



SEEA

SOUTHEAST ENERGY EFFICIENCY ALLIANCE

WEBINAR SERIES

OPTIONS FOR PROGRAM OPERATOR SERVICES IN AN INCLUSIVE FINANCING PROGRAM

Part 5 of the SEEA Learning Circle Series

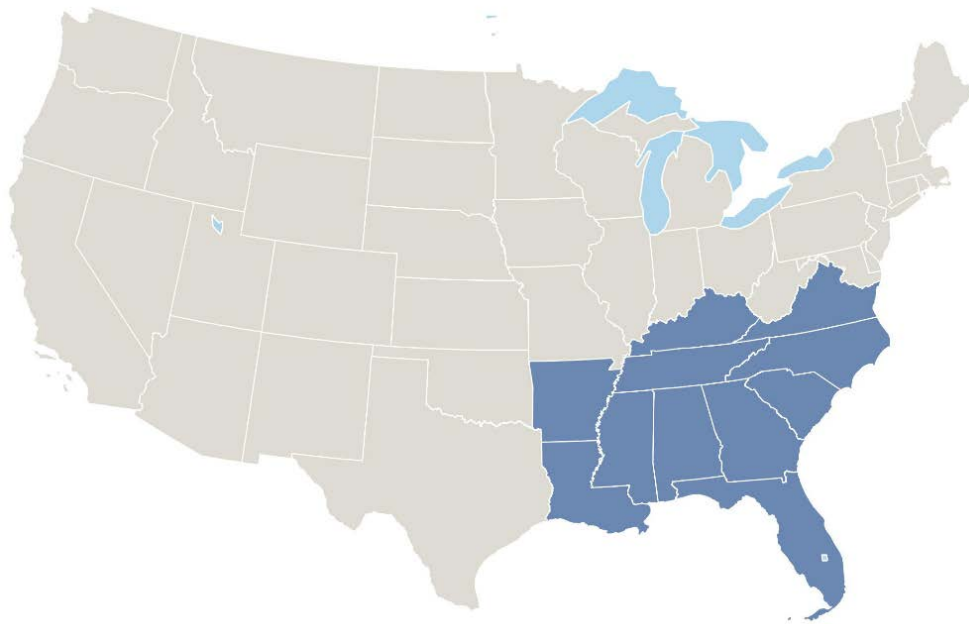
SEEA Serves the Southeast

Mission

The **Southeast Energy Efficiency Alliance (SEEA)** works to ensure people in the Southeast have the knowledge, resources, and opportunities to optimize energy use.

Vision

Energy efficiency is a primary driver of a prosperous, healthy and sustainable Southeast.



Work Areas:

Built Environment

State, Local & Utility Policy

Energy Equity

Innovative Finance



SEEA & Energy Efficiency Finance

Work Area Goal

Expand the availability and accessibility of capital to make energy efficiency investments

EE Finance Activities

- 2014 Arkansas Energy Office Statewide Financing Options Study
- 2014 Southeast Energy Efficiency Fund
- 2014 North Carolina On-Bill Working Group
- 2015 SEEA webinar with CEO of Roanoke Electric
- 2015 SEEA conference highlight: The Roanoke Center
- 2016 SEEA conference highlight: Ouachita Electric
- 2017 SEEA Learning Circle for Inclusive Financing

Solutions that works for *anyone* – regardless of income, credit score, or renter status – are better for *everyone*.

Beyond the Basics: Learning Circle on Inclusive Financing

1. Introduction to Inclusive Financing for Energy Efficiency
2. Update on Existing Programs
3. Consumer Protections in Inclusive Financing for Energy Efficiency
4. Due diligence with the *Decision Tool for Utility Managers*
5. Exploring Program Operator models
6. Establishing a Reserve Fund for tariffed on-bill EE programs
7. Sourcing capital for a Tariffed On-Bill investment program
8. Jobs: Workforce development in rapidly expanding EE markets

Office Hours:

A benefit for Learning Circle Participants

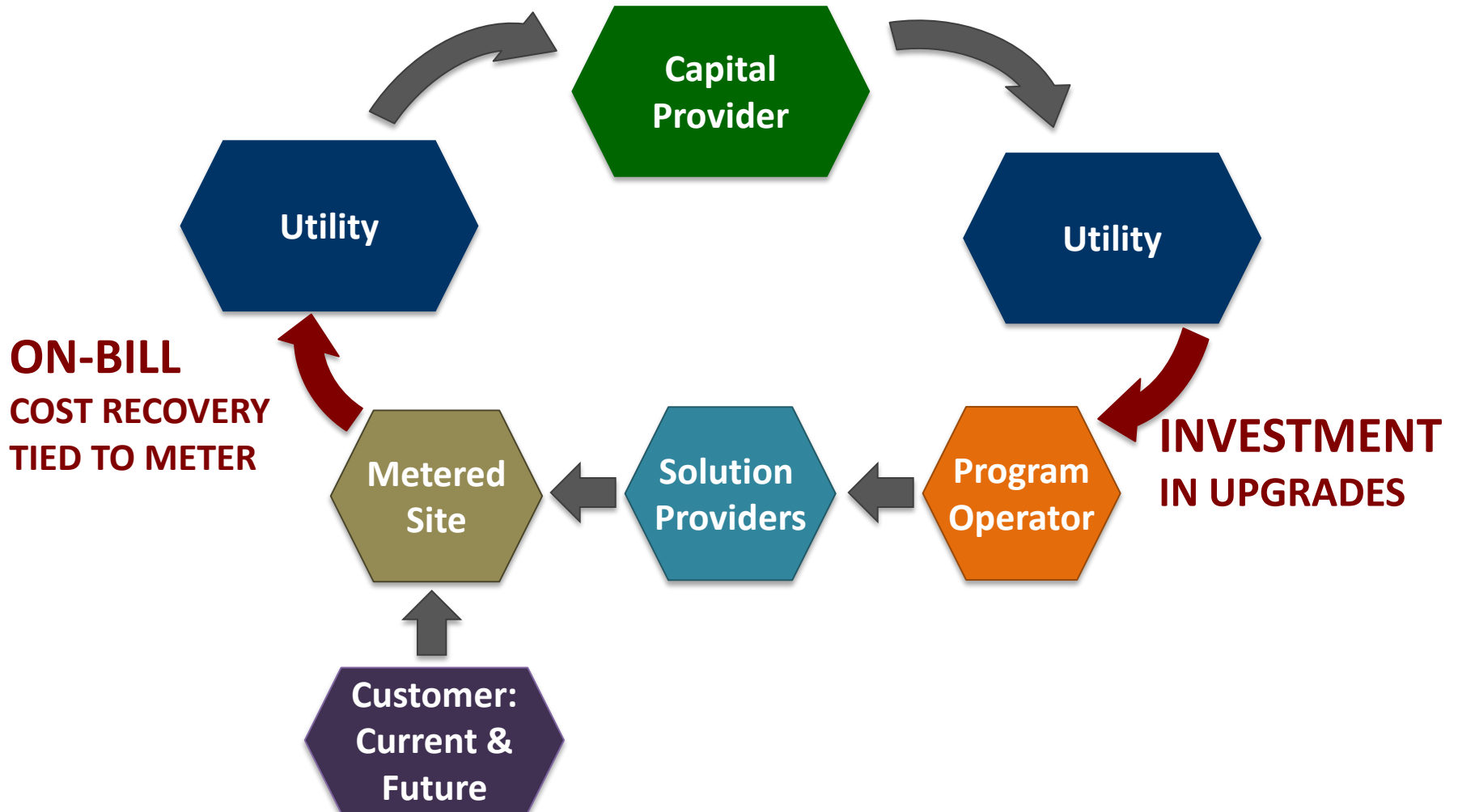
- Second office hours held after session #4 were helpful to those who dialed in, yielding immediate action items that supported their specific interests.
- **NEXT SESSION: 1-2pm EDT on Friday, June 2nd**
- Call in to take advantage of focused attention on your project or a particular line of inquiry to support your work
- Questions or topics in advance are welcome. Send them to: wholmes@seealliance.org

Why focus on Program Operator models within the Learning Circle Series?

- Some utilities often do not have the capacity or skills base on staff to manage energy efficiency programs, and that can become a barrier to implementation
- Many utilities regularly outsource the implementation of energy efficiency programs, so the precedent for working with a third party to deliver services to customers is well established
- Utilities often ask about their options to keep some roles for program implementation in-house, creating some hybrid options

Tariffed On-Bill Investment Program

PAYS® offers all utility customers the option to access cost effective energy upgrades using a proven investment and cost recovery model that benefits both the customer and utility.



Drawing on Experience



Jen Weiss
Energy Efficiency Policy Manager
Southern Alliance for Clean Energy



Tammy Agard
President, EEtility

Exploring Program Operator Options for Inclusive Financing for Energy Efficiency

- **Functions performed by a Program Operator**
- **Options utilities have for executing these functions**
- **Experience in the field: HELP PAYS in Arkansas**
- **Questions?**

Program Operator Functions

- Identify high potential sites
- Marketing
- Contractor Relations
- Workforce Development
- Scheduling
- Quality Control
- Quality Assurance
- Billing
- EM&V
- Customer Satisfaction

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Options for Performing Program Operator Functions

- A. In-House Implementation
- B. Third Party Program Operator
- C. Hybrid options

Program Operator Functions (Utility Perspective)

Utility Internal Staff Responsibilities	In-House	Third Party Operator	Hybrid Example
Identify high potential sites	X	X	X
Marketing	X		X
Contractor Relations	X		
Workforce Development	X		
Scheduling	X		X
Quality Control	X		X
Quality Assurance	X		
Billing	X	X	X
EM&V	X		X
Customer Satisfaction	X		X (shared)

Program Operator Examples

Program Name	Utility	Program Operator Model	Program Operator
How\$mart	Midwest Energy (Kansas)	In-house	
How\$mart KY	4 Kentucky Co-ops	Third Party	MACED
How\$mart KY	2 Kentucky Co-ops	Hybrid	MACED
Municipal Smart Start	EverSource (New Hampshire)	In-House	
Upgrade to \$ave	Roanoke Electric (North Carolina)	Hybrid	EEtility
HELP PAYS	Ouachita Electric (Arkansas)	Hybrid	EEtility

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Hybrid Model for Utility & Third Party Program Operator

- ✓ Identify high potential sites
 - ✓ Marketing (shared)
 - Contractor Relations
 - Workforce Development
 - Scheduling
- ✓ 100% On site Quality Control (shared)
 - Quality Assurance
 - Billing
 - EM&V (shared)
- Customer Satisfaction (shared)



“HELP PAYS®” & “Upgrade to \$ave” - Hybrid Models

Utility Responsibilities

- ✓ Screen for high use members/customers
- ✓ Marketing (budget)
- ✓ QC: 100% on sight Quality Control Inspections and brief participant satisfaction survey during Contractor “Test Out” phase of Install (last hour). High bill complaint department and/or service men/women typically act as Utilities QC inspectors)
- ✓ Billing
- ✓ M & V: Instruct meter analysis provider, (SEDC for example) to allow automated post retrofit Meter Data to come to EEtility (and independent parties) to verify and report actual kWh and KW Savings at Peak to all program stakeholders

EEtility Responsibilities

- **Marketing** : share templates with Utility and provide contractors with marketing materials
- **Assessor/Contractor Relations**: Solicit, Orient and provide Program specific training for all Program Assessors/Contractors at programs launch; provide remote support and CE hours on an ongoing basis
- **Workforce Development**: Mentor good contractors to grow their business using locals as program scales-quantify/report on jobs created
- **Scheduling**: through shared CRM platform (NEXUS)
- **Cost Effectiveness Analysis Quality Control** (remote creation of Participants “offer” or “Easy Plan” while Assessor/Contractor is on sight)
- **Quality Control**: Facilitate Program QC Inspector Training and Certifications for all (Utility) Program QC inspectors; Provide Program CSR/Customer Service Rep training; ongoing support for both
- **Quality Assurance**: QA overall job and create participant “Close Out” report (Comprehensive document triggers automated payment/invoicing to Utility accounts payable dept. and billing department)
- **EM&V**: Analyze post retrofit meter data with weather overlay and provide data to 3rd party for independent verification
- **Satisfaction Call**: 100% follow up call to participants before first tariff charge shows up on bill, troubleshooting and/or documenting previously unreported concerns when necessary; testimonials



HELP PAYS[®] by the numbers

3.7% of total members enrolled in 2016 (9 months)

86% of total enrolled received cost effective (CE) offer

91% of CE offers were accepted

100% of CE offers to Renters: “YES”

Median Household Income: \$29,000



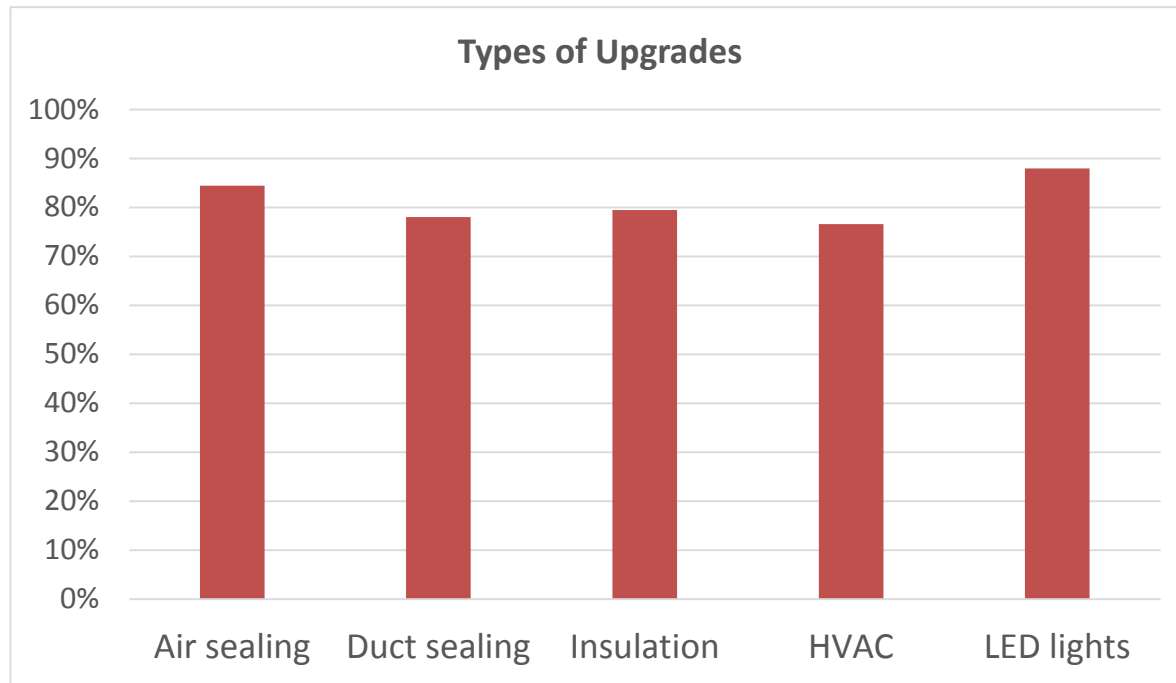
2017

Hybrid Program Operations charge (Utility pays) : \$300 to \$500 per participant

Min. participation: 200 offers per year & 2 year agreement

EEtility Hybrid Services Include: PAYS[®] license, OptiMiser customization, NEXUS software all included with EEtility agreement (for Rural Electric Cooperatives and Municipally owned Utilities only)

Each of the most common upgrades are cost effective in the majority of sites enrolled to date



Questions?

Next Session: Establishing a Reserve Fund for Tariffed On-Bill Financing

Thursday, June 15, 2:00 p.m. - 3:00 p.m. EDT

This session will look at options and pathways to establish a reserve fund to secure energy efficiency investments made through an inclusive tariff based on-bill financing program. Topics will include:

- Sourcing capital
- Right sizing you fund
- Establishing terms with participating utilities and rate payers

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