

On-Bill Repayment

SoCal Sustainability Forum

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On-Bill Repayment: EDF Proposal

- Private financing for qualifying energy efficiency / renewables projects
- Repayment made through monthly utility bill
- Commercial lenders well equipped to underwrite and fund loans
- Projects originated by contractors
- Projects could be required to produce net monthly savings
- PUCs likely require lender to piggyback utility shutoff procedures

EDF Recommendations for OBR

- Program should be flexible enough to accommodate variety of contractor and financial business models
- Third-Party servicer would process payments
- Scale and standardization can reduce costs
- Utilities should be adequately compensated for services provided
- Subsidies can be considered to cover underserved markets

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Significant Program Flexibility

Maximize Program Flexibility with a Range of Eligible Property Types, Transaction Structures, and Projects

Property Types

- Single Family
- Multi Family
- Small Business
- Commercial
- Industrial
- Public

Transaction Structures

- Loans
- Leases
- Energy Service Agreements (ESAs)

Projects

- Retrofits
- Renewables / CHP
- Energy Star Appliances

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Benefits of OBR

- No direct costs to taxpayers or ratepayers
- Creates jobs
- Reduces emissions of pollutants
- Provides low cost of capital to consumer
- Beneficial to ratepayers through avoided cost of new generation capacity and reduced use of higher cost generation
- Beneficial to utility shareholders through payments for billing services and improved performance of utility EE programs

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

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Where we are in California Today

- Existing OBF Program
- The California PUC passed a decision in May requiring the state's IOUs to implement commercial OBR, in addition to the continuation of existing SMB OBF program
- 40 entities, including non-profits and private companies, have written letters in support of statewide OBR legislation, on behalf of EDF
- Potential Pilot Project with Municipal Utility
- 2013: EDF expects to pass legislation that enables OBR for all customers

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