

On-Bill Financing

Program Overview





High-Level OBF Overview

- What is On-Bill Financing?
 - No-interest financing for business customers & government agencies
 - Helps eligible customers pay for energy efficiency retrofit projects with no-interest loans that are repaid through monthly PG&E bills
- Eligible Projects:
 - **Anything eligible for PG&E GCP rebate/incentive that meets borrowing amount and payback requirements**
 - *If it's not on rebate/incentive list, it's not eligible for OBF*
 - Lighting
 - *“Basic” lighting (non-LED) can account for $\leq 20\%$ of project budget*
 - *“Targeted” lighting (LED) is 100% eligible*
 - *Government agencies exempt from 20% limit*
 - Refrigeration
 - HVAC



Title 24 Costs in OBF

- OBF Program can help customers with certain costs associated with new Title 24 requirements
- Permitting and other equipment **directly related** to the incentivized/rebated EE equipment can be included in the OBF loan
 - Example – occupancy sensors that will be required to be installed in order for an LED lighting upgrade to comply with Title 24 requirements
- As before, costs not directly related to the installation of incentivized/rebated EE equipment will not be eligible
- To attempt to meet bill neutrality, actual savings from the project can be used to calculate the loan



Sample OBF Payment Calculation

Sample Loan Calculation

Project cost	\$100,000
Energy efficiency rebates and/or incentives	\$25,000
Loan amount (remaining costs to be funded)	\$75,000
Estimated monthly energy savings from retrofit	\$3,000
Monthly loan installment billed on utility bill	\$3,000
Simple payback period (loan amount divided by monthly payment amount)	25 months

Loan terms for customer in this example: \$3,000/month for 25 months



Two Key Points

- OBF is **financial obligation** – it's a loan, not a grant
 - Save time: Make sure your customers understand this up front
- OBF loan payments will be **flat monthly**, irrespective of seasonal energy use/savings variations
 - Loans based on annual average energy use – consistent payments throughout year (and life of loan)



OBF Loan Criteria

Loan Terms	Business	Government Agency*
Interest	0%	0%
Minimum Loan Amount	\$5,000	\$5,000
Maximum Loan Amount per Premise	\$100,000 per premise	\$250,000 per premise unless unique opportunity exception granted
Maximum Loan Amount per Customer	\$1,000,000	\$1,000,000
Maximum Loan Term, not to exceed the Expected Useful Life (EUL) of the measures	60 months	120 months



How OBF Charges Appear on Customer Bills

ENERGY STATEMENT
www.pge.com/MyEnergy

Account No: [REDACTED]
Statement Date: 08/06/2013
Due Date: 08/23/2013

Service For:
Please see details page.

Your Account Summary

Amount Due on Previous Statement	\$14,137.30
Payment(s) Received Since Last Statement	-14,137.30
Previous Unpaid Balance	\$0.00
Current Electric Charges	\$10,520.40
Current Gas Charges	1,207.49
Other Programs and Services	1,001.18
Total Amount Due by 08/23/2013	\$12,729.07

Questions about your bill?
24 hours, 7 days/wk 1-800-468-4743
Business Specialist available:
M-F 7am-7:30pm, Sat 7am-4:30pm
www.pge.com/MyEnergy

Your Enrolled Programs
On Bill Financing

Monthly Billing History

Visit www.pge.com/MyEnergy for a detailed bill comparison

Important Messages

Summer Reminder Unusually high temperatures, like those experienced in early July, can lead to great average summer bills. Our new energy statement provides helpful charts to help you understand your ch information, including how hot weather may have affected your usage, log in to - or create - your account

ENERGY STATEMENT
www.pge.com/MyEnergy

Account No: [REDACTED]
Statement Date: 08/06/2013
Due Date: 08/23/2013

Other Program and Service Charges

Energy Efficiency Retrofit Loan Program

Service Agreement ID: [REDACTED]
Service Dates: 07/10/2013 - 08/09/2013
Reference Number: [REDACTED]
Loan Installment Due \$1,001.18

[REDACTED]

Outstanding Balance: 16,018.82

Total Energy Efficiency Retrofit Loan Program Charges \$1,001.18

Total Other Program and Service Charges \$1001.18



OBF Process Resources

Resources for Contractors, Vendors, Installers:

➤ PG&E Account Reps

➤ BCSC

➤ www.pge.com/eef

✓ OBF Handbook

✓ OBF Process Video

✓ Financing Success Story

✓ 'Request a Call'

For My Business ▾ About Contact Us Safety English ▾ Search Go Log in

Your Bill & Account Save Money Rates Services

Energy Efficiency Financing

Request a Call

Fill out this form and a PG&E Rep will contact you regarding the loan program.

Additional Resources

To learn more, review these Energy Efficiency Financing program materials:

- Energy Efficiency Financing Handbook
- Energy Efficiency Financing Fact Sheet
- Energy Efficiency Financing Supplement
- Financing Success Story
- Energy Efficiency Financing Process Video

Apply for a 0% Interest Loan Between \$5,000 and \$100,000

Now companies like yours can qualify for a 0% interest loan of up to \$100,000. With that you can replace old and inefficient equipment with no up-front out-of-pocket investment. You'll have up to 5 years for repayment – after that the benefits of new or improved equipment and reduced energy use are yours to enjoy.



OBF Can Be Part of a Larger Financing Solution

- If your project exceeds OBF financing limits per premises or includes measures ineligible for OBF, you can combine OBF with Third Party financing (e.g., Prop 39 grants, commercial loans) to meet total project costs

Sample Project 1	
Total Project Cost	\$300,000
OBF Limit per Premises	\$100,000
Energy Efficiency Rebates and/or Incentives	\$50,000
OBF Financing	\$100,000
Third Party Financing	\$150,000

Sample Project 2	
Total Project Cost	\$70,000
Cost for Measures Eligible for OBF	\$50,000
Cost for Measures Ineligible for OBF	\$20,000
Energy Efficiency Rebates and/or Incentives	\$10,000
OBF Financing	\$40,000
Third Party Financing	\$20,000

- Project costs not financed by OBF would show up as “Customer Buy Down” in OBF loan docs – meaning project costs customer is responsible for outside of OBF



Additional EE Financing Resources

- Numerous resources exist if OBF isn't right fit for your project

GreenFinanceSF

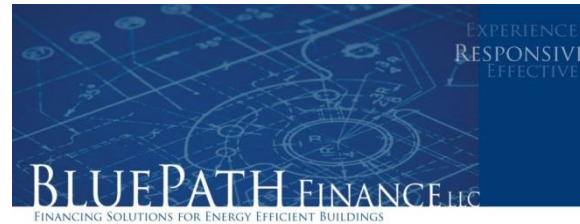
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- We can also point you toward potential bridge financing resources



A Few Additional Key Points

- Work with PG&E Account Rep! (early and often)
- Credit checks: Underwriting is determined by utility bill payment history
 - **Large assets/collateral not required**
- Don't be afraid to reach out to customers early on with Payment History Screening results
 - **Easier to correct anomalies or consider other measures the earlier any issues are identified**
- We need signed OBF loan agreement before we can OK install
 - **Stay in touch with your Account Rep**
- OBF monthly loan payments are sized to be bill-neutral, based on projected customer energy savings
 - **Term length can vary**
- Our website can help answer a lot of questions 24/7:
 - **www.pge.com/eef**



Thank you!

CONTACT US:

www.pge.com/eef

eefinance@pge.com