



# Utility On-Bill Financing for Energy Efficiency.....and Beyond

**November 15, 2012**

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**Southern California Edison, Business Customer Division**

# What is On-Bill Financing?

For billing and service inquiries call 1-800-890-7788  
Mon - Fri 7 a.m. to 7 p.m. and Saturday 8 a.m. to 5 p.m.  
For emergency services call 24 hrs a day, 7 days a week

Date bill prepared: Mar 25 '10

Customer account 2-00-000-0000  
Service account 54321 ANY AVE  
MONTEREY PARK, CA 91755  
Rotating outage Group N001

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### Your account summary

Amount of your last bill	\$3,445.25
Payment we received on Mar 15 '10 - thank you	-\$3,445.25
Balance forward	\$0.00
Your new charges	\$3,762.77
<b>Total amount you owe by Apr 13 '10</b>	<b>\$3,762.77</b>


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### Summary of your billing detail

Service Account	Service address	Billing period	Your rate	New charges
EE/OBF Installment Charge 3-xxxx-xxxx-xx	54321 Any Ave MONTEREY PARK, CA	Feb 10' 10 to Mar 10' 10	MISC-CHARGES	<b>A</b> \$202.50
EE/OBF Installment Charge 3-xxxx-xxxx-xx	12345 Any Ave MONTEREY PARK, CA	Feb 19' 10 to Mar 19' 10	MISC-CHARGES	<b>B</b> \$505.50
VALUED CUSTOMER 3-xxxx-xxxx-xx	54321 Any Ave MONTEREY PARK, CA	Feb 19' 10 to Mar 19' 10	GS-2	<b>C</b> 1,052.59
VALUED CUSTOMER 3-xxxx-xxxx-xx	12345 Any Ave MONTEREY PARK, CA	Feb 19' 10 to Mar 19' 10	GS-2	<b>D</b> 1,002.09

Please return the payment stub below with your payment and make your check payable to Southern California Edison.  
If you want to pay in person, call 1-800-747-8908 for locations, or you can pay online at www.sce.com.

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 Customer account # 2-00-000-0000  
Please write this number on your check. Make your check payable to Southern California Edison.

Amount due by Apr 13 '10 **\$3,762.77**  
Amount enclosed \$ **A B C D**

Debt Repayments

Electricity Charges

OBF Descriptor

# Level Set Terms

- **On Bill Financing (OBF):** Loan financing of EE projects funded from ratepayer funds. Loan repayment occurs simultaneously with customer payment of SCE electricity bill.
- **Loan Term Calculation (LTC)-OBF** Loan Repayment Terms inclusive of monthly installment payments and total loan term. Established using principles of “bill neutrality”.
- **Bill Neutrality:** Monthly loan repayment is set in LTC to directly offset the estimated electricity cost savings from EE measure adoption so that there is no targeted net increase or decrease in customer electricity bill
- **Installation Report (IR):** Required submission from EE project applicant that establishes completion, timing and scope of Installation and serves as trigger for incentive and loan proceeds disbursement
- **Authorized Agent (AA):** A contractor or vendor who installs EE measures on behalf of end-use customer. Customer may direct some or all EE incentives and OBF loan proceeds as financial compensation to AA for completed work.

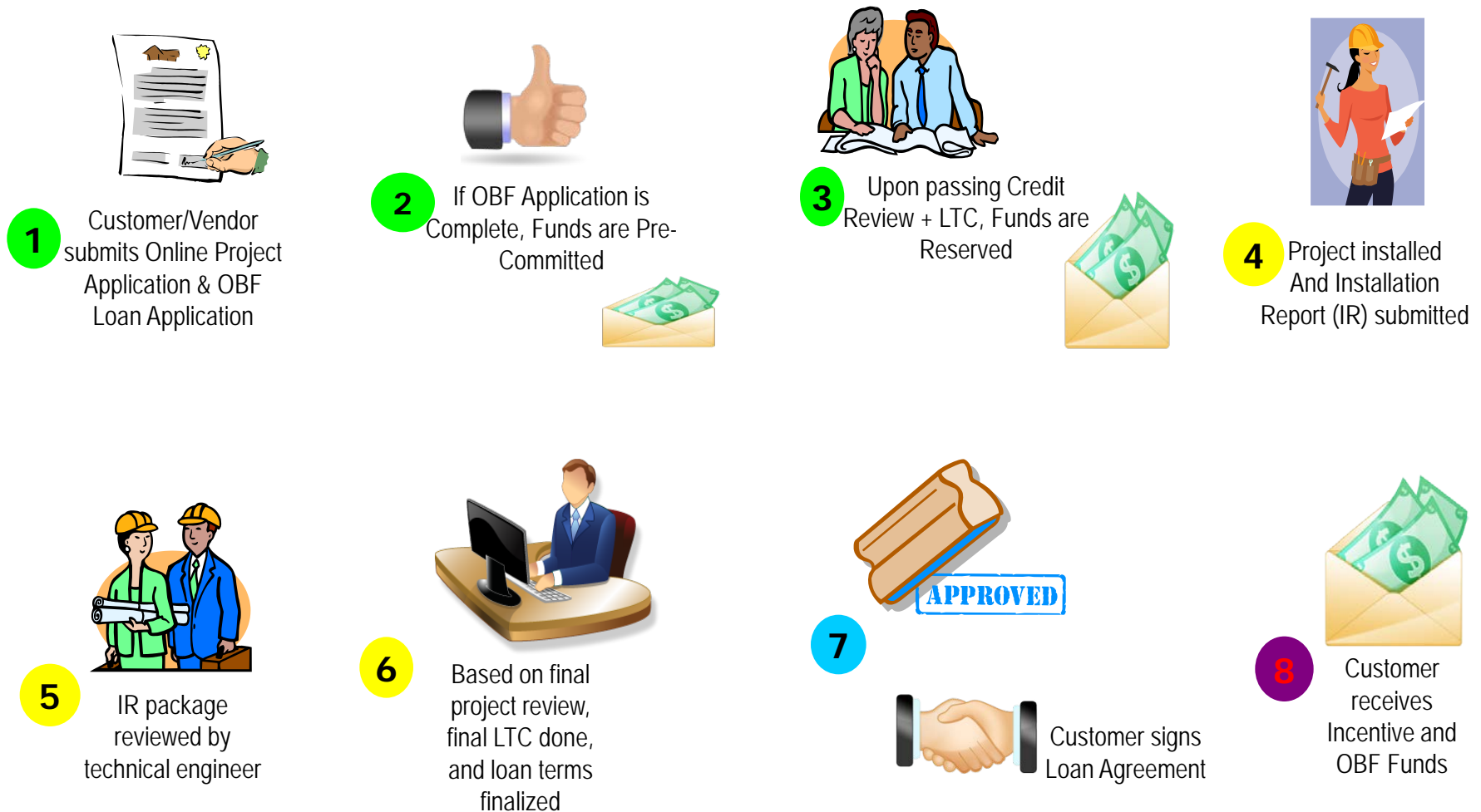
# OBF Program Features and Provisions

- Eligibility for an OBF Loan
  - Current non-residential SCE customer
  - Pass SCE internal credit worthiness review\*
    - At least 2 years of history with SCE
    - No disconnect notices
    - No 48-hour shut-off notices
    - No returns checks in past 12 months
    - No deposit to establish or re-establish credit in past 12 months
  - OBF Loan request is joined to an approved EE project with one of the following SCE programs:
    - Statewide Customized
    - Statewide Express
    - Local 3<sup>rd</sup> Party
    - Partnerships

# OBF Program Features and Provisions (Cont.)

- Loan Parameters and Terms
  - Zero Interest/Zero Fee Loans
  - Size [per customer service account]:
    - Cannot exceed project cost minus incentives
    - Commercial, Industrial, Agricultural (CIA) customers
      - Minimum loan: \$5,000
      - Maximum loan: \$100,000
    - Governmental & Institutional (G&I) customers
      - Minimum loan: \$5,000
      - Maximum loan: \$250,000
  - Term:
    - CIA - Lesser of 5 years or the Expected Useful Life (EUL) of the major measure
    - G+I - Lesser of 10 years or the Expected Useful Life (EUL) of the major measure

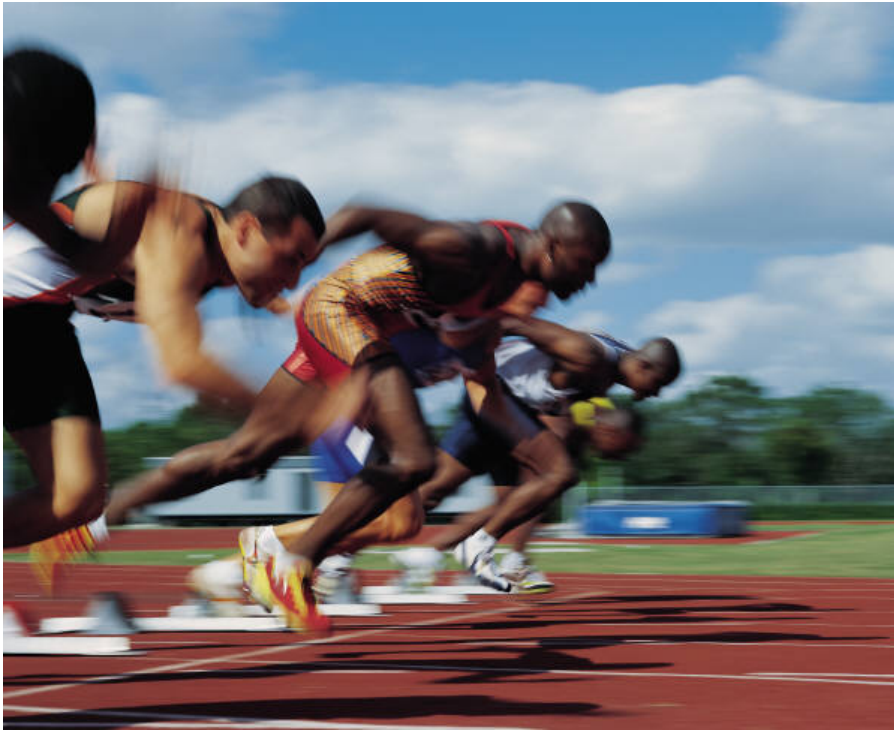
# OBF Application & Reservation Process



## Results to Date

- Since 2010, SCE has funded nearly 300 loans totaling \$10.6 million in energy-efficient equipment upgrades.
- Additionally, SCE has another 800 loans totaling \$21 million in the pipeline awaiting project completion.
- These loans fund projects that provide, on average, approximately \$9,000 in customer bill savings annually.
- These projects, when installed, will reduce energy consumption by an estimated total of 70 million kWh and nearly 11 MW, annually.

# Market Response to On-Bill Financing 2010-2012



1. 2010-2011 \$16 Million Program **FULLY SUBSCRIBED**
2. 2012 \$16 Million Commercial, Industrial, Agriculture Program Allocation (opened July 16, 2012-**FULLY SUBSCRIBED** Sept. 7, 2012)
3. Limited OBF Funding remains available for SCE Local Government Partners



## ....and Beyond: A View to 2013/2014

- Energy Efficiency Finance is the centerpiece of CPUC 2013-2014 Energy Efficiency Program Cycle
- CPUC has directed IOU's to invest \$200 Million in California Energy Efficiency Finance in 2013/2014
- Transitioning from IOU/Ratepayer funded financing to 3<sup>rd</sup> Party Financing
- Credit Enhancement Pilots under design for launch in 2013 and full scale deployment in 2014:
  - Single-Family
  - Multi-Family
  - Small Business
  - Non-Residential On Bill Repayment (OBR)
- New OBF funding in SCE Territory estimated at \$20-\$25 Million per year

**QUESTIONS???**