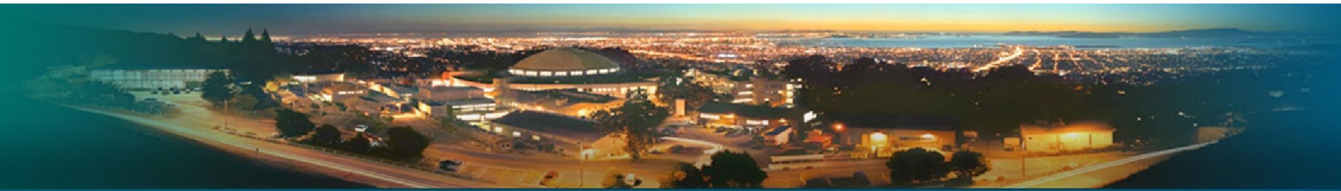

Impact Evaluation of Energy Efficiency Financing Programs

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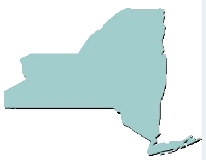
International Energy Program Evaluation Conference

Policy Context: Financing as a Primary Energy Efficiency Strategy

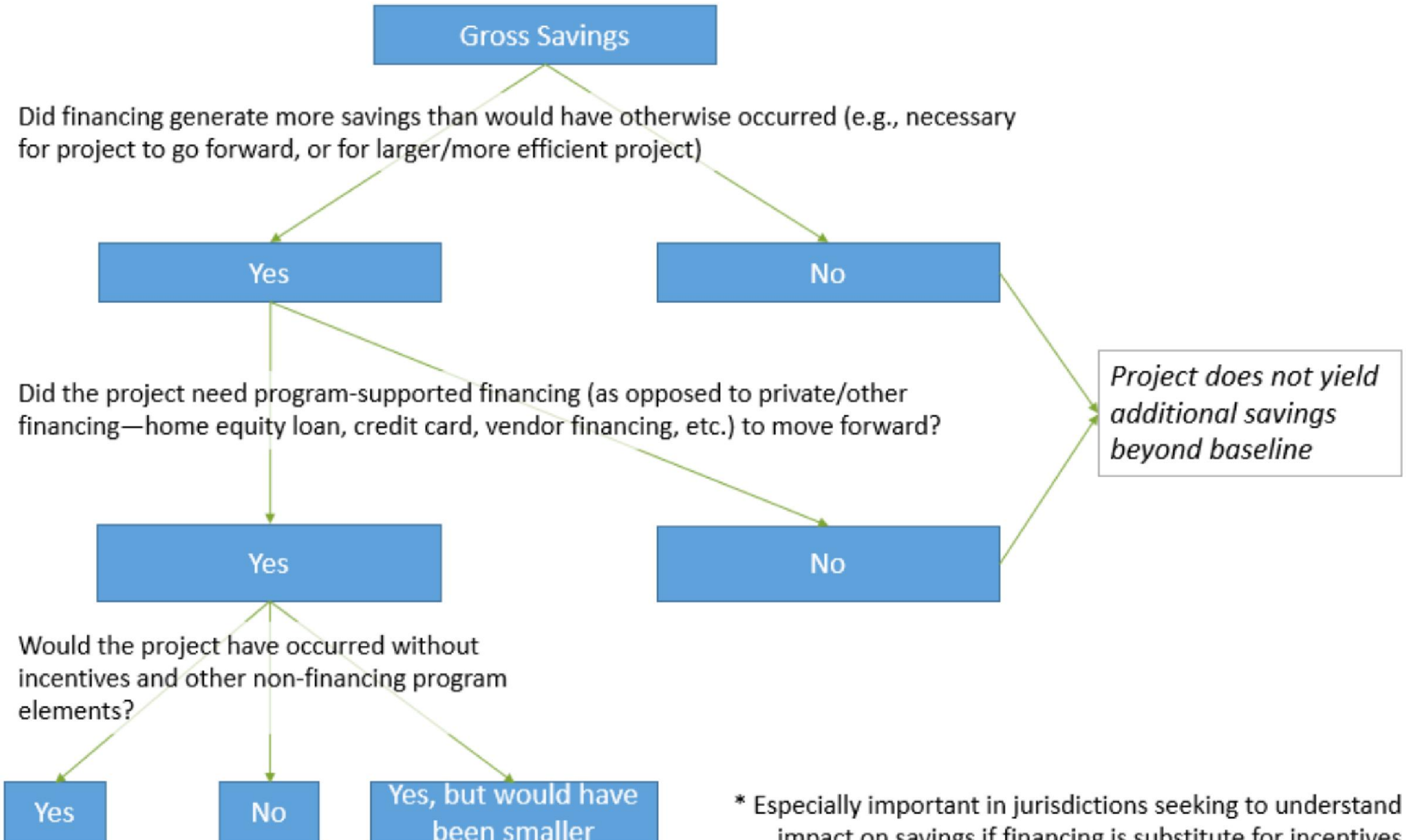

Financing Program (State)	Ratepayer Funds Utilized	Complement or Substitute?
Statewide Financing Pilots (CA)	$65.9 M (additional $9M in reserve)	Both. Financing pilots are currently operating as resource programs alongside other portfolio resource programs.
New York Green Bank (NY)	$947M ($165M initial funding, $782 follow on request)	Both: "the effect of the Green Bank on reducing the cost of capital can also enable the potential reduction or even the possible elimination of incentives in some sectors over time."
Connecticut Green Bank (CT)	$39.6M (2014)	Both. Connecticut's Comprehensive Energy Strategy notes a "goal of transitioning programs away from government-funded grants, rebates, and other subsidies, and towards deploying private capital to finance energy efficiency."
HEAT Loan (MA)	Approx. $15M (2013)	Complement: "to the extent that access to low-cost capital is a barrier for certain customers, financing can alleviate that and encourage energy efficiency investments."
On Bill Repayment Programs (IL)	Up to $12.5M	Complement. Utilities are directed to ensure that on-bill lenders explain both financing offerings and incentives that may also be available.

Considerations for Resource Acquisition Impact Evaluation

Adjustment 1
Impact of Financing on Savings Generated

Adjustment 2
Impact of *Program* Financing (vs. Private Alternatives)

Adjustment 3*
Impact of Combining Financing with Incentives



* Especially important in jurisdictions seeking to understand impact on savings if financing is substitute for incentives

Considerations for Market Transformation Evaluation

- Early Indicators:
  - Availability and accessibility of financing options to customers
  - Customer awareness of and attitudes toward financing options
- Mid-Stage Indicators:
  - Changes in interest rates, terms, and underwriting criteria offered for energy efficiency financing
  - Changes in levels of credit enhancement needed to achieve given rates and terms
  - Changes in incentive levels and other supports needed to drive financing participation
  - Number of financial institutions that see EE financing as a viable business and begin offering efficiency-oriented loan products without assistance from utilities or government agencies
- Ultimate indicators:
  - Increased use of financing for energy efficiency investments
  - Increased savings attributable to energy efficiency financing

Thank You

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