



Building Bridges to Net Zero



MONEY MATTERS: EXPLORING FINANCING FOR MULTIFAMILY ENERGY EFFICIENCY



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Midwest Energy Efficiency Alliance

MEEA is a collaborative network focused on advancing energy efficiency in the Midwest for sustainable economic development and environmental stewardship.



MEEA's Role in the Midwest

- Nonprofit serving 13 Midwest states
- Members include: state & local governments, utilities, advocates, manufacturers & retailers, ESCOs, consultants, academic & research organizations
- Actions
 - Advancing Energy Efficiency Policy
 - Coordinating Utility Program Efforts
 - Delivering Training & Workshops
 - Designing & Administering Energy Efficiency Programs
 - Evaluating & Promoting Emerging Technologies
 - Regional Voice for DOE/EPA & ENERGY STAR
 - Promoting Best Practices



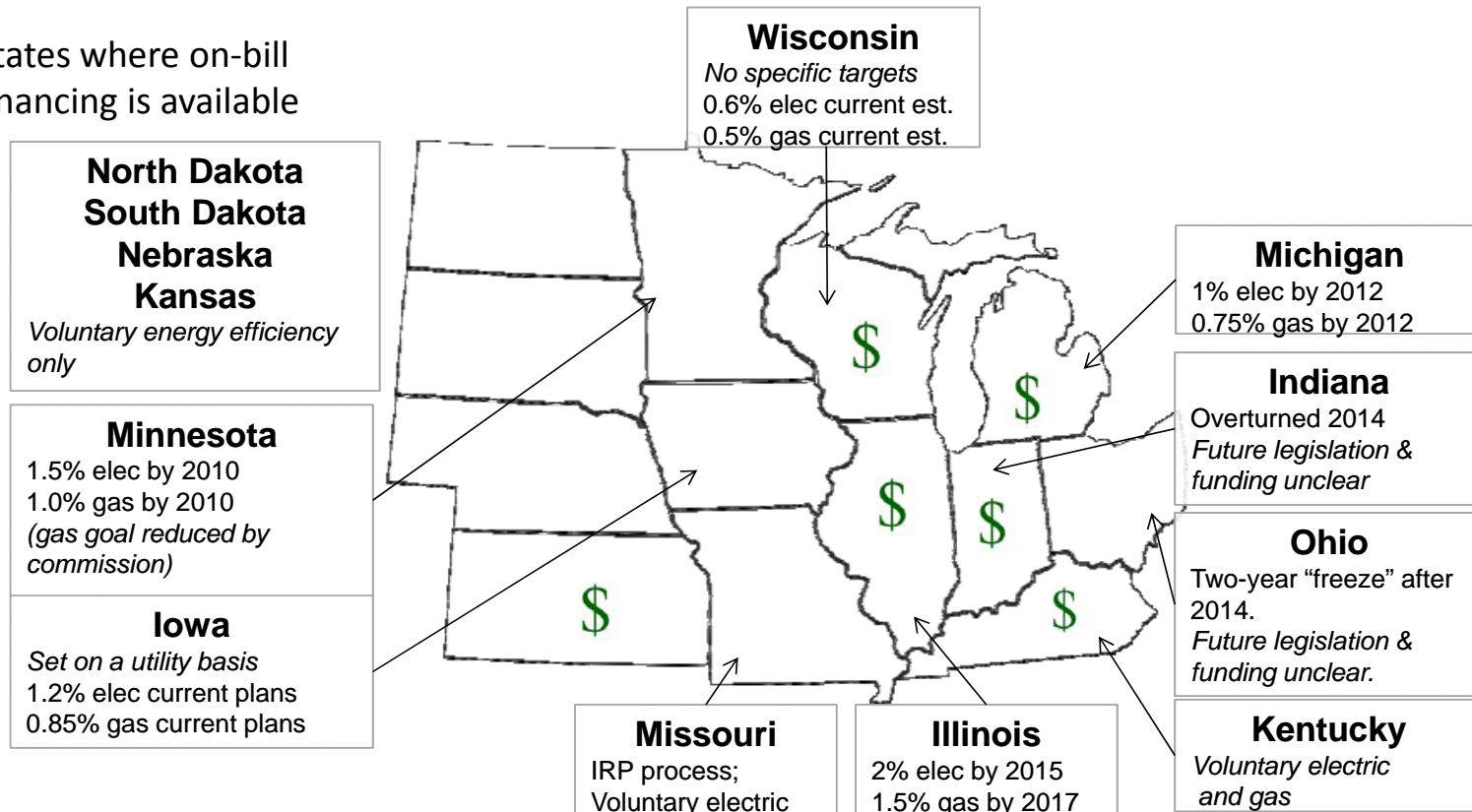
On-Bill Financing

- Allows utility customers to invest in energy efficiency improvements and repay the funds through additional charges on their utility bills
 - Oftentimes is “bill-neutral”
- Achieves higher savings by assisting property owners with upfront financing
- Leverages the unique relationship between customers and utilities to provide convenient access to funding for energy efficiency investments



Midwest Efficiency Targets and On-Bill Financing Availability

\$ = States where on-bill financing is available



Illinois: Multifamily On-Bill Financing



- 2013 legislation made it possible for multifamily building owners to finance energy efficiency improvements on their utility bills
 - Legislation also expanded measures to all those approved in utility EEPS
- Current loan pool at \$34 million across all investor-owned utilities (up 172% from original funds available)

Available to	Buildings with 5-50 units
Per site cap	\$150,000
Interest rate	5.99%
Term	Up to 10 years



Illinois Metrics



- The Community Investment Corporation (CIC) recently closed the first three on-bill financing loans for multifamily projects
 - The loans total \$232,957, covering 109 units
 - Four multifamily applications are in process for an additional \$217,000, covering 72 units





Michigan: Multifamily On-Bill Financing

- On-bill financing was first passed in Michigan last fall
- Ongoing on-bill financing and other legislative efforts:
 - There are currently bills introduced by the state senate and house committee leadership to repeal the Energy Optimization Standard
 - Part of the bill package in the Senate includes expanding on-bill financing to investor-owned utilities



Proposed Michigan Legislature



- Doesn't define the program in statute and directs the public service commission to assess and implement
- Calls for shutting off utilities if loans are not paid
- May make it difficult for non-profits to acquire capital and administer a loan program because the adjusted prime rate is very low (about 3.25% currently)



Kentucky: On-Bill Financing



- No legislation in place
- Four year old Co-op on-bill financing program in Eastern Kentucky
- Big driver of on-bill financing is the Mountain Association of Community and Economic Development (MACED)
 - Worked with Co-ops to develop the on-bill program **How\$martKY**



How\$martKY Metrics (through 2015)



Retrofits	260
Energy Assessments	443
Average Projected Savings	5,122 kWh/month (\$48.57 based on KY energy costs)
Average Charge	\$35.90
Average Job Cost	\$7,939.00
Average Financed Amount:	\$5,198.00
Percentage of jobs for low to moderate income clients	59%



Restrictions to On-Bill Financing in Kentucky



- Loans cannot be issued for measures that require customers to finance the measure for longer than its lifetime
- Loans must be cash flow positive
- 90% rule: Monthly payment must be 90% or less than projected savings

Thank you!

For further information, please contact:

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