



# On-Bill Repayment

**SPURRING CLEAN ENERGY, CREATING JOBS  
 AND SAVING PEOPLE MONEY**

“With On-Bill Repayment, SClenergy can provide capital for many commercial property retrofits that otherwise might not be financeable.”

—Steve Gossett Jr.,  
 CEO SClenergy

## Benefits at a glance

Over the course of 12 years, EDF estimates that a full-scale OBR platform would:

- **Create jobs:** Generate more than 615,000 job-years (a job-year is a full-time job that lasts for one year) to manufacture and install cost-saving energy efficiency and renewable energy upgrades.
- **Reduce emissions:** Result in approximately 1,150 million metric tons of avoided global warming pollution, or the equivalent of about 19 million cars off the road.
- **Increase clean energy investment:** Spur approximately \$87.43 billion of investment in clean energy across the country.

## How it works

On-bill repayment offers an opportunity for building and home owners to save money by installing energy efficiency and renewable energy upgrades. Customers then pay for these energy-saving measures over time through their monthly utility bills, which allows them to see overall cost savings starting on day one. Third

party investors pay for the upfront cost of these projects so that utility customers do not have to bear the financial burden.

### Example: Texas home/building owner

**Utility bill prior to upgrades:** \$175 per month

**Example upgrades:** Duct sealing, insulation, programmable thermostat, new windows, new refrigerator, among many others

**Expected energy bill savings:** \$70 per month

**Total project cost:** \$7,2005

### Financing terms

- Interest rate: 5%
- 15 years repayment schedule
- Monthly payment: \$57

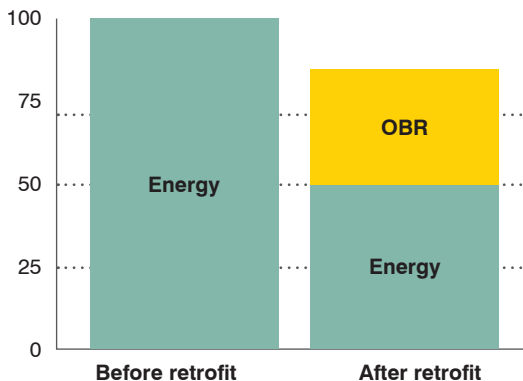
**Utility bill after retrofit:** \$105

**Utility bill after retrofit + OBR charge:** \$162

**Overall monthly savings:** \$13 per month

Savings will grow as utility energy rates increase.

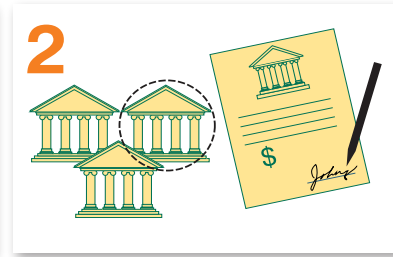
## Example utility bill



**ON-BILL REPAYMENT**



Customer and contractor identify clean energy opportunities



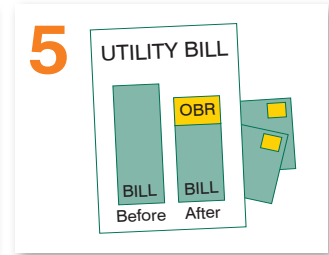
Customer selects best financing option from participating investors



Contractor completes project and receives payment



OBR administrator verifies project performance



OBR saves money and energy

**Q & A: On-bill repayment program**

**Q. Does a similar utility program already exist?**

**A.** No. Some utilities have established limited loan programs targeted at small businesses. However, these programs tend to have high administrative costs, use utility or ratepayer funds, and don't reach homeowners. The OBR platform is scalable, and uses third-party capital to lower overhead costs and save ratepayers money.

**Q. Would every project provide immediate net savings to the building owner?**

**A.** In order for a project to be eligible for this program, a neutral third-party inspector would need to certify that expected energy savings exceed debt service and that the total bill will decline from previous levels. If energy costs rise over time, these savings will increase from initial levels.

**Q. What happens if home or building owners can't pay their utility bills?**

**A.** In the unexpected circumstance where a home and building owner does not pay

his/her utility bill, the utility would follow all standard procedures for unpaid bills. The investor would not have authority to interrupt a customer's utility service. Partial bill payments would be allocated proportionally between the investor and utility. Under the terms of the program, the new bill must be lower than the old bill, so it will be easier for consumers to pay their utility bills.

**Q. What types of buildings will be eligible?**

**A.** OBR can be used to finance energy upgrades in a wide variety of commercial, industrial, government and residential buildings.

**Q. Can this program work for low-income renters who might have trouble qualifying for a traditional loan?**

**A.** By mobilizing investor capital at low rates of interests, OBR can increase access to clean energy financing for low and middle-income consumers, without depending on ratepayer contributions. As well, OBR solves split-incentive and high turnover challenges in rental homes by linking the OBR charge to the meter, not the tenant.

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