Maybe Financing is the First Barrier to Address

Behavior, Energy and Climate Change
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An Indicator of Potential Impact

How much investment does the program leverage from participants?
- Over $7500 of participant investment per home
- In rural South Carolina
- Voluntary: Participants invest because they see value
On-Bill Financing

An Appealing Idea

▪ Zero down, low interest financing
▪ Immediate positive cash flow
▪ Very convenient loan repayments
▪ No credit check required

Some Important Questions

▪ Enough value to attract borrowers?
▪ Is it scalable?
Utilities and Financing Programs

Utility Energy Efficiency Programs A Big Solution
- Rapid growth. 2006 = $3b, 2009 = $6b
- Some utilities are spending over 4% of sales
- But many utilities are still doing little

Drawbacks of Rebate Programs
- End user must have cash usually 50% to 70%
- Utility cost/comprehensive retrofit is high

Could financing programs attract more utilities to make efficiency investments?
South Carolina On-Bill Financing Pilot

- Co-ops trusted, some already provide loans
- SC legislation
- National legislation passes House
- EESI interested at national level
- Two key SC orgs put together a pilot
  - Central Electric Power
  - Electric Cooperatives of SC
- Financing from USDA (REDLG)
- Ecos (now Ecova) hired to support the effort
SC On-Bill Financing Pilot

• 10 Co-ops out of 20 express interest, 8 participate
• Co-ops help plan
• Structure
  ▪ Centralized support
  ▪ Co-ops chose their own implementation role
• 100 homes
• Loans of 2.5%, up to 10 yrs
• Outreach aimed at above average energy bill homes
• Eligibility determined by cost-effectiveness (positive cash flow)
Preliminary Results

• Approaching the 100 home target
• Loans average over $7500
• Measures include
  ▪ Heat pumps
  ▪ Insulation
  ▪ Air sealing
More Preliminary Results

Co-operatives

- Planning a program with 8 Co-ops takes time
- Collaborative structure requires a lot of communication and coordination
- Different Co-ops succeeded playing different roles
- Several Co-ops have attracted much more interest than anticipated
- A few Co-ops are now exploring an ongoing program
More Preliminary Results

Contractors

- Only one or two had much prior experience
- About a dozen other contractors receiving training and experience
- Most consider the pilot an important opportunity to expand their businesses
- Program QA is driving up quality, know-how
- Many are planning on more training, new equipment purchases and hoping for an ongoing Co-op program
The Future

Learning from the Pilot
- Impact Analysis will focus on costs and savings
- Consumer surveys, review marketing approaches
- Operational Report
- Lessons for the Future

Ongoing Program?
- Individual Co-ops will decide
- Central Electric and ECSC willing to help
Clarifying Questions?

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