



Fact Sheet

Statewide Finance Program (2013-2014)

March 2013

On September 18, 2008, the California Public Utilities Commission (CPUC) adopted the state's first Long Term Energy Efficiency Strategic Plan ("Strategic Plan"), presenting a single roadmap to achieve maximum energy savings across all major groups and sectors in California. This comprehensive Strategic Plan was the state's first integrated framework of goals and strategies for managing and saving energy, covering government, utility, and private sector actions, and holds energy efficiency to its role as the first and highest priority resource in meeting California's energy needs. The Statewide Finance Program is designed to facilitate the purchase and installation of comprehensive, qualified energy efficiency measures by customers who might not otherwise be able to act given capital constraints and/or administrative and time burdens.

The Statewide Finance Program consists of a portfolio of financing options including the On-Bill Financing (OBF) program, the American Recovery and Reinvestment Act (ARRA)-originated financing programs, and a set of new financing programs for single family and multi-family residential customers as well as for small business and broader nonresidential customers.

The Statewide Finance Program is designed to support the Commission's goals to help achieve the following potential major benefits:

- Encouraging customers to invest in projects that will achieve deeper energy savings.
- Overcoming the "first cost" barrier of energy efficiency upgrades;
- Leveraging ratepayer funds by bringing in private capital;
- Increasing sales of energy efficient products and services; and
- Reaching a broader set of customers and market segments.

2013-2014 Finance Program Budget by Utility

	PG&E	SCE	SCG	SDG&E	Total Statewide Budget
OBF	\$38,000,000	\$54,325,000	\$1,727,378	\$697,435	\$94,749,813
OBF Loan Pool*			\$2,000,000	\$17,000,000	\$19,000,000
ARRA Originated Financing	\$4,000,000	\$5,000,000	\$3,200,000	\$2,225,224	\$14,425,224
New Finance Offerings	\$31,000,000	\$21,900,000	\$10,267,622	\$12,077,309	\$75,244,931
SW Financing Program	\$73,000,000	\$81,225,000	\$17,195,000	\$31,999,968	\$203,419,968

* PG&E's and SCE's loan pools are funded by EE dollars whereas SoCalGas' and SDG&E's loan pools are funded by non-EE ratepayer dollars.

Program Descriptions

On-Bill Financing (OBF)

OBF is a continuing program which offers interest-free, utility ratepayer financed, unsecured energy efficiency loans to qualified non-residential customers with qualified projects. OBF allows customers to achieve energy savings through the purchase and installation of efficient equipment. Customer loans are repaid through a fixed monthly installment on their utility bills. There is no prepayment penalty. Loans are not transferable.

American Recovery and Reinvestment Act (ARRA) Originated Finance Programs

The IOUs will continue to fund selected ARRA-originated programs which have been, and will continue to be implemented by third parties, local governments, and/or via the California Energy Commission. The primary goal of this subprogram is to continue developing loan and project performance data and experience to share with larger capital market players to ensure their confidence in both debt repayment behavior and the cash flow profile of energy savings associated with the projects.

Successful ARRA-originated programs were selected based on the following criteria:

- Potential for scalability to larger markets;
- Ability to leverage ratepayer funds with private capital
- Ability to test unique/new program design and delivery
- Ability to serve previously un-served or under-served markets
- Ability to offer low interest rates to consumers
- Effective utilization of total combined ratepayer funding support from all sources.

New Financing Offerings

These are new, scalable, and leveraged statewide financing products to help customers produce deeper energy savings. They will also be designed to gain program experience and data on debt repayment and project energy savings.

Specifically the new offerings will include:

- A credit enhancement strategy for the single-family residential market;
- A multi-family residential market strategy that includes both credit enhancement and an on-bill repayment option that may require legislative change to fully implement;
- A credit enhancement strategy for the small business market; and
- An on-bill repayment strategy for all non-residential customers.