of third-party financing but costs recoverable under orders relating to IRP/DSM. Must comply with applicable provisions of Fair Credit Reporting Act and other applicable laws and requirements; Interveners insisted that third-party financing be obtained, utility to investigate. No guarantee of lower bills;
Kauai Island Cooperative (30,000 members)	HI	Residential	On-Bill	Solar water heating equipment only	2007		Cost of Solar System - no rebate	Pro rata share of incremental costs factored into total cost of investment to determine payment schedule	0%	Will fund internally and recover from each program participant when trigger dollar level is achieved.	Water (new customer app requires applicant to consent to program charges); participation agreement to be recorded against property		Yes		No participants.			3-yr pilot program under Act 240. KUC to retain ownership of equipment but may dedicate to customer on final payment claim. It is not covered by Fair Credit Reporting Act not applicable
Maui Electric Company A HECO company.	HI	Residential (Marketed primarily to renters and landlords)	On-Bill: Due to some system limitations issued as a separate bill for Loan Program	Maui Solar Rents Initiative	Sept 02	Review of 12 month utility credit history	65% of cost is eligible for financing; customer pays 35% of cost directly to contractor	Up to 6 Yrs; Avg Loan \$3700	0%	Funded from county-wide property tax assessment; began with \$250,000 funded - the revolving fund is now approx \$750,000	Customer; If residence is sold, customer must repay outstanding loan balance	Electricity use portion of bill first	Yes		Approximately 350 homes		Very low	Customer receives 35% state tax credit.

On-Bill Programs

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Midwest Energy (48K electric customers & 42K gas customers)	KS	Residential and non-residential, existing and new structures (directed primarily at low income and rental markets)	On-Bill	HowSmart SM	8/12/2007 (Pilot in 4 counties) 9/5/2008 (Approved for entire territory)	Residential: customers current on utility payments; Commercial: Utility can refuse application if structure has expected life shorter than payback period.	Customer or owner can buy down amount to be financed so it results in a positive cash-flow; Financing limits based on savings; Commercial - 15 years; Residential - 10 years; No early payment penalty; Customer can not include annual projected savings but charge will double up on interest rate not to exceed Company's most recently approved rate of return; new structure, only incremental cost of high efficiency equipment	Duration can not exceed 75% of estimated measure life or 15 years, whichever is less; Commercial - 15 years; Residential - 10 years; No early payment penalty; Customer can not include annual projected savings but charge will double up on payments.	4% residential (15 yrs) 7.25% commercial (10 yrs)	Statutory authorization of program cost recovery in rates. ³ A revenue fund and a state housing fund provide capital	Meter - requires written disclosure. If written disclosure is not given, the remaining obligation is to be repaid by the former owner within thirty (30) days of the sale of the property. A Uniform Commercial Code (UCC) form with the county's Registrar of Deeds for all HowSmart SM installations. A UCC will provide information to potential buyers, brokers, or real estate agents that obligations exist at the property.	Treated as utility service charge but KCC order ⁴ assumes partial payments applied first to commodity and delivery.	Yes	Selective inspection of completed measures. M&V procedures determined in generic docket	8/07-7/31/08 I-278 Requests/Inquiries 1. 234 audits completed. 2. 16 declined program without an audit. 3. 28 audits pending II. 234 Audits Completed 1. 47 HowSmart Projects completed - \$200,101.60 invested in efficiency improvements. The 47 include 39 homeowners, 6 rental properties, and 2 commercial businesses. 2. 89 plans completed and waiting for customer decision or contractor. 3. 98 plans rejected by customers** III. 47 Projects Completed 1. ~114,250 kWh and 8,632 Therms per year saved. 2. Avg mo. energy savings is \$46.69/cust, with an avg mo. HowSmart charge of \$38.00 or net mo. savings of \$8.69/cust. HowSmart requires by audit a savings of a least 110% of the charge. Customers are waiting on avg about 122%. 3. On average, landlords are buying down project costs by 49.4% in order to qualify			Utility personnel will screen without charge; \$200 fee to building owner or landlord for comprehensive audit waived for participants in program or less than \$1,000 in improvements to be paid for by utility; on-bill amount to include up to 5% of cost to offset program costs. Contractors are still overwhelmed with approximately a 6 month backlog
National Grid Companies (1.7M customers)	MA, NH, RI	Small/Mid-Sized Business	On-Bill	Small/Mid-Sized Business Program	1989	200 kW or less; No creditworthiness checks done	30% of total project cost. No minimum or maximum.	Up to 24 months. Customer may choose either lump sum, 12 or 24 months.	0%	SEC. Unpaid charges are not repaid into the SEC fund	Customer	Late Payment Charges applicable to late payments, remaining balance goes on final bill	Do not disconnect for loan non-payment	Program QC controls: - customer sign off on installation (100% verified by NG prior to installer being paid) - post installation inspection by independent inspectors (25% random verified by NG, and 100% verified over \$15,000)	1500-1700 projects/year since 1989; 40% of projects (representing 60% of the dollars) use OBF for 12-24 month installments. Remainder pay off in single installment on bill with 15% discount	Evaluation Group evaluates and files reports on annual basis.	approximately 1%	

On-Bill Programs

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National Grid Companies (1.7M customers)	MA, NH, RI	Municipal customers (GBF Pilot)	On-Bill	Energy Initiative Promote the installation of energy efficient lighting, HVAC, VSD and custom measures	Energy Initiative - 1989 On Bill Financing PILOT: 2007	To qualify for GBF customer must be municipal customer; No creditworthiness checks done	Measure cost less incentive amount	Up to 24 months; Customer may choose either 12 or 24 months.	0%	SBC: Unpaid charges are not repaid into the SBC fund	Customer	Late Payment Charges: applicable to late payments, remaining balance goes on final bill	Do not disconnect for loan non-payment	Program OC controls: - pre-inspection by NG or representative - customer sign off on installation (100% verified by NG prior to installer being paid) - post installation inspection by independent inspectors (10% random verified by NG for lighting under \$10K, and 100% all else) - commissioning if large projects or controls	Pilot Program through 2008. Less than 50 per year. Filed as part of 2009 programs.	Evaluation Group evaluates and files reports on annual basis.	0%	
Empire District Gas Company (215,000 customers)	MA, NH, RI	Residential	On-Bill	Energy Smart Solutions (gas heating equipment, water heaters, ranges, dryers, etc., installation, and Conversion)		1-2-3-4 family dwellings on year-round basis; Credit qualifications;	Equipment, Installation, Gas Conversion, extended warranties; Amounts in excess of \$10,000 at discretion of Company	6 months to 5 years	2% above the annual prime rate, as quoted in The Wall Street Journal, on the first business day.	Utility-funded by shareholders, and ratepayers	Customer							Information based on limited material found on the company's website
Progress Energy Carolinas Inc (i.e. a., Carolina Power & Light Company) (3.1M customers)	NC, SC	Residential	On-Bill - Cancelled	Heat pumps, HVACs, storm windows and doors, insulation	This program is no longer operational (run from 1980 to 2001). The company now runs an off-bill financing program	Credit check required	No minimum. Loans over \$1,500 required second mortgage	Life dependent on loan amount with longer paybacks for larger loans	Ranged from 6%-9% over program	Utility-funded	Customer	N/A	Did not disconnect for loan non-payment		Average 3,100 per year (approximately 0.25%)	Very successful. The company made approximately \$150-200 million in loans over the life of the programs	1%	The company's shareholders were responsible for defaults. Once the loan exposure became too great, the company ended this voluntary program. The company now offers off-bill third party financing.
New Hampshire Electric Cooperative (80,000 members)	NH	Non-Residential (Residential was cancelled)	On-Bill	SmartSTART	Pilot began 9/2002	To qualify, project cost must not exceed 1/2 of estimated annual savings over 1/2 of its estimated useful life.	Rebate available to offset some cost	Term based on savings. Customers can accelerate payments, term extended to cover additional utility costs for out of warranty repairs and missed payments; NHEC accepts only 5-yr maximum payback projects		Guarantee fund (borrowed by utility)	Meter if the measure is permanently attached to customer; if the measure is portable	Yes	Utility post installation verification	Utility post installation verification	Calendar year 2005: 3 projects; 6.5 million kilowatt hours saved Calendar year 2005: None			Loan agreement required and tenant to obtain loan; Loan requires if equipment fails and cannot be repaired; Current program name permitted by 2004 NHPUC order.

On-Bill Programs

Utility	State	Customer Class	On/Off Bill	EE Program	Start Date	Eligibility Criteria	Amount Financed	Financing Term	Interest Rate	Financing Source	Loan Obligation (Customer or Meter)	Payment Allocation Rules	Disconnect Policy	M&V	Participation Levels	Internal Program Evaluation	Default Rate	Comments
Public Service of New Hampshire (450,000 customers)	NH	Municipal customers	On-Bill	Municipal Smart Start Program	Pilot began 1/2002 Available for installations through December 31, 2008	To qualify, project cost must not exceed 1/3 of measure's estimated annual savings over 1/3 of its estimated useful life.	At least \$1,000; savings at least equal to cost but no guarantee of savings; rebate available to offset some cost	Term based on savings. Customer can choose to accelerate payments, term extended to cover additional utility costs for out of warranty repairs and missed payments.		Revolving loan fund using SBC revenues and customer repayments	Notes: In the event the Customer does not remain a full requirements delivery service Customer, any remaining charges under this rate shall immediately become due and payable;		Yes	Utility post installation verification	Calendar year 2005: 37 projects (treated savings under other projects) Calendar year 2005: 25 projects, 40.2 million lifetime kWh saved			Landlord agreement required for tenant to obtain loan; Loan forgiven if equipment fails and cannot be repaired; Current program name permitted by 2004 NHPUC order.
New York Power Authority	NY	Governmental	On-Bill for NYPA-billed customers, Off-Bill otherwise	NYPA Governmental Customers and Statewide governmental/public entities	1990		Full cost of Energy Efficiency and Clean Energy Project	On Average- ten year amortization	Tax-exempt or taxable Commercial Paper rates NYPA	Proceeds of Commercial Paper issuances by NYPA	Customer		Do not disconnect for loan non-payment	where applicable	More than \$1 billion financed to date		No Defaults	Loan installments are on the customer's electric bill if they are NYPA's customer. If they are not NYPA's customer a separate invoice is sent just for the energy efficiency work.
Piedmont Natural Gas (Gasville Gas) (62,000 customers)	TN	Residential	On-Bill	New Gas Equipment	20+ yrs	Equipment purchased through their trade allies. Credit approval required (not paying customer).	Financing based on approved credit; 0% down with approved credit;	Up to 5 years	A) Prime Rate B) Prime Rate+2%	Piedmont Natural Gas	Customer; UCC lien so property cannot be sold without the lien being satisfied	Utility charges first.	Do not disconnect for loan non-payment (can not shut-off for non-utility charges).	Use licensed heating contractors. Negates need for any follow-up.	Not available	Program goal is to retain and gain gas customers.	Not available	A - All natural gas equipment & installation when gas water heater on same contract or gas water heater is currently in home. Propane conversions when natural gas water heater is on same contract. B - Same as A, when natural gas water heater is not in home or on same contract. Also, allow equipment to be leased and then purchased at a later date.
Alliant Energy (Wisconsin Power & Light) (1M electric customers & 400K gas customers)	WI	Non-residential (C&I, farms, and government)	On-Bill	New Gas Equipment	20+ yrs	Equipment purchased through their trade allies. Credit approval required (good paying customer).	With approved credit 90% of installed price. No down payment required on propane conversions.	Up to 3 years	A) Prime Rate B) Prime Rate+2%	Piedmont Natural Gas	Customer; UCC lien so property cannot be sold without the lien being satisfied	Utility charges first.	Do not disconnect for loan non-payment (can not shut-off for non-utility charges).	Use licensed heating contractors. Negates need for any follow-up.	Not available	Program goal is to retain and gain gas customers.	Not available	A) All natural gas equipment with year-round usage. All propane equipment conversions when year-round equipment included in conversion contract B) Same as A without year round load.
				Shared Savings	1987	Any technology that saves energy may qualify for Shared Savings; Creditworthiness check on loan applicants;	The amount financed is up to 5 times the annual estimated savings of the energy efficiency project.	Typically 5 years	Buy down to 2% to 3%	Low cost financing program where utility buys down interest rate to 2 to 3% using SBC funds; Use shareholder dollars to fund the loans; Defaults recovered through SBC funds;	Customer - UCC lien so property cannot be sold without the lien being satisfied - Customer signs contract and balance is due on sale or to new owner.	No pro rata. Customer sent separate bills and must submit separate payment.	No disconnect	Energy savings are independently measured and verified; - No certification of savings - Have engineers that evaluate the savings from the measure - End of year: third party contractor verifies savings	1997-2006: 3114 projects implemented, many repeat participants /loan - Approximately 200/year @ \$150,000 in contracts - Over 5 years: \$40,000,000 in economy saved - Smallest loan is \$5000/Largest is millions	20% of WP&L 3.5% annual growth in C & I load is deferred; Invested \$353M in Wisconsin's economy 2005 saved approx. 50M kWh	Less than 5%	Program objective to meet or exceed energy savings goals set by the Wisconsin Public Service Commission Alliant Energy - Interstate Power & Light (Performance Edge) - Utility not allowed to offer rebates. State-wide FOCUS ON ENERGY programs. Customers can NOT double dip on FOCUS ON ENERGY and SHARED SAVINGS Program

On-Bill Programs

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Madison Gas & Electric (135K electric customers & 140K gas)	WI	Businesses and Governmental entities	On-Bill	Shared Savings	15 Years	Energy Efficiency Measures: Utility payment history plus evaluation of company balance sheet and income statement	Projects between \$5,000-\$50,000	Up to 10 Years: No penalties for early repayment	Variable based on review of customer risk	Third party lender's loan to utility	Customer	Utility charges first.	Do not disconnect for non-payment (can not shut-off for non-utility charges).	No I&V by MG&E too many variables weather/contractor etc. MG&E determines best estimate of savings. Personal connection with customer	200 customers over 15 years, diverse mix of customers. Participation has slowed recently.		Estimated at less than 1%.	Utility works directly with customer. No customer/bank interaction.
Manitoba Hydro (522K electric customers & 261K gas customers)	Manitoba, Canada	Residential	On-Bill	Power Smart Residential Loan Program	March 2001	Credit Worthiness - Bill payment history and/or credit review	\$7,500 max unsecured	Up to 5 years	6.50%	Utilities general revenue fund	Customer		Disconnect after account balance in arrears for 90 days		Since 2001, \$167M for 41,000 loans 94% of applications approved 2007 - 1.9% res. Households (8,100/420,000 homes) avg loan \$4,800 59% - Windows & doors 35% - Heating systems 6% - insulation, ventilation, and air		0.20%	Rebates offered in conjunction with loan for insulation, ventilation, and air sealing.

[1] Docket 06-10-02, Conservation and Load Management Plan 2007 and 2008 submitted jointly by The Connecticut Light and Power Company and The United Illuminating Company, Final Submission (Oct. 2, 2006), Exhibit, pp. 2-3; DPUC Review of CL&P and UI Conservation and Load Management Plan for Year 2007 and 2008, Decision (May 23, 2007), pp. 15-16.

[2] Hawaii Act 240 (June 2005)

[3] Kansas House Bill 2278, effective 7/1/07, authorizes electric and gas utilities to "enter into agreements with customers and landlords of customers for the financing of the purchase price and installation costs of energy conservation measures by such utilities." This authority applies Kansas Corporation authority to approve energy conservation programs, K.S.A. 66-117.

[4] Docket Nos. 07-MDWG-784-TAR and 07-MDWE-788-TAR, In the Matter of Midwest Energy Seeking Commission Approval to Implement a Pay-As-You-Save Program For Its Natural Gas Service and Electric Service, Order Upon Reconsideration (Dec. 20, 2007)

Off-Bill Programs

Utility	Location	Customer Class	On /Off Bill	EE Program	Start Date	Eligibility Criteria	Amount Financed	Financing Term	Interest charges	Financing Source	Loan Obligation (Customer or Meter)	Payment Allocation Rules	Disc. for default	M&V	Participation Levels	Success Level	Default Levels	Comments
Sacramento Municipal Utility District (589,559 customers)	CA	Residential	Off	Residential program - Equipment Efficiency Loans	1977 Originally On-Bill for at least 20 years- loan bill sent separately	Loan application provided by contractor. Credit rating reports used to determine customer creditworthiness	No maximum; Average loan \$9000 Total Loan Amt Outstanding \$68 Million, 10,200 customers	Insulation- 36 mos Cool Roof-Flat 60 mos Cool Roof-Sleep 120 mos Central A/C, Heat Pump, Solar Water Heater 10 yrs, PV 20 Yrs All prisms 10 yr and longer are secured loans.	Effective Nov 2008 - 8.5% Prior rate of 7.5% in effect from Sept 2003 thru Oct 2008	All SMUD ratepayers, utility is allowed to charge all costs of program to allow SMUD to break even.	Customer	Not applicable	Not applicable		2006 - 3900 2007 - 3200 2008 - 2000 Approx. 5% of res households Total loans 137,074 since 1977; Approx 25% of customer base		Default rate of 1.49%. Loans are secured so default rate very low. SMUD indicates separate bill is administratively more efficient for payment and collection. Loan application fee of \$100. Participating contractors provide 2 year contractor warranty, SMUD is not responsible for repairs or service.	
Kauai Island Utility Cooperative (30,000 members)	HI	Residential	Off	Solar HW & Misc	Mar-06	Third Party Bank Screening: If customer application fails the Kauai's Co-Op Credit Union, application is immediately forwarded to County Housing Agency for it's review. See notes in Other.	Average of \$8,000 per customer	Up to 5 years	0% Utility pays interest up front	Funded in rates by all customers charge NOT separately identified.	Customer	Not applicable	Not applicable		Total of 175 Customers: 2006 - 25 Customers 2007 - 50 Customers 2008 - 100 Customers	Total Base of 25,000 Residential Customers	1 customer since start of program.	Bank performs screening, billing and collections. Customer pays principle for up to 5 years. Two lending institutions: Kauai's Co-op Credit Union and County of Kauai Housing Agency. City Housing Agency has federal funds made available through Community Development Block Grant - Small Cities program. Also, see comments for on bill program.
National Grid Companies (1.2M customers in MA)	MA	Residential - 1 to 4 family homes	Off	Insulation, air sealing, heating systems (all fuel), windows, domestic hot water, solar water, solar domestic hot water, thermostats, other renewable technologies	2006	Bank credit requirements	Up to \$10,000	Up to 7 years	0% Loans are provided by private lender, interest rate is bought down to 0% by SBC funds.	Loans are provided by private lender, interest rate is bought down to 0% by SBC funds.	Customer	Not applicable	Not applicable	Post installation inspection	1,272 since 2006 Average loan size is \$7500			Rebates available for energy efficient equipment in addition to buy down of interest.
Progress Energy Carolinas Inc (1.4 M customers in NC, SC)	NC, SC	Residential	Off	HVAC, storm windows and doors, insulation, zoning systems, electric water heaters (30 to 82 gallons), programmable thermostats	2002 (From 1980 to 2001, the company ran an on-bill program)	Credit check, credit rating, Eligibility based upon FICO score	Up to \$20,000	Installation Financing Unsecured, Terms up to 10 years; Energy Star® up to 12-years	Variable interest rate dependent on FICO credit score	Third party financing through Fannie Mae and administered by Volt VIEWIEch, which specializes in providing energy efficiency programs to utility customers	Customer	Not applicable	Not applicable	Work must be completed by approved contractors	Very low annual participation rate Under 20 per year. Plan has a high interest rate set by Fannie Mae- no buy down			Company has been encouraging home equity loans over this program (due to high rates). The Company will launch a new program that will likely offer a choice of rebates or reduced rate financing. See also comments on former on-bill program.