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OCTOBER 14–17, 2014 • THE SHERATON DOWNTOWN DENVER, COLORADO

CDFIs and Utility Company Partnerships

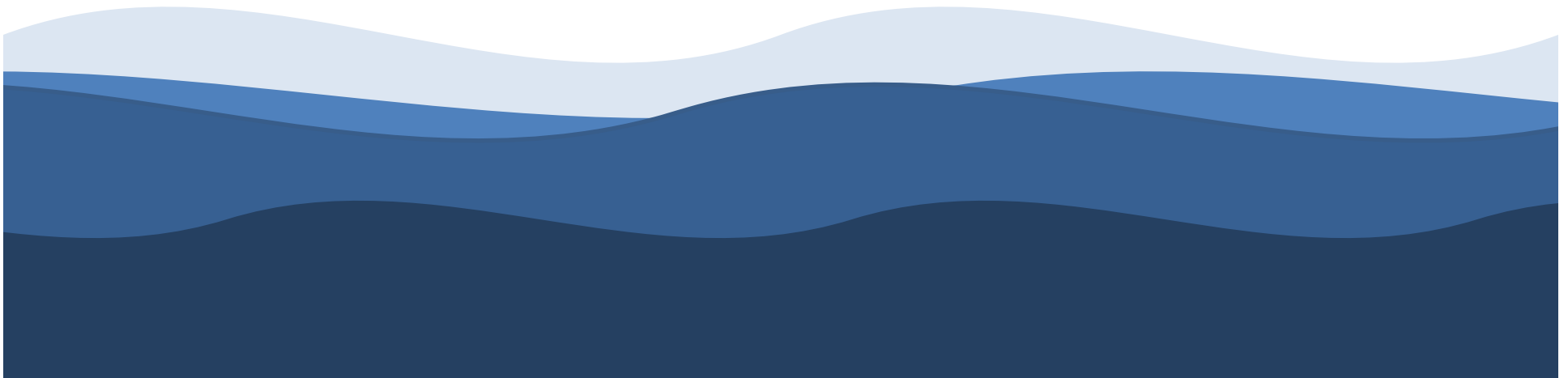
**How\$martKY™ partners with rural electric co-ops for
On-bill financing of residential retrofits**

**Presenter: Peter Hille
Executive Vice President
MACED
Berea, KY**



Energy Efficiency for Everyone

On-Bill Financing



What is How\$martKY?

On-bill financing program

Energy savings
pay for retrofits

What is How\$martKY?

Investment in the electric meter

Not a personal loan

Does not affect the participating customer's credit

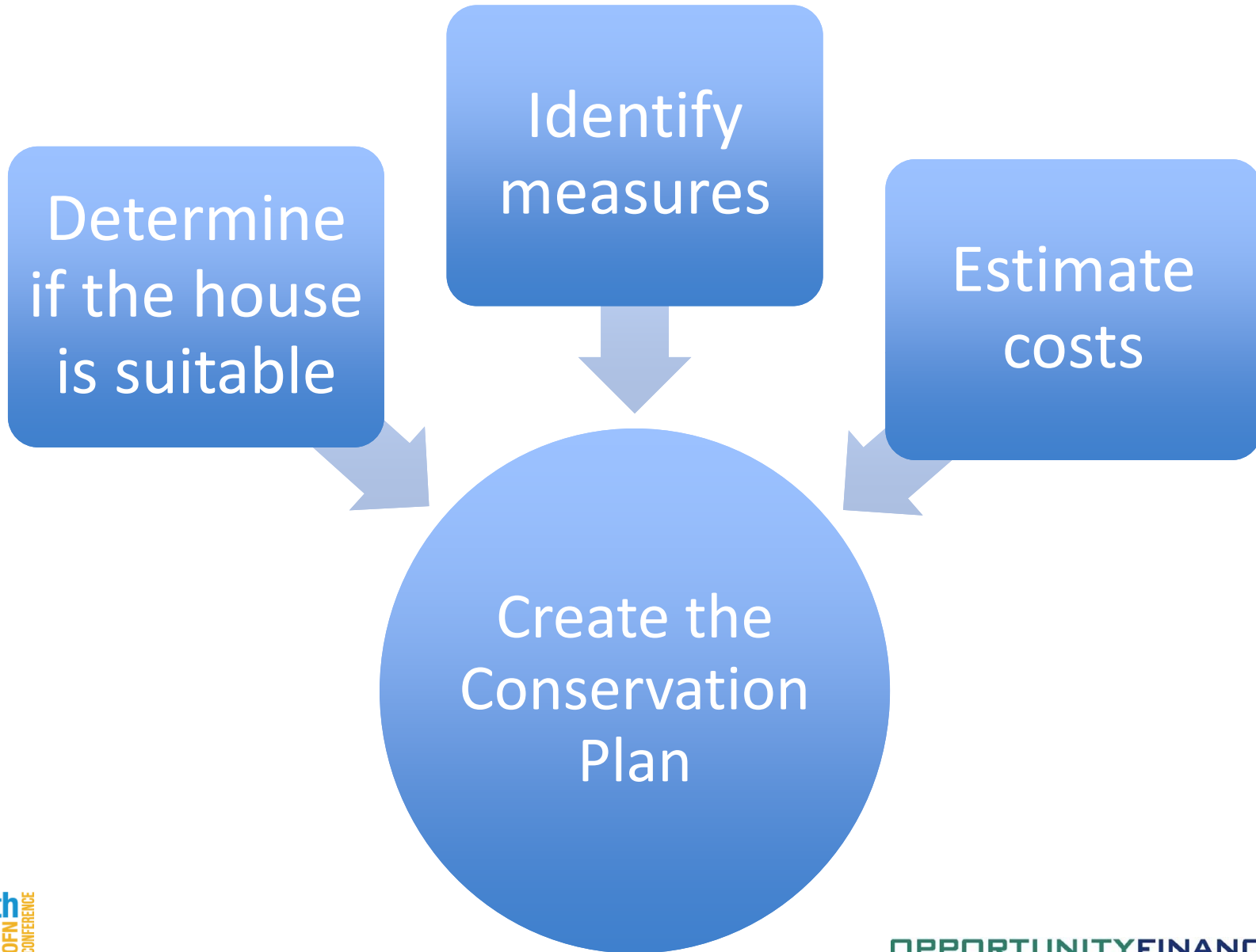
Usually starts with a high bill complaint

Co-op determines the customer is eligible

Audit is performed on the house

Blower Door Test





Conservation Plan

The retrofit payment
cannot exceed
90% of the projected savings

Payback in 15 years or less

Example 1

Single-story home with improperly sized Heat Pump receiving additional insulation & air sealing

<u>\$12,067</u>	Cost of Improvements	\$10,067	
-2,000	Rebates & Incentives	+ 5%	
\$10,067		\$10,570	@ 3% over 15 yrs = \$73/mo

\$103/mo	Avg. reduction
- \$73/mo	Fixed charge
<u>\$30/mo</u>	Immediate savings

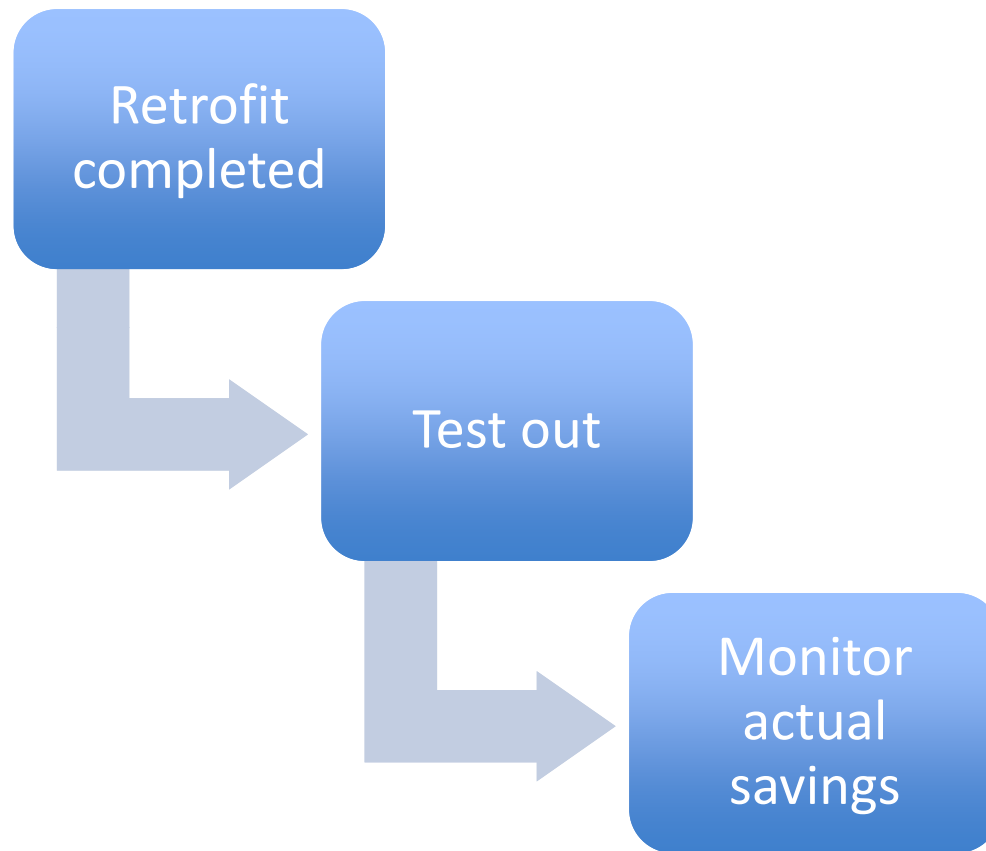
Example 2



*Double Wide Mobile Home with Electric Furnace
Replaced with an Energy Efficient Heat Pump*

<u>\$7,350</u> Cost of Improvements	\$5,380	
- <u>1,970</u> Rebates & Incentives	+ 5%	
\$5,380	\$5,649	@ 3% over 15 yrs = \$39/mo

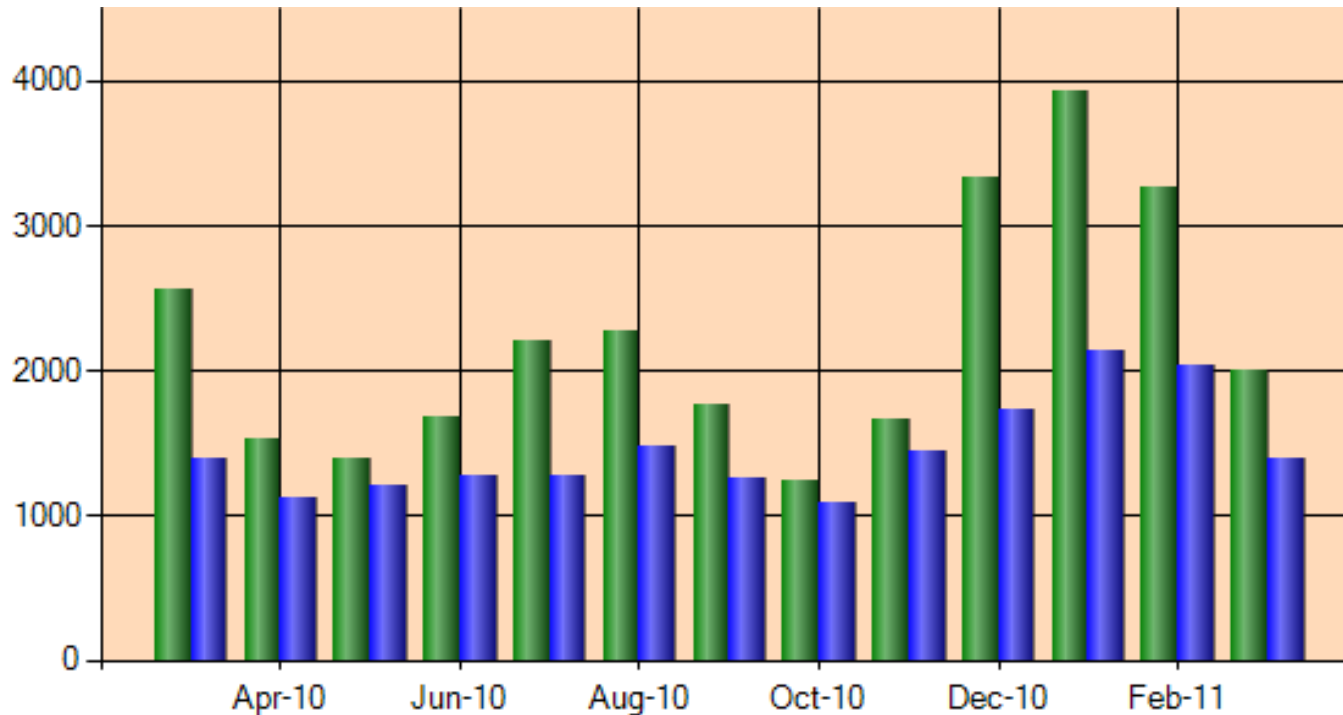
\$51/mo	Avg. reduction
- <u>\$39/mo</u>	Fixed charge
<u>\$12/mo</u>	Immediate savings





Comparison Results - Single Family Home

■ Before Retrofit ■ After Retrofit



Estimated Savings: \$44

Actual Average Monthly Savings: \$52

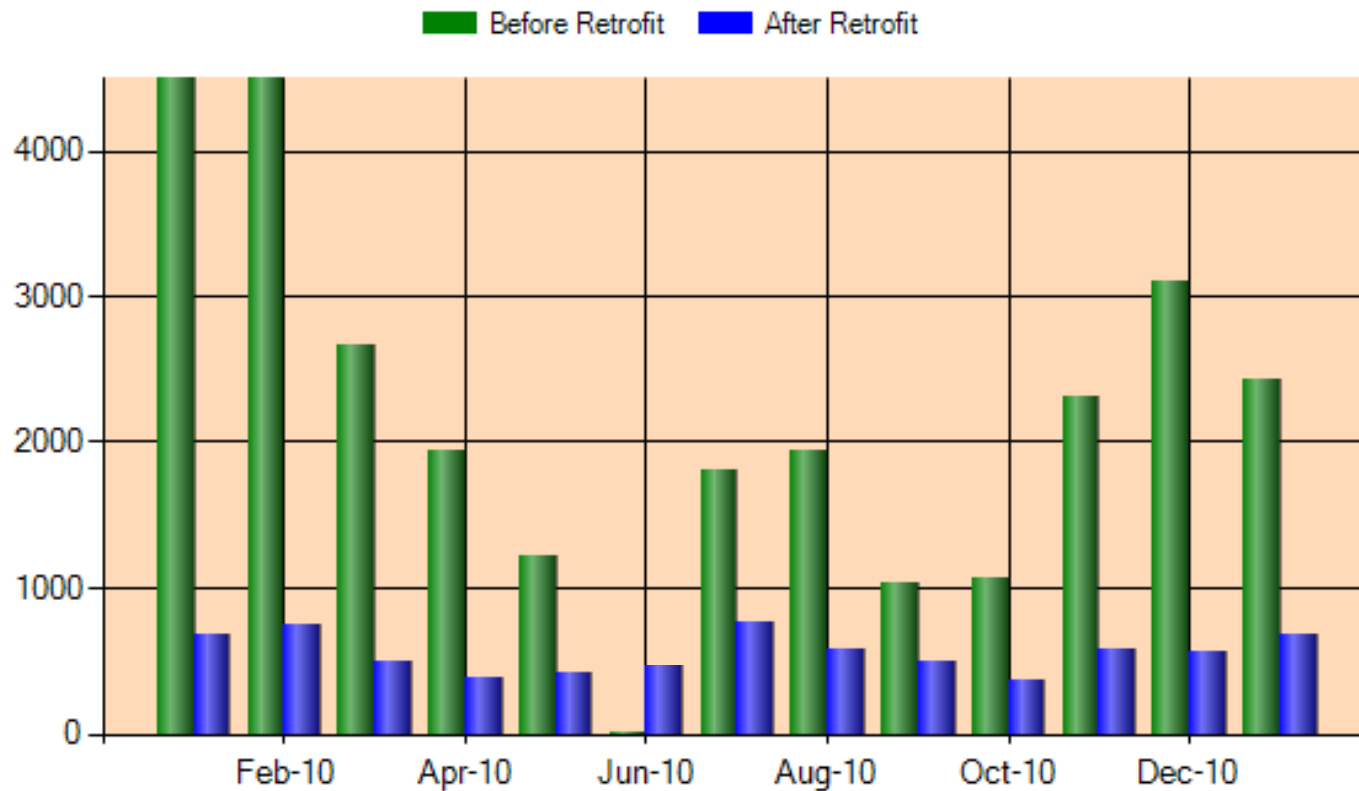
On-bill Financing Charge: \$22

Weather Normalized Savings of: 31%





Comparison Results - Double Wide Home



Estimated Savings: \$55

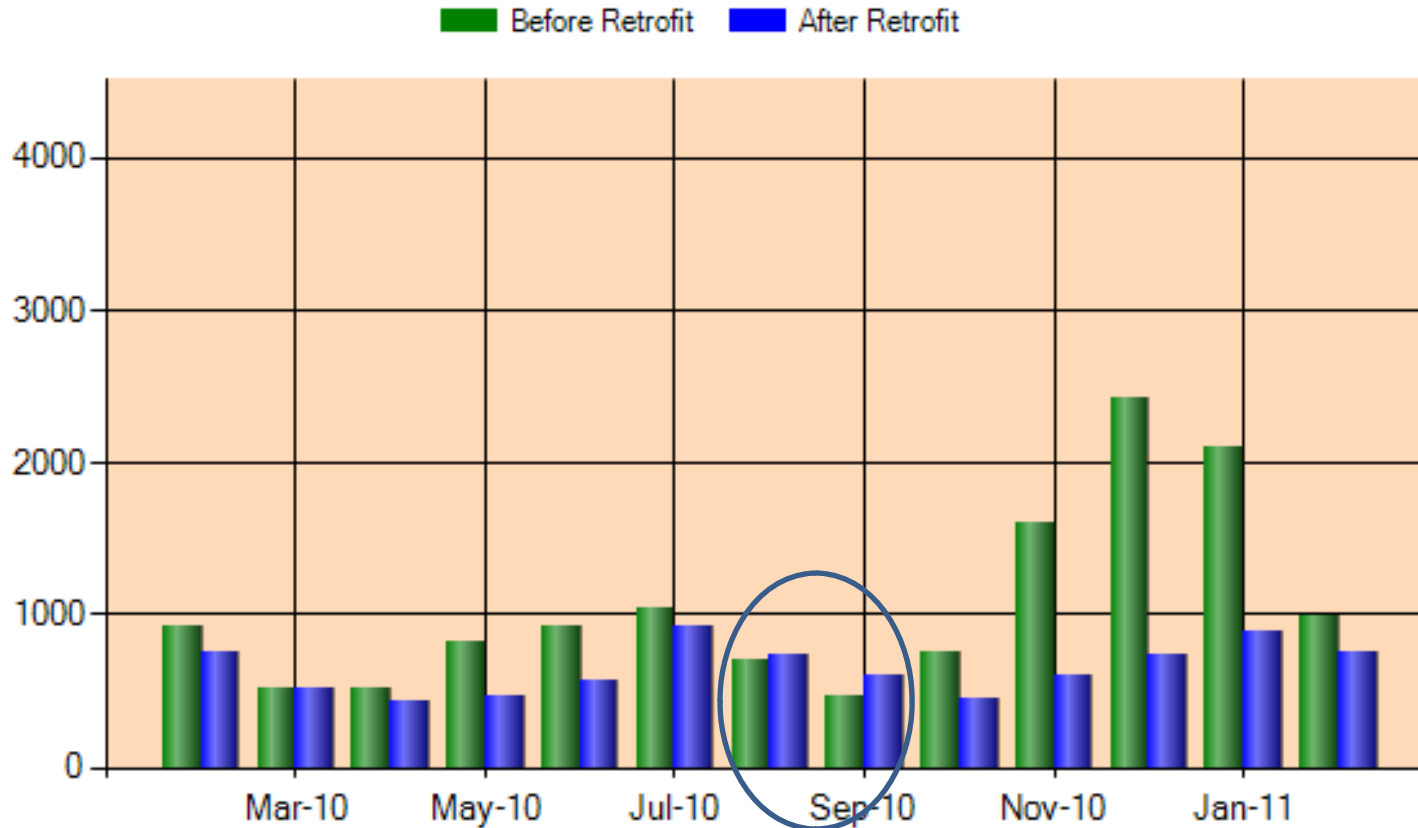
Actual Average Monthly Savings: \$146

On-bill Financing Charge: \$30

Weather Normalized Savings: 69%



kWh Savings & Behavioral Change

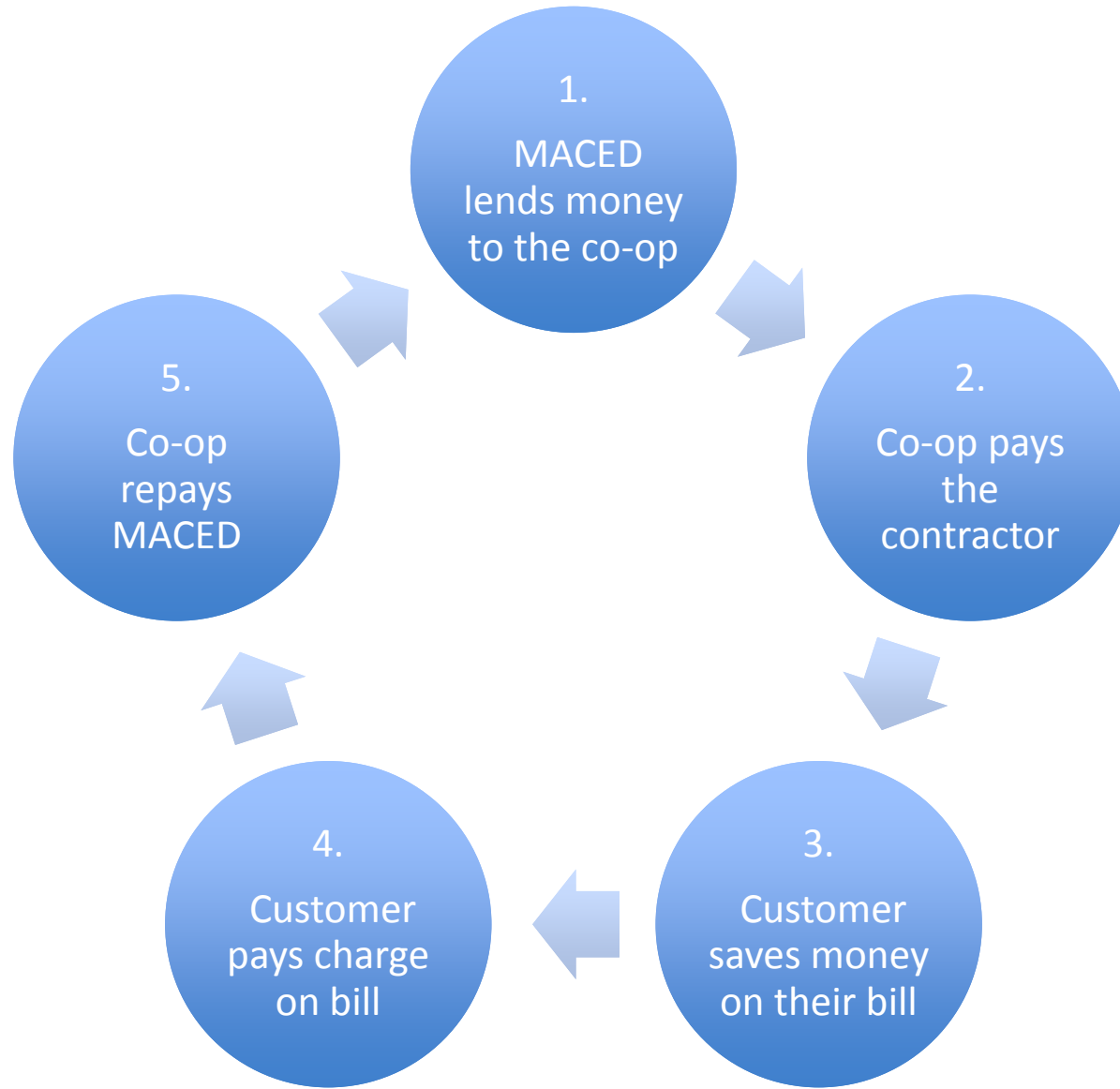


Estimated Savings: \$25

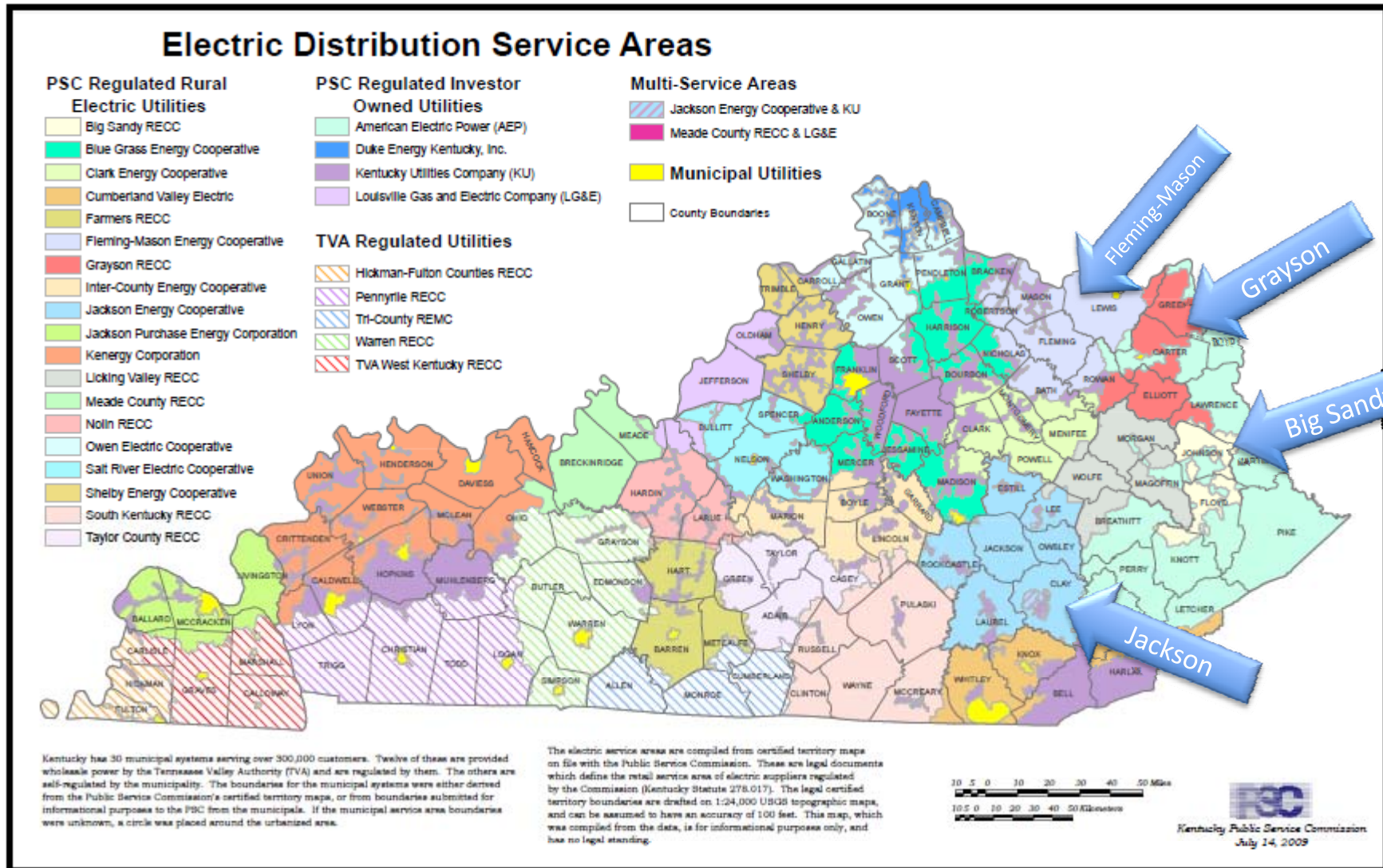
Actual Average Monthly Savings: \$35

On-bill Financing Charge: \$18

Weather Normalized Savings: 28%



The Four Rural Electric Co-Ops Involved in the Pilot



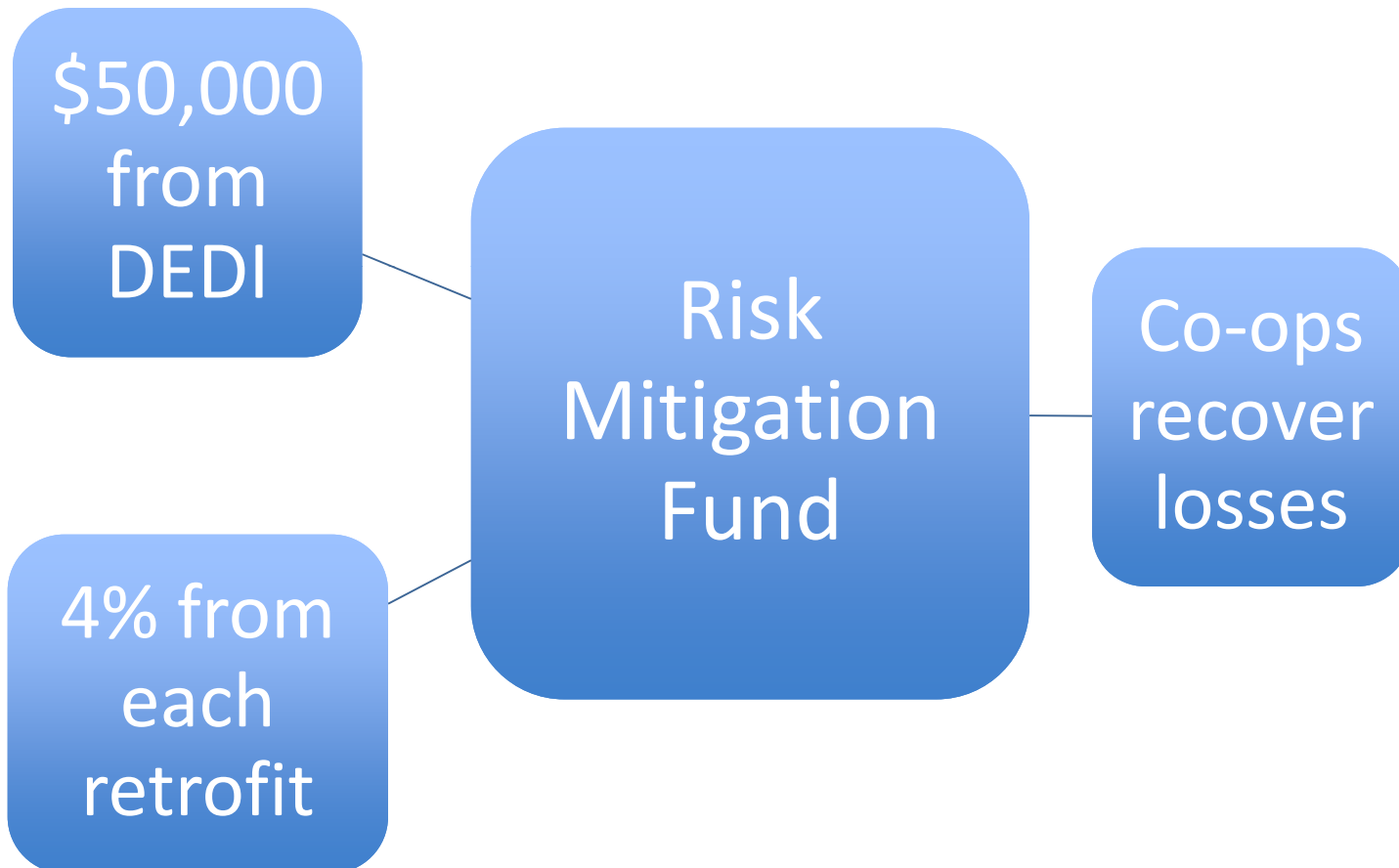
Challenges in the Pilot Program

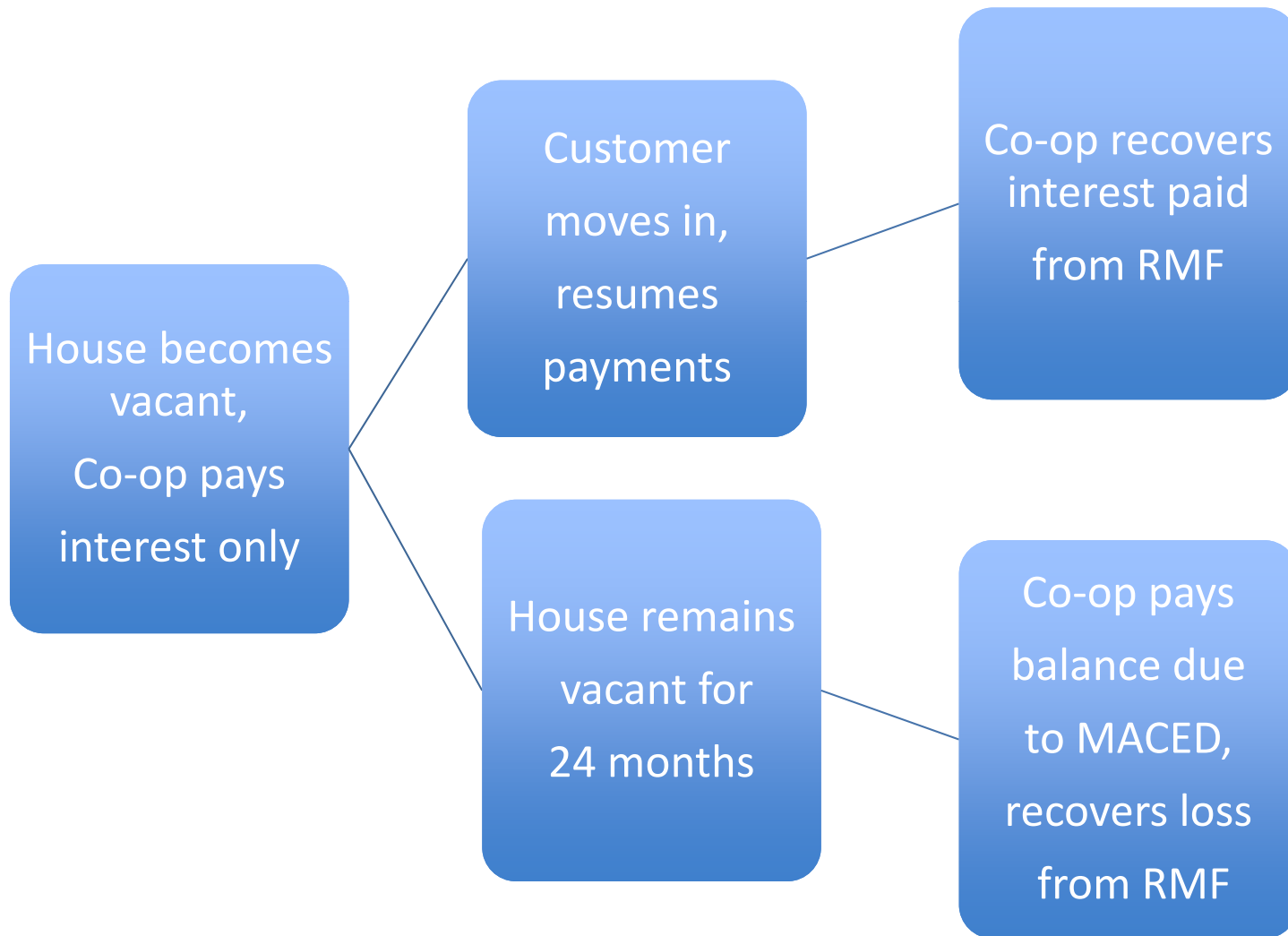
- Developing partnerships with the Rural Electric Co-ops
- Public Service Commission approval for the Pilot took 18 months
- Co-ops were slow to start
- Concerns about risk and loss
- Establishing systems

Beyond the Pilot Program

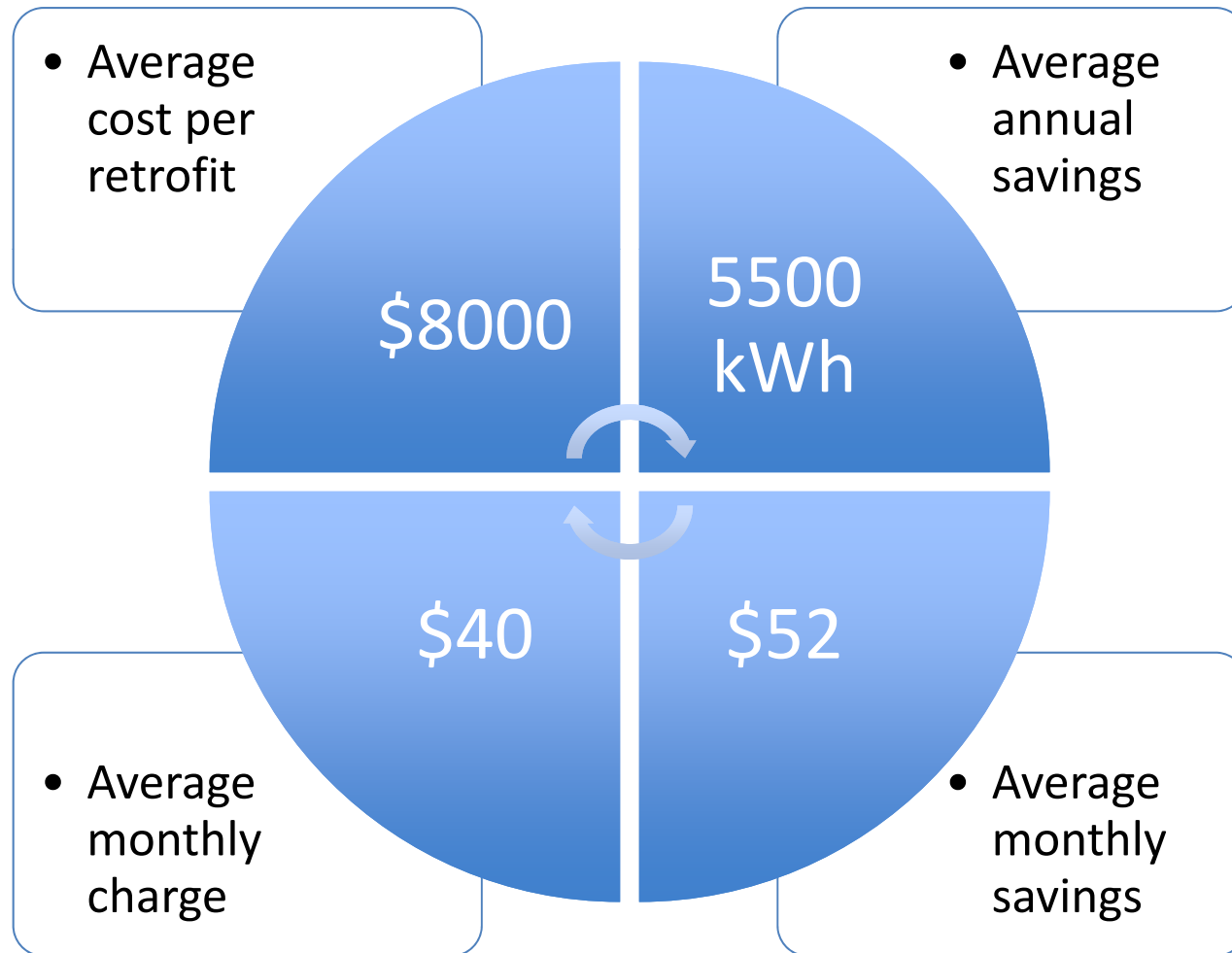
- Problem solving for 2.0:
 - Risk mitigation (system improvements and RMF)
 - Program revenue
 - Ongoing co-op participation
- Permanent tariff approval by PSC took 10 months
- PSC application template for new co-ops to use

Risk Mitigation Fund





Program Stats





Status Report: August 31, 2014

Status To Date	
In Process	21
Completed Retrofits	166

324 Energy Assessments have been completed.

More than \$1.2 million invested in retrofits.

The Next Phase of How\$martKY

Permanent tariff approved in August 2013

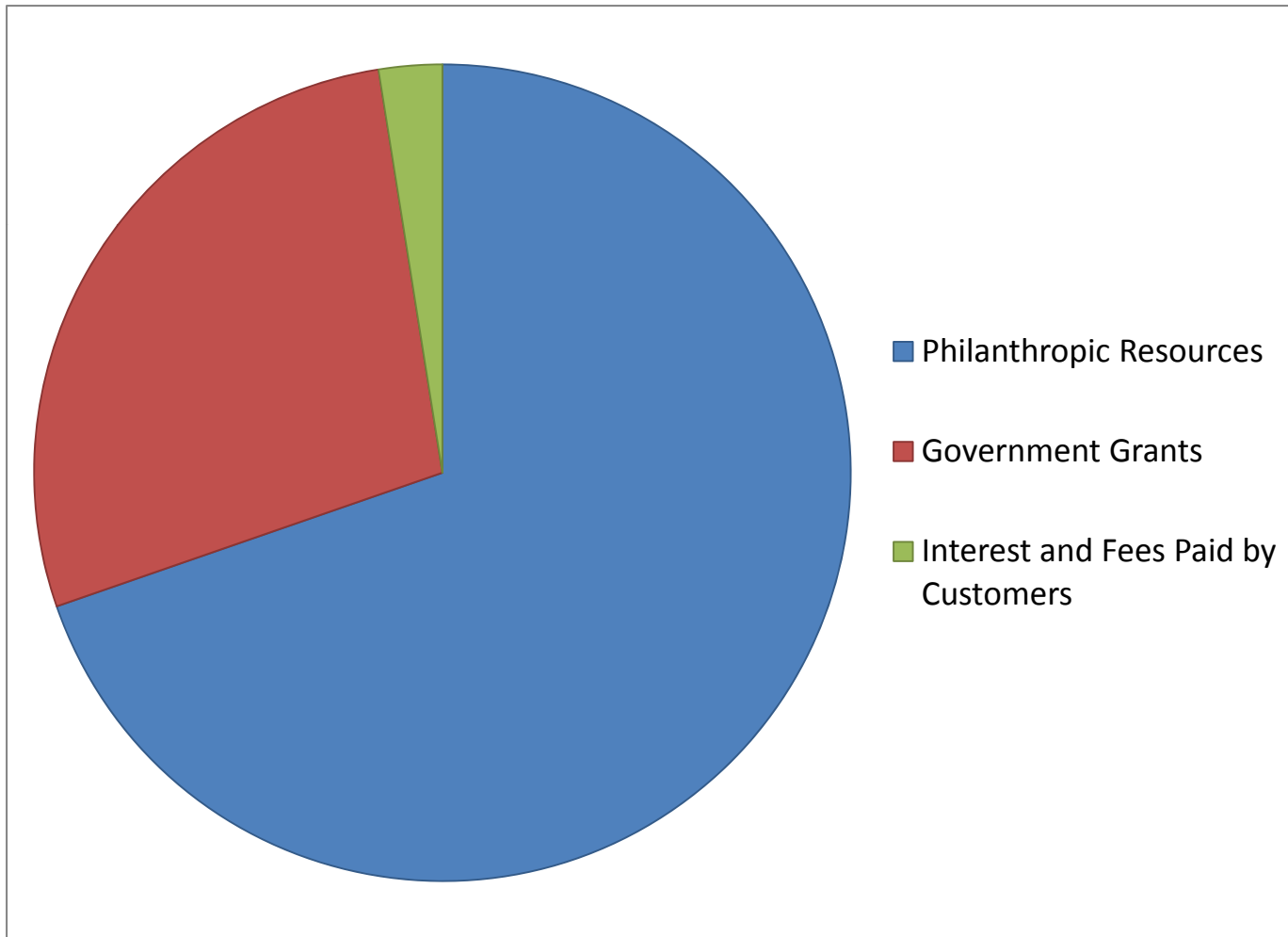
Recruiting additional co-ops

Expanding the program to scale

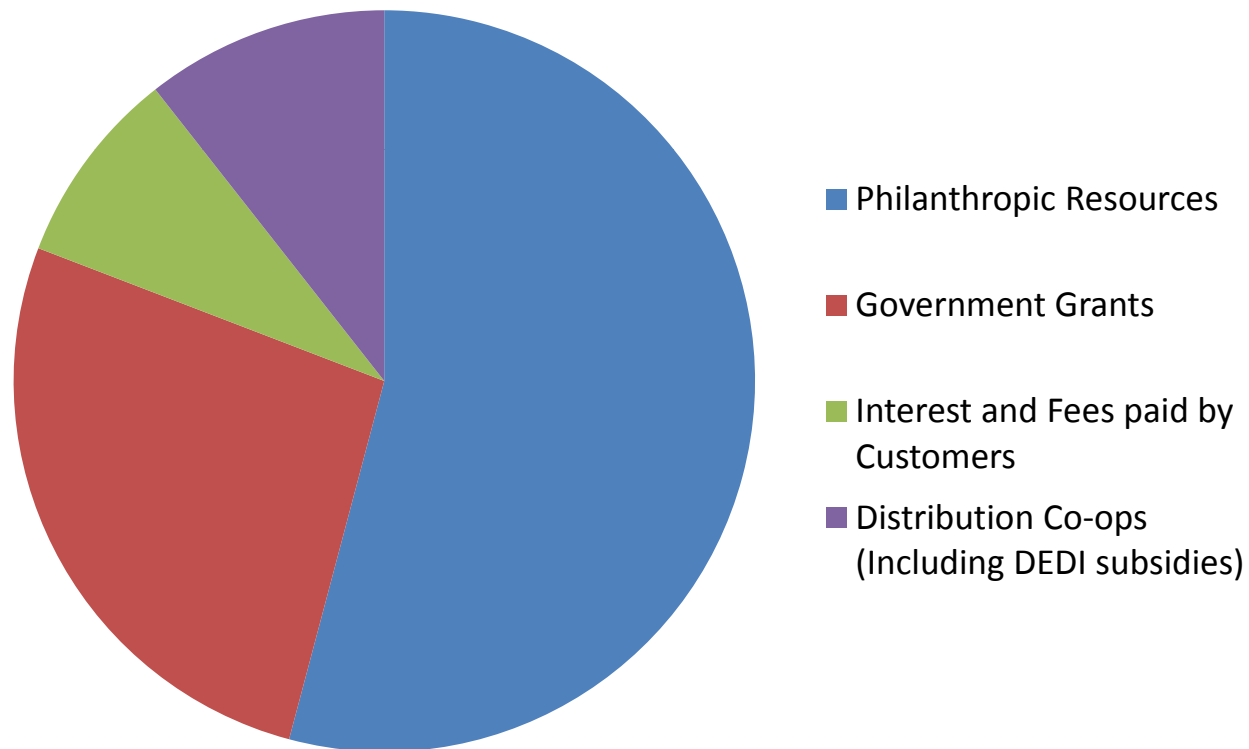
Challenges Going Forward

- Expanding participation of the distribution co-ops and uptake by the members to get to scale
- Reducing transaction costs
- Developing the pool of contractors who can take on a bigger share of the work
- Establishing revenue structures to sustain the program as it grows (fixed and variable costs)

Sources of Funding: Pilot



Sources of Funding: Current Program





For more information contact: www.maced.org

