

Energy Efficiency through On-Bill Financing

- VISION** **The city will encourage cost-effective energy efficiency upgrades through on-bill financing and promotion of incentives.**
- The City and Berea Municipal Utilities (BMU) will work together to perform energy audits, promote energy efficiency incentives, and provide on-bill financing for cost-effective energy efficiency upgrades.
 - Increased employment among energy auditors and construction professionals.
 - Participating residents and businesses gain access to low-cost, accessible financing for energy efficiency upgrades and enjoy reduced energy costs.
 - Participating Berea businesses will realize lower operating costs.
 - City pays less electrical energy and peak demand charges to Kentucky Utilities.

- OBSTACLES** **Lack of experience in the City and BMU with on-bill financing as an extension of utility services in Berea.**
- Initial investment required; returns should soon follow. Coordination of utilities and energy efficiency opportunities is complex—a job for City or meta-business.
 - Program would need to ensure load management and minimize risk to BMU.
 - MACED—which developed the How\$martKY pilot program—could partner with the City and BMU to provide support and experience during start-up.
 - Kentucky Home Performance has infrastructure in place for residences.

ACTION **Perform audits, promote incentives, and finance upgrades.**

PLAN

- Select a director from the City and/or Berea Municipal Utilities.
- Partner with MACED for a limited time. MACED would provide the capital, project management support, and technical assistance with customer identification, energy audits, and modeling.
- After How\$martKY expires, alternative funding would be required; potential sources include the City, a third-party, or a for-profit meta-business.
- Set quantitative goals for audits performed, incentives utilized, upgrades installed, and energy savings achieved. Separate goals for residences and businesses.
- Find participants by analyzing utility bills; use interns to promote program to residents; designate a city liaison for businesses.
- Perform energy audits for free, or subsidize according to need.
- Encourage existing incentives available through Delta Gas and others; BMU should explore new incentive opportunities that utilize on-bill financing.

PUBLIC POLICY **The City and the Utility have an interest in promoting this program to all Berea residents and businesses.**

- This program must be administered in close cooperation with BMU.
- A long-term, City-led effort will help to coordinate the efforts of utilities, non-profits, businesses, and homeowners.
- There is a potential meta-business here, but initially the program should be led by the City under the supervision of an experienced organization like MACED.