

# On-Bill Repayment

A Model for Large Scale Implementation

CPUC

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# On-Bill Finance: How it Works Today

- Loan for qualifying energy efficiency or renewables project is made by or through utility
  - Repayment made through monthly utility bill
    - Threat of shutoff improves credit quality
    - Liability travels with the meter – no acceleration
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# On-Bill Repayment: EDF Proposal for CA

- Projects originated by contractors
    - Program must be flexible enough to accommodate variety of contractor business models
  - Commercial lenders are likely better equipped to underwrite and fund loans
    - Utility is a payment conduit – Similar to Visa
  - Scale and standardization can reduce costs
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# Significant Program Flexibility

- Variety of buildings
    - Single family
    - Multi family
    - Commercial
    - Public
  - Variety of transaction types
    - Loans
    - Leases
    - Energy Service Agreements (ESAs)
  - Variety of projects
    - Retrofits
    - Renewables/CHP
    - Energy Star Appliances
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# Benefits

- No direct costs to taxpayers or ratepayers
- Creates jobs
- Reduced carbon emissions
- Beneficial to ratepayers through avoided cost of new generation capacity and reduced use of higher cost generation
- Beneficial to utility shareholders through payment processing fees and/or improved performance of utility EE programs

*Assuming a 1% annual residential participation, EDF estimates that a statewide OBR program in California could generate annual investment of \$2.7 in residential EE and renewable projects, create 20,000 installation jobs and, after 5 years, reduce annual CO2 emissions by 7 million tons.*