

# New Jersey Market Assessment, Opportunities for Energy Efficiency

## **Addendum: Program Budget Development**

July 9, 2013



# Background and objectives

- The State of New Jersey engaged EnerNOC Utility Solutions in 2012 to conduct an energy efficiency market potential study.
- This work is an addendum to that study, meant to find appropriate budgets to attain the kWh and therm savings indentified in the study.
- Budget estimates were developed at the sector level and presented 3/13 for both electric and natural gas.
- **This update to the 3/13 results provides specific program-level, savings, budgets, and recommendations for the coming 4-year planning cycle.**

# Proposed Programs, Residential

Residential Portfolio	2012 (existing)	EY'13- '14	EY'14- '15	EY'15- '16	EY'16- '17	Comments
Res Energy Efficient Products	X	X	X	X	X	Includes lighting, electronics, etc. Upstream focus and emphasis, market transformation
Res Low Income "Comfort Partners"	X	X	X	X	X	Program required by law. Audit. Subsidize all cost effective measures.
Res New Construction	X	X	X	X	X	Incentives for designers, builders, and developers to promote efficient homes. More stringent codes are squeezing the savings from this program.
Res Home Performance w/ Energy Star	X	X	X	X	X	Whole home program. HEP modeling must be completed by contractor. Rebates & Loans for measures. Blower door test is optional.
Res HVAC - Electric & Gas	X	X	X	X	X	Whole home approach toward HVAC savings, targeting health & safety issues too. Because of changing codes, rebates will be in flux throughout time horizon.
Res Appliance Recycling	X	X	X	X	X	Collecting of secondary, inefficient refrigerators and freezers
Res Behavioral Feedback Tools			X	X	X	Potential new program - consumer behavioral change driven by techniques from the informational & social sciences
Res Financing	X	X	X	X	X	Dollars here support savings in other programs
Res Marketing	X	X	X	X	X	Dollars here support savings in other programs

# Proposed Programs, C&I

C&I Portfolio	2012 (existing)	EY'13- '14	EY'14- '15	EY'15- '16	EY'16- '17	Comments
Bus Smart Start (Prescriptive Rebates)	X	X	X	X	X	Standard prescriptive rebates for businesses
Bus Smart Start (Custom Incentives)	X	X	X	X	X	Incentives for custom projects for businesses
Bus Pay-for-Performance	X	X	X	X	X	1) Modeling & Goal Setting, 2) Perform, 3) Get incentive based on \$/savings. M&V on back end. For both Existing and New Construction.
Bus New Construction	X	X	X	X	X	Incentives for designers, builders, and developers to promote efficient buildings. Add MF component in 2014.
Bus Multifamily		X	X	X	X	Common areas: prescriptive, Resident dwellings: direct install, Whole facility: Pay for performance
Bus Local Government Energy Audit	X	X	X	X	X	Promotes efficiency in Gov't facilities. Challenge to get conversions to actual projects from audit recommendations.
Bus Direct Install	X	X	X	X	X	Rapidly deployable measures that are installed directly in businesses. Currently eligible for customers at 150 kW or less.
Bus Strategic Energy Management			X	X	X	Potential new program - provide coaching & culture change for large C&I customers to create internal, corporate energy goals & savings
Bus Financing		X	X	X	X	Dollars here support savings in other programs
Bus Marketing	X	X	X	X	X	Dollars here support savings in other programs

# Cost Assumptions

## Achievable Low Portfolio

- Residential incentives are 70% of measure costs, Business are 60%
- Average Annual Portfolio Administrative staff of 21 FTE's Statewide

## Achievable High Portfolio

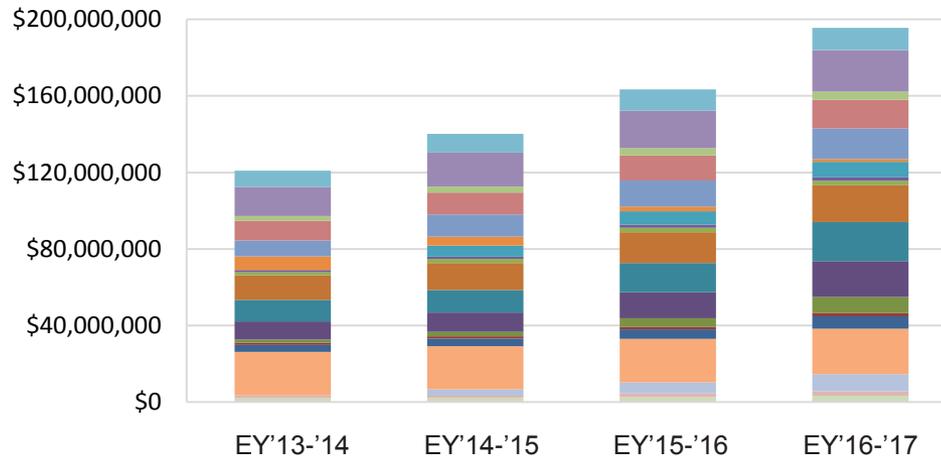
- Residential incentives are 80% of measure costs, Business are 67%
- Average Annual Portfolio Administrative staff of 30 FTE's Statewide

## All Portfolios

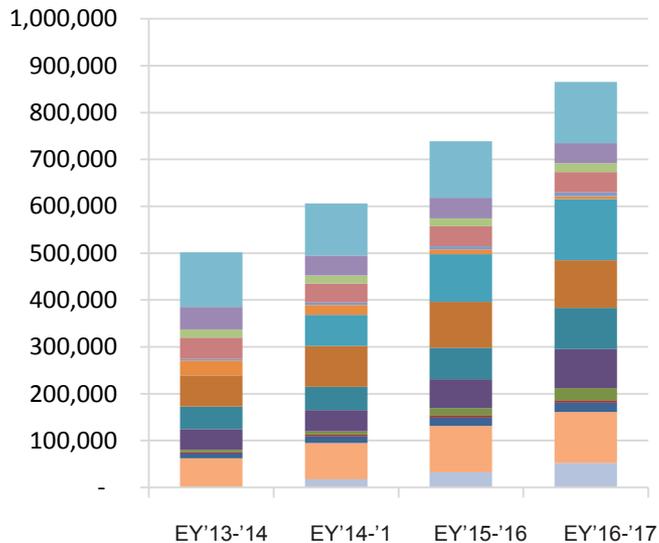
- Implementation costs are approximately 10% of incentive budget
- Marketing & education costs are approximately 3% of total budget
  - Applicable to all programs, but broken out as a separate line item
- Financing programs are approximately 2% of total budget
- Portfolio net-to-gross ratio of 0.85
- Evaluation costs of 3% of total budget

# New Jersey EE Portfolio – Achievable Low

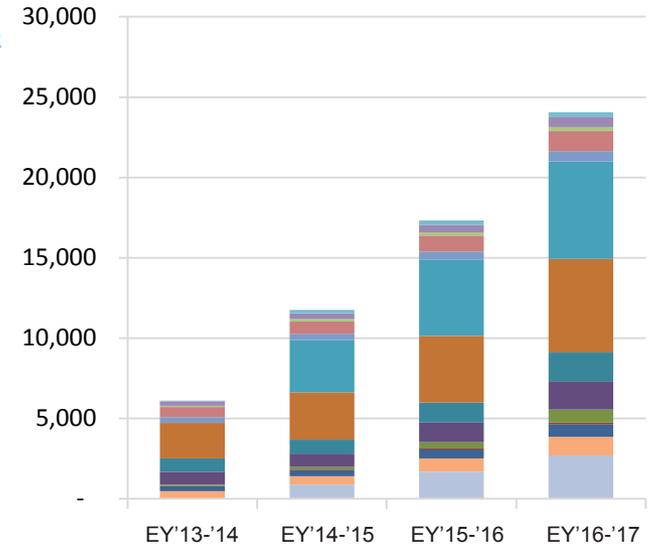
## Total Program Costs (\$)



## Net Incremental MWh Savings



## Net Incremental Therm Savings

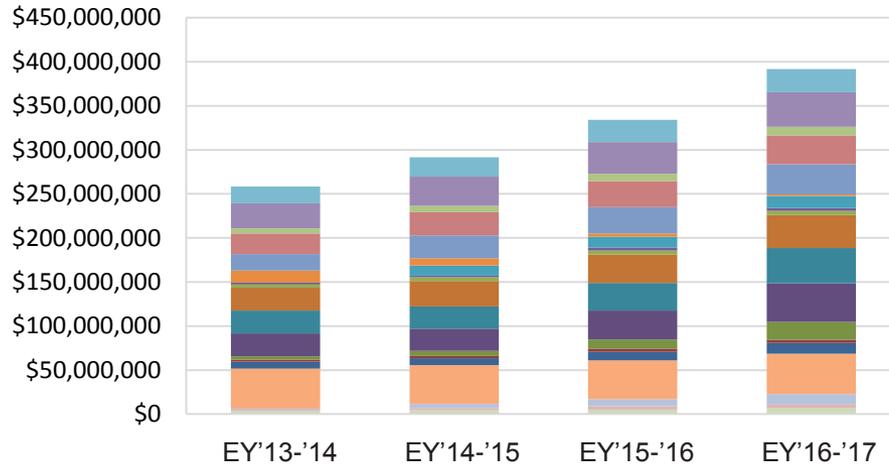


- Res Energy Efficient Products
- Res Low Income Comfort Partners
- Res New Construction
- Res Home Performance with ENERGY STAR
- Res HVAC - Electric & Gas
- Res Appliance Recycling
- Res Behavioral Feedback Tools
- Res Financing
- Res Marketing
- Bus SmartStart (Prescriptive Rebates)
- Bus SmartStart (Custom Incentives)
- Bus Pay-for-Performance
- Bus New Construction
- Bus MultiFamily
- Bus Local Government Energy Audit
- Bus Direct Install
- Bus Strategic Energy Management
- Bus Financing
- Bus Marketing

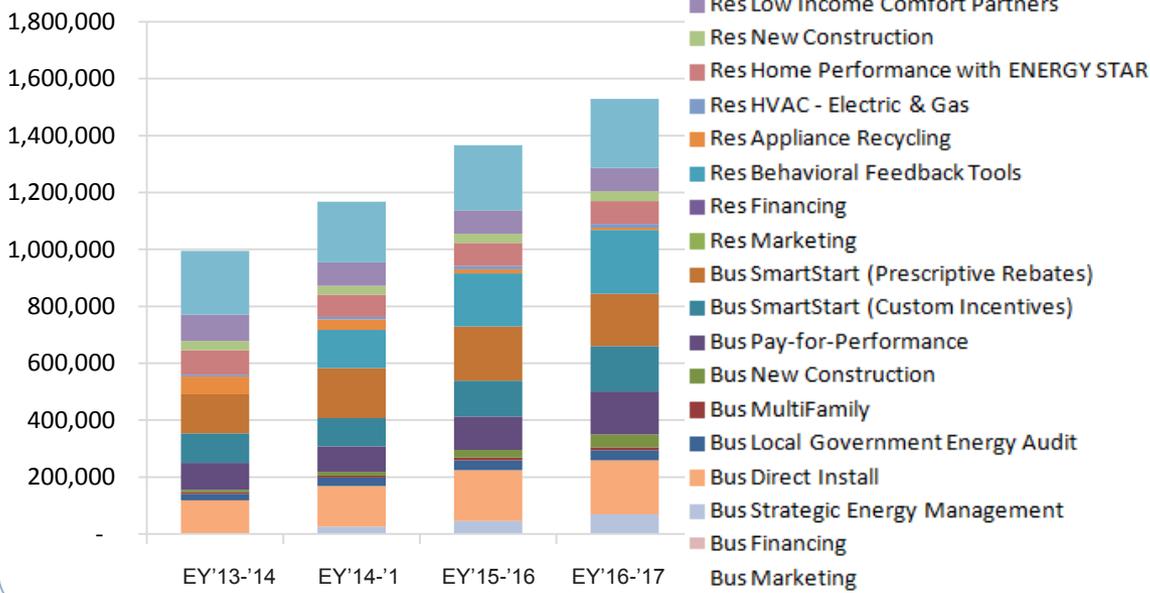
\* "Incremental" indicates savings in first year. Does not include savings impacts through end of measure lives.

# New Jersey EE Portfolio – Achievable High

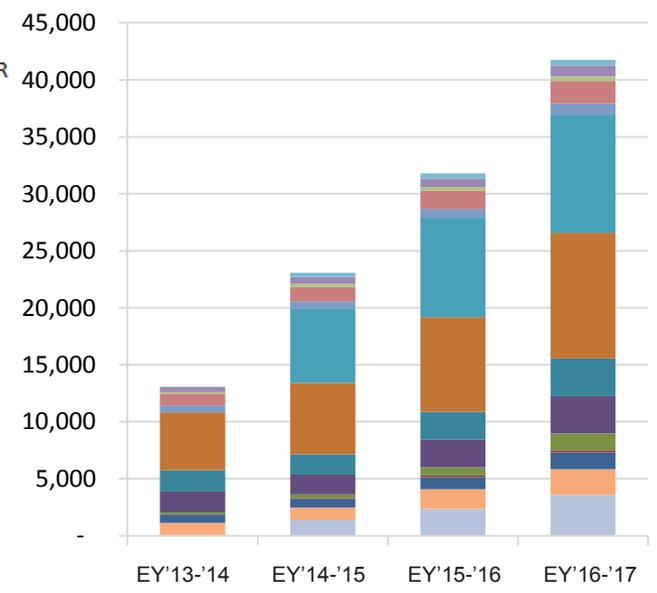
## Total Program Costs (\$)



## Net Incremental MWh Savings



## Net Incremental Therm Savings



\* "Incremental" indicates savings in first year. Does not include savings impacts through end of measure lives.

# Cost-Effectiveness Summary

## Achievable Low

	TRC Ratio	TRC Benefits	TRC Costs	PA/UCT Ratio	PCT Ratio	RIM Ratio
Res Energy Efficient Products	2.30	\$ 132,777,772	\$ 57,640,573	3.69	15.94	0.36
Res Low Income Comfort Partners	0.83	\$ 54,417,820	\$ 65,642,085	0.83	-	0.28
Res New Construction	1.23	\$ 23,053,318	\$ 18,753,983	1.93	8.51	0.34
Res Home Performance with ENERGY STAR	1.02	\$ 69,515,766	\$ 68,177,272	1.59	6.79	0.35
Res HVAC - Electric & Gas	0.48	\$ 33,230,523	\$ 68,678,783	0.77	2.07	0.39
Res Appliance Recycling	1.55	\$ 22,628,596	\$ 14,574,588	1.55	-	0.42
Res Behavioral Feedback Tools	1.22	\$ 21,736,208	\$ 17,836,279	1.22	-	0.35
Res Financing	-	\$ -	\$ 5,255,220	-	-	-
Res Marketing	-	\$ -	\$ 7,404,939	-	-	-
Bus SmartStart (Prescriptive Rebates)	1.68	\$ 175,990,233	\$ 105,063,754	3.21	8.51	0.37
Bus SmartStart (Custom Incentives)	1.40	\$ 135,416,632	\$ 96,568,715	2.63	7.20	0.37
Bus Pay-for-Performance	1.47	\$ 124,595,696	\$ 84,919,025	2.74	7.53	0.38
Bus New Construction	1.41	\$ 38,487,278	\$ 27,278,246	2.64	7.10	0.38
Bus MultiFamily	1.09	\$ 8,942,671	\$ 8,214,159	1.99	6.01	0.35
Bus Local Government Energy Audit	1.53	\$ 29,583,318	\$ 19,325,995	1.77	27.48	0.35
Bus Direct Install	1.85	\$ 173,443,644	\$ 93,955,338	2.13	33.70	0.36
Bus Strategic Energy Management	1.31	\$ 20,035,270	\$ 15,245,908	1.31	-	0.33
Bus Financing	-	\$ -	\$ 6,336,294	-	-	-
Bus Marketing	-	\$ -	\$ 8,878,562	-	-	-
<b>Residential Total:</b>	<b>1.10</b>	<b>\$ 357,360,004</b>	<b>\$ 323,907,127</b>	<b>1.45</b>	<b>10.94</b>	<b>0.34</b>
<b>Non-Residential Total:</b>	<b>1.52</b>	<b>\$ 706,494,742</b>	<b>\$ 465,785,997</b>	<b>2.36</b>	<b>10.26</b>	<b>0.37</b>
<b>Portfolio Total:</b>	<b>1.35</b>	<b>\$ 1,063,854,746</b>	<b>\$ 789,693,125</b>	<b>1.95</b>	<b>10.48</b>	<b>0.36</b>

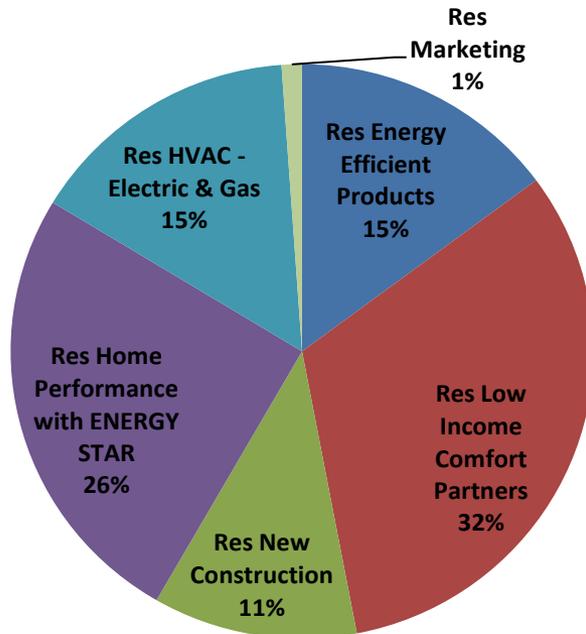
# Cost-Effectiveness Summary

## Achievable High

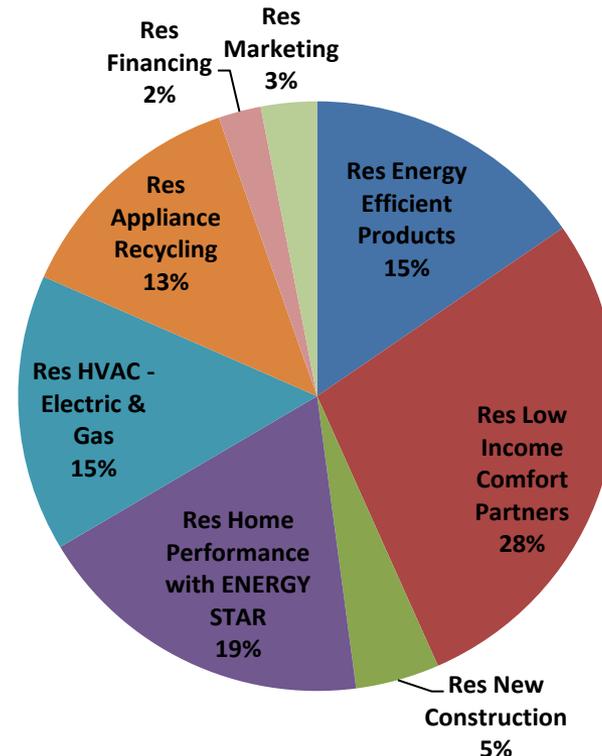
	TRC Ratio	TRC Benefits	TRC Costs	PA/UCT Ratio	PCT Ratio	RIM Ratio
Res Energy Efficient Products	2.18	\$ 248,239,240	\$ 113,952,120	3.02	20.37	0.35
Res Low Income Comfort Partners	0.84	\$ 101,246,212	\$ 120,396,638	0.84	-	0.28
Res New Construction	1.21	\$ 42,641,334	\$ 35,207,330	1.56	13.62	0.33
Res Home Performance with ENERGY STAR	0.99	\$ 124,898,389	\$ 126,004,751	1.27	10.86	0.33
Res HVAC - Electric & Gas	0.47	\$ 58,294,722	\$ 123,826,255	0.61	3.23	0.36
Res Appliance Recycling	1.57	\$ 39,454,639	\$ 25,113,282	1.57	-	0.42
Res Behavioral Feedback Tools	1.21	\$ 39,687,594	\$ 32,689,400	1.21	-	0.35
Res Financing	-	\$ -	\$ 9,344,384	-	-	-
Res Marketing	-	\$ -	\$ 15,120,725	-	-	-
Bus SmartStart (Prescriptive Rebates)	1.78	\$ 342,768,204	\$ 192,296,771	3.13	10.12	0.37
Bus SmartStart (Custom Incentives)	1.41	\$ 261,391,105	\$ 185,058,608	2.43	8.13	0.37
Bus Pay-for-Performance	1.46	\$ 241,764,623	\$ 165,461,113	2.15	10.91	0.36
Bus New Construction	1.37	\$ 70,458,744	\$ 51,540,463	2.01	10.02	0.37
Bus MultiFamily	1.09	\$ 16,326,950	\$ 14,997,338	1.59	8.59	0.34
Bus Local Government Energy Audit	1.61	\$ 58,114,373	\$ 36,175,191	1.76	43.74	0.35
Bus Direct Install	1.82	\$ 316,770,647	\$ 173,641,699	2.00	50.15	0.35
Bus Strategic Energy Management	1.31	\$ 27,757,055	\$ 21,140,714	1.31	-	0.33
Bus Financing	-	\$ -	\$ 11,769,833	-	-	-
Bus Marketing	-	\$ -	\$ 18,153,854	-	-	-
<b>Residential Total:</b>	<b>1.09</b>	<b>\$ 654,462,129</b>	<b>\$ 601,527,371</b>	<b>1.29</b>	<b>16.54</b>	<b>0.33</b>
<b>Non-Residential Total:</b>	<b>1.53</b>	<b>\$ 1,335,351,700</b>	<b>\$ 870,235,583</b>	<b>2.16</b>	<b>12.78</b>	<b>0.36</b>
<b>Portfolio Total:</b>	<b>1.35</b>	<b>\$ 1,989,813,829</b>	<b>\$ 1,471,762,954</b>	<b>1.77</b>	<b>13.81</b>	<b>0.35</b>

# Compare to Historical Data - Residential

**Actual Residential Spend  
2012, \$97.9M**

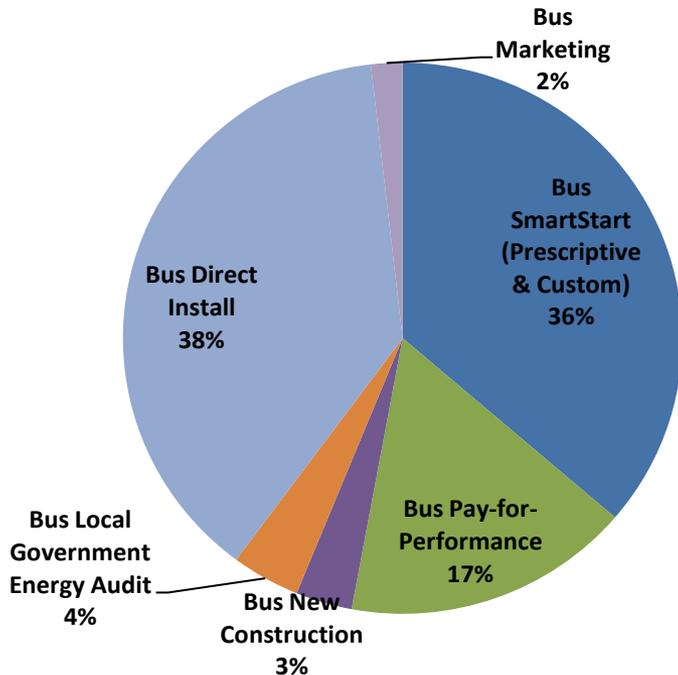


**Proposed Residential Budget  
EY'13-'14 (Low: \$54.7M, High: \$114.8M)**

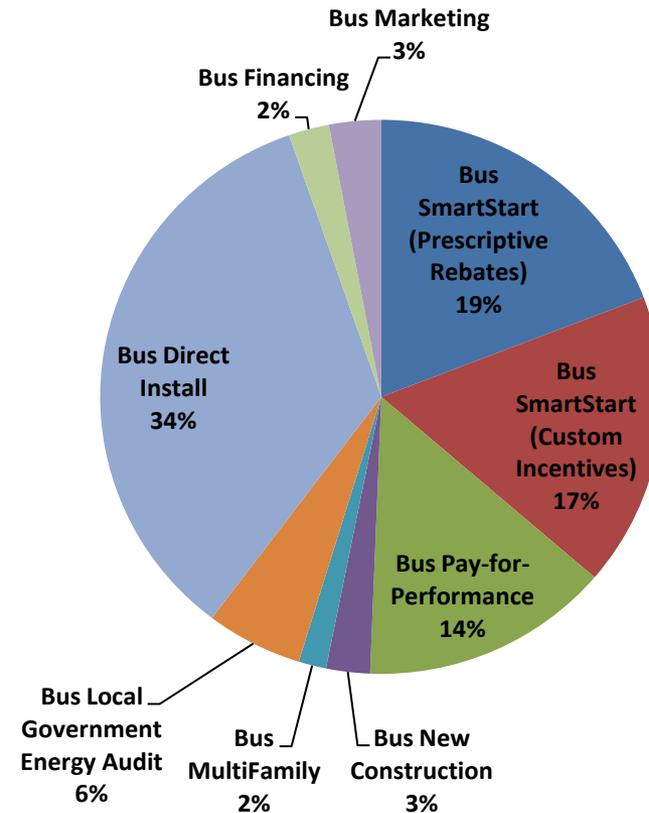


# Compare to Historical Data – C&I

**Actual C&I Spend  
2012, \$55.9M**

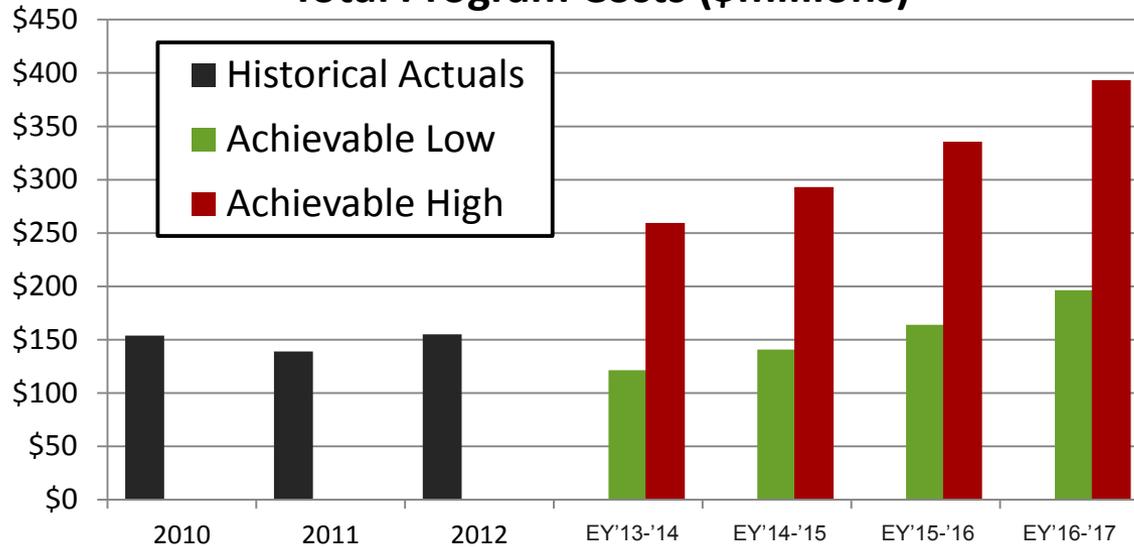


**Proposed C&I Budget  
EY'13-'14 (Low: \$66.1M, High: \$143.7M)**

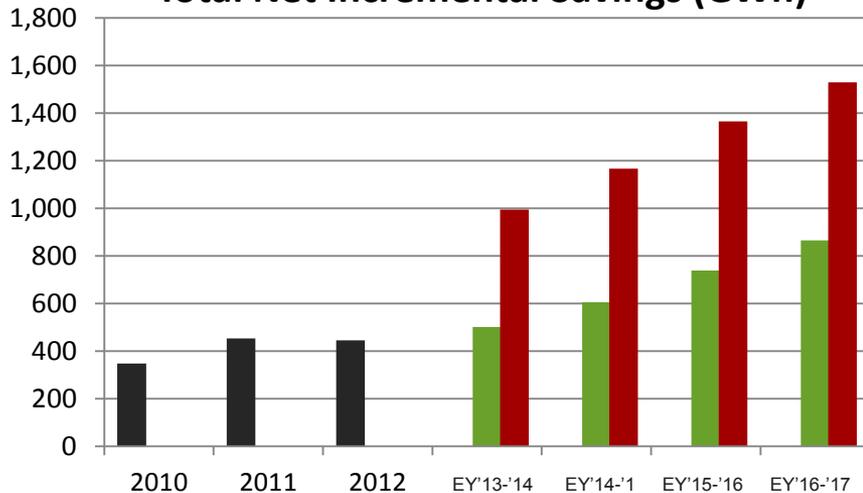


# Compare to Historical Data

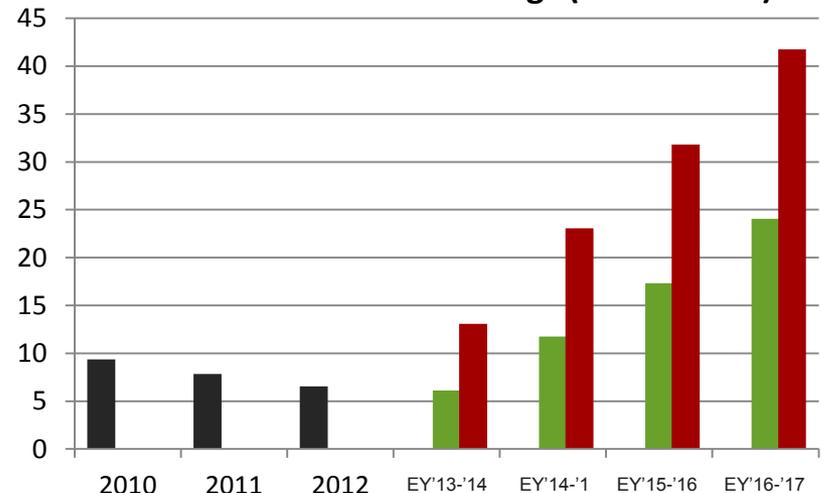
## Total Program Costs (\$millions)



## Total Net Incremental Savings (GWh)



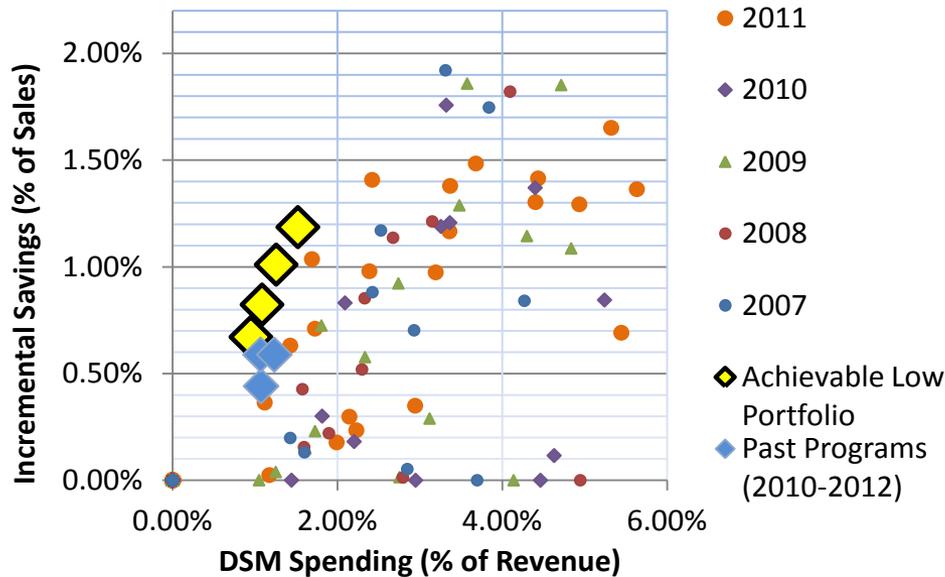
## Total Net Incremental Savings (MMTherms)



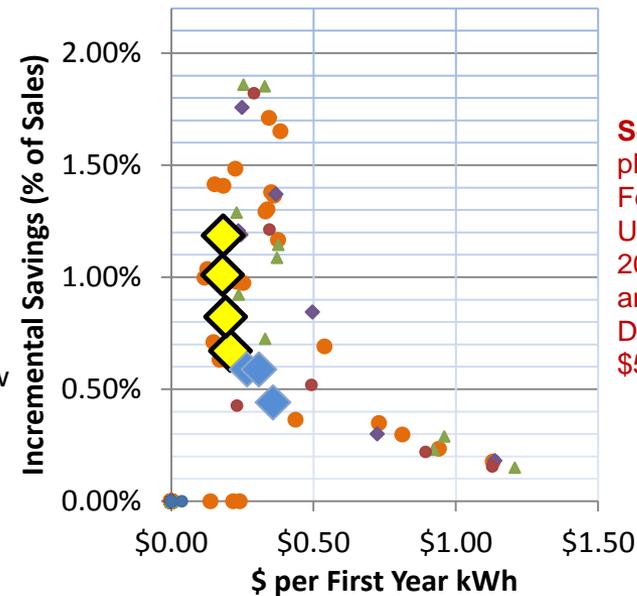
Budgets are EE only; does not include CHP, renewables, etc

# Compare to Industry Benchmarks – Ach.Low

Savings as % of Sales vs.  
DSM Spending as % of Revenue



Savings as % of Sales vs.  
Cost per first-year-kWh



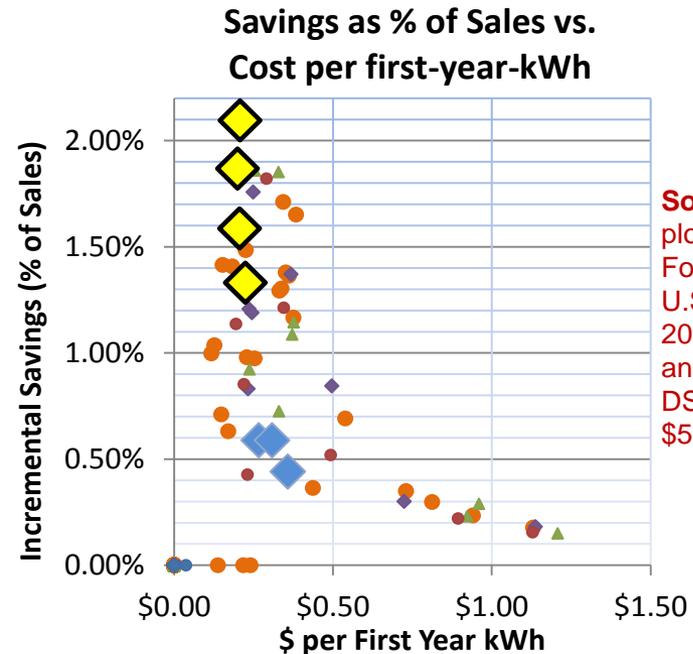
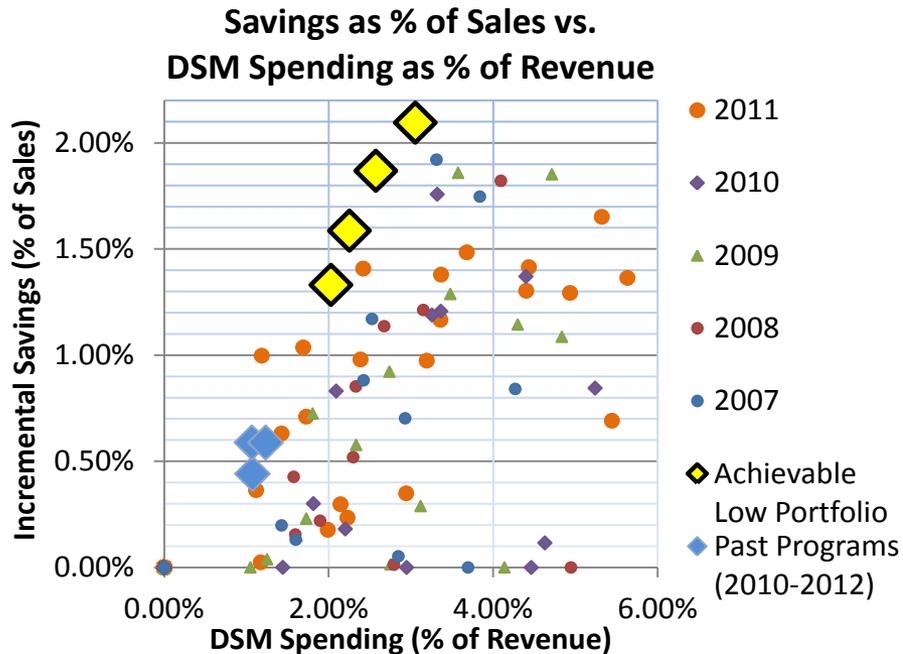
Source: Scatter plot data from EIA Form 861 filings for U.S. utilities in 2007-2011 with annual **electric** DSM spending of \$50M+

Electric Portfolio Benchmarks	2010	2011	2012*	EY'13-'14	EY'14-'15	EY'15-'16	EY'16-'17
DSM Spending as % of Revenue	1.07%	1.07%	1.23%	0.95%	1.09%	1.26%	1.52%
\$ per first-year-kWh	\$0.36	\$0.27	\$0.31	\$0.21	\$0.19	\$0.18	\$0.18
Incremental Savings as % of Sales	0.44%	0.59%	0.59%	0.67%	0.82%	1.01%	1.19%

NOTE: We do not have an equivalent data source that tracks natural gas EE programs like EIA Form 861 does for electric.

Nat Gas Portfolio Benchmarks	2010	2011	2012*	EY'13-'14	EY'14-'15	EY'15-'16	EY'16-'17
DSM Spending as % of Revenue	0.56%	0.35%	0.34%	0.32%	0.48%	0.59%	0.73%
\$ per first-year-therm	\$3.14	\$2.34	\$2.70	\$2.72	\$2.08	\$1.75	\$1.57
Incremental Savings as % of Sales	0.20%	0.17%	0.14%	0.13%	0.25%	0.37%	0.51%

# Compare to Industry Benchmarks – Ach.High



Source: Scatter plot data from EIA Form 861 filings for U.S. utilities in 2007-2011 with annual **electric** DSM spending of \$50M+

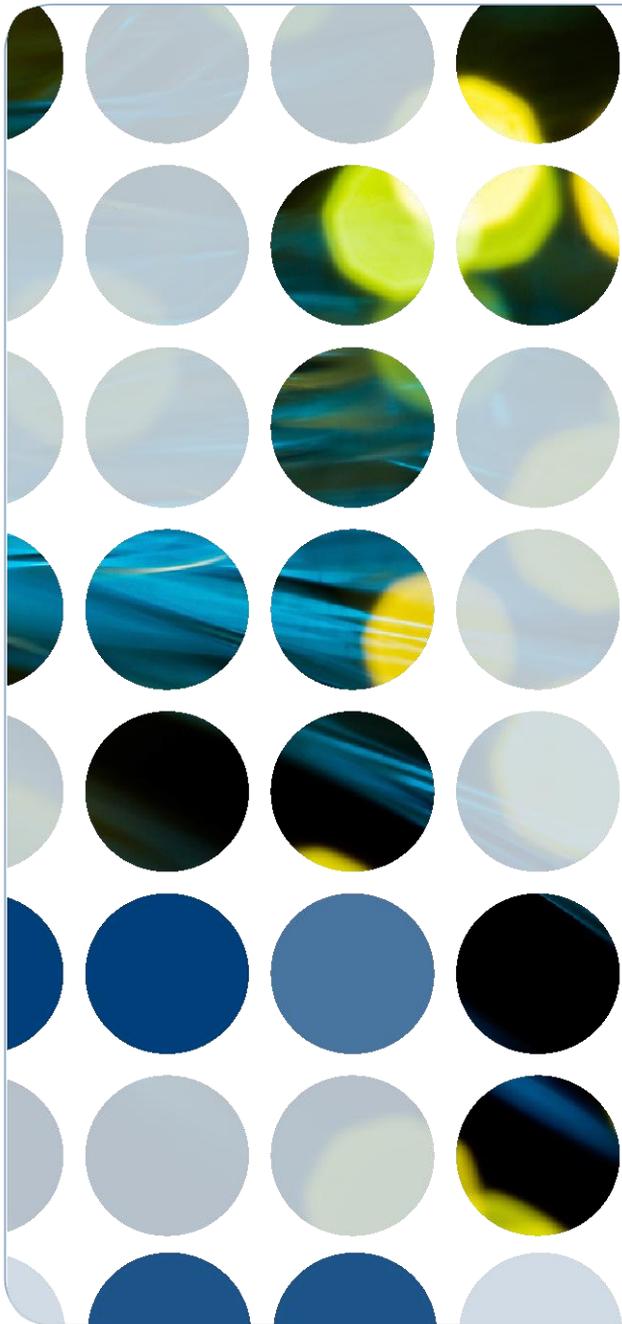
Electric Portfolio Benchmarks	2010	2011	2012*	EY'13-'14	EY'14-'15	EY'15-'16	EY'16-'17
DSM Spending as % of Revenue	1.07%	1.07%	1.23%	2.03%	2.25%	2.57%	3.05%
\$ per first-year-kWh	\$0.36	\$0.27	\$0.31	\$0.22	\$0.21	\$0.20	\$0.21
Incremental Savings as % of Sales	0.44%	0.59%	0.59%	1.33%	1.59%	1.87%	2.10%

NOTE: We do not have an equivalent data source that tracks natural gas EE programs like EIA Form 861 does for electric.

Nat Gas Portfolio Benchmarks	2010	2011	2012*	EY'13-'14	EY'14-'15	EY'15-'16	EY'16-'17
DSM Spending as % of Revenue	0.56%	0.35%	0.34%	0.68%	1.01%	1.19%	1.45%
\$ per first-year-therm	\$3.14	\$2.34	\$2.70	\$2.73	\$2.23	\$1.94	\$1.79
Incremental Savings as % of Sales	0.20%	0.17%	0.14%	0.28%	0.50%	0.68%	0.89%

# Conclusions and Recommendations

- Increase focus on C&I programs
- Increase focus on market transformation programs
  - Upstream, market lift programs; behavioral modification
  - Leverage NJOCE's broad coverage (state-wide, cross-fuels, cross-utilities)
  - Joint delivery already capitalizes well on elec & gas combined efforts – productive relative to electric-only programs
- Downplay low-TRC measures
  - Decrease their incentive amounts, migrate to financing or loan options, or remove entirely
  - Challenged programs: HVAC, Low Income, Home Perf, Local Gov't Audit
- Adjust budget priorities
  - Historic budgets highly weighted toward customer incentives. This is good, but balance required.
  - Increase focus on third-party, independent EM&V
  - Increase focus on implementation systems, data tracking, and general administration
  - Emphasis on marketing as strategy; a critical, unifying effort that rallies programs and streamlines the customer experience. This should not be viewed simply as a cost center that pastes a few advertisements here and there.



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# Supplemental Slides

# New Jersey EE portfolio summary – Achievable Low

Program	Total Program Costs (000\$)				Total Net Incremental Elec Savings (MWh)				Total Net Incr. Gas Savings (1000 therms)			
	EY'13-'14	EY'14-'15	EY'15-'16	EY'16-'17	EY'13-'14	EY'14-'15	EY'15-'16	EY'16-'17	EY'13-'14	EY'14-'15	EY'15-'16	EY'16-'17
Res Energy Efficient Products	8,394	9,652	11,087	11,669	116,643	110,942	120,926	130,747	40	203	274	322
Res Low Income Comfort Partners	15,346	17,723	19,584	21,794	47,961	42,857	43,464	43,154	273	364	474	607
Res New Construction	2,484	3,163	3,680	4,266	17,502	16,301	17,207	18,714	77	152	192	252
Res Home Performance w/ ES	10,145	11,517	13,107	14,896	45,269	40,945	42,690	43,183	629	755	994	1249
Res HVAC - Electric & Gas	8,314	11,542	13,720	15,878	3,361	5,321	6,693	8,160	359	402	501	643
Res Appliance Recycling	7,132	4,772	2,447	1,609	32,417	20,820	10,120	6,285	-	-	-	-
Res Behavioral Feedback Tools	-	5,768	6,901	8,034	-	66,833	101,524	130,737	-	3245	4751	6051
Res Financing	1,262	1,172	1,747	1,791	-	-	-	-	-	-	-	-
Res Marketing	1,668	2,039	2,233	2,464	-	-	-	-	-	-	-	-
Bus SmartStart (Prescriptive Rebates)	12,672	14,140	16,197	19,194	65,844	86,839	98,580	101,220	2222	2958	4146	5834
Bus SmartStart (Custom Incentives)	11,332	11,852	15,199	20,311	48,602	49,878	66,924	88,236	817	855	1247	1785
Bus Pay-for-Performance	9,489	10,051	13,595	18,811	43,640	45,041	61,826	83,596	806	842	1233	1764
Bus New Construction	1,667	2,357	4,443	8,491	4,904	7,131	14,349	25,166	79	154	393	822
Bus MultiFamily	1,049	1,133	1,346	1,582	3,173	3,876	5,311	6,021	16	28	58	102
Bus Local Gov't Energy Audit	3,669	3,955	5,012	6,452	10,375	14,079	17,643	19,546	313	376	546	785
Bus Direct Install	22,743	22,631	22,635	23,709	62,124	77,379	98,882	108,649	475	517	840	1163
Bus Strategic Energy Management	-	3,185	5,716	8,980	-	17,529	32,727	52,235	-	896	1676	2684
Bus Financing	1,542	1,266	2,043	2,362	-	-	-	-	-	-	-	-
Bus Marketing	1,979	2,179	2,624	3,326	-	-	-	-	-	-	-	-
<b>Residential Total:</b>	<b>54,731</b>	<b>67,333</b>	<b>74,488</b>	<b>82,381</b>	<b>263,154</b>	<b>304,020</b>	<b>342,624</b>	<b>380,980</b>	<b>1,378</b>	<b>5,120</b>	<b>7,185</b>	<b>9,125</b>
<b>Non-Residential Total:</b>	<b>66,143</b>	<b>72,749</b>	<b>88,809</b>	<b>113,218</b>	<b>238,661</b>	<b>301,752</b>	<b>396,243</b>	<b>484,669</b>	<b>4,727</b>	<b>6,626</b>	<b>10,139</b>	<b>14,940</b>
<b>Portfolio Total:</b>	<b>120,874</b>	<b>140,082</b>	<b>163,297</b>	<b>195,600</b>	<b>501,815</b>	<b>605,773</b>	<b>738,867</b>	<b>865,649</b>	<b>6,105</b>	<b>11,746</b>	<b>17,324</b>	<b>24,065</b>

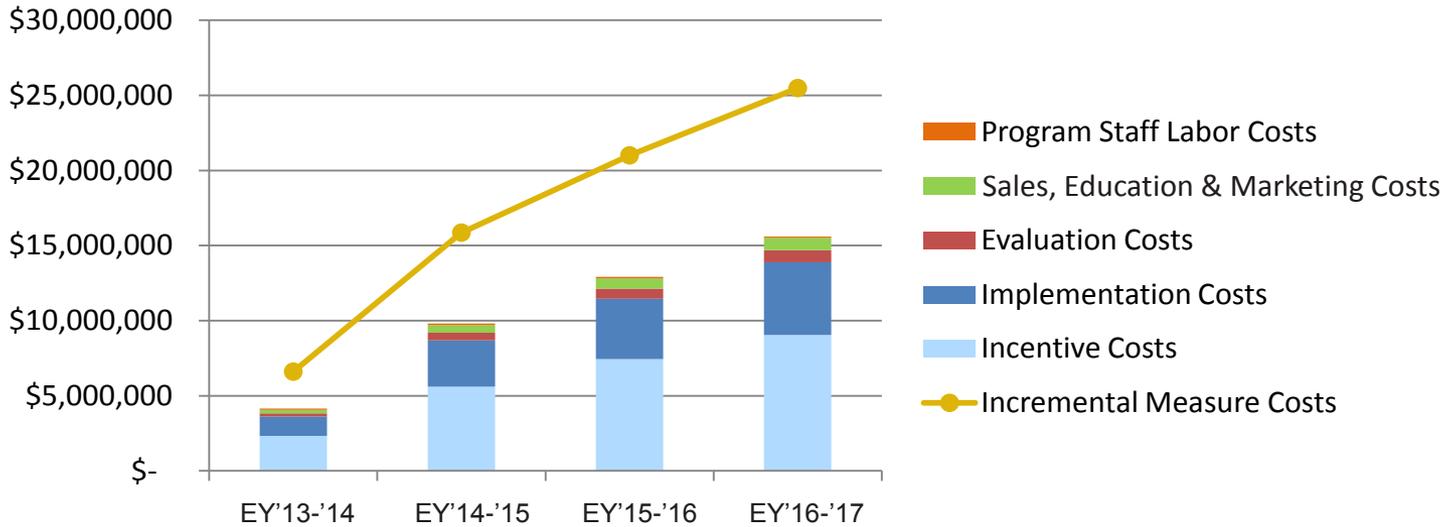
# New Jersey EE portfolio summary – Achievable High

Program	Total Program Costs (000\$)				Total Net Incremental Elec Savings (MWh)				Total Net Incr. Gas Savings (1000 therms)			
	EY'13-'14	EY'14-'15	EY'15-'16	EY'16-'17	EY'13-'14	EY'14-'15	EY'15-'16	EY'16-'17	EY'13-'14	EY'14-'15	EY'15-'16	EY'16-'17
Res Energy Efficient Products	19,208	22,192	25,385	26,418	224,040	212,619	228,111	242,141	41	375	453	508
Res Low Income Comfort Partners	28,528	32,921	35,808	39,194	92,004	82,779	83,437	82,525	439	606	754	942
Res New Construction	5,660	7,334	8,456	9,622	33,266	31,017	32,348	34,512	132	284	340	427
Res Home Performance w/ ES	23,255	26,249	29,357	32,844	85,709	77,695	79,735	80,060	1036	1245	1574	1946
Res HVAC - Electric & Gas	18,823	25,867	30,208	34,231	6,358	9,744	11,906	14,122	600	666	800	987
Res Appliance Recycling	13,645	8,274	3,540	1,858	62,320	36,303	14,699	7,155	-	-	-	-
Res Behavioral Feedback Tools	-	11,485	12,618	13,751	-	133,667	186,127	224,121	-	6489	8711	10373
Res Financing	2,284	2,105	3,099	3,121	-	-	-	-	-	-	-	-
Res Marketing	3,454	4,214	4,549	4,930	-	-	-	-	-	-	-	-
Bus SmartStart (Prescriptive Rebates)	26,235	28,706	32,238	37,227	137,817	176,777	190,716	183,954	5079	6256	8285	11018
Bus SmartStart (Custom Incentives)	25,680	25,236	31,293	40,230	103,298	98,389	126,559	159,457	1864	1778	2448	3313
Bus Pay-for-Performance	25,904	25,428	33,009	43,746	94,225	89,689	117,473	151,356	1835	1746	2418	3270
Bus New Construction	4,027	5,724	10,820	20,195	9,336	13,457	26,675	45,032	166	305	742	1477
Bus MultiFamily	2,390	2,581	3,083	3,595	5,887	7,021	9,363	10,202	38	62	121	199
Bus Local Gov't Energy Audit	7,679	7,909	9,763	12,158	22,467	29,213	34,808	36,127	719	791	1082	1470
Bus Direct Install	44,468	43,950	43,970	45,903	117,946	142,714	178,421	188,717	1130	1122	1724	2248
Bus Strategic Energy Management	-	4,726	7,993	12,042	-	26,293	45,818	69,646	-	1344	2347	3579
Bus Financing	3,046	2,377	3,751	4,198	-	-	-	-	-	-	-	-
Bus Marketing	4,242	4,478	5,315	6,603	-	-	-	-	-	-	-	-
<b>Residential Total:</b>	<b>114,826</b>	<b>140,607</b>	<b>152,982</b>	<b>165,927</b>	<b>503,697</b>	<b>583,824</b>	<b>636,365</b>	<b>684,638</b>	<b>2,248</b>	<b>9,665</b>	<b>12,632</b>	<b>15,182</b>
<b>Non-Residential Total:</b>	<b>143,671</b>	<b>151,116</b>	<b>181,236</b>	<b>225,896</b>	<b>490,976</b>	<b>583,553</b>	<b>729,834</b>	<b>844,490</b>	<b>10,831</b>	<b>13,405</b>	<b>19,167</b>	<b>26,575</b>
<b>Portfolio Total:</b>	<b>258,497</b>	<b>291,723</b>	<b>334,218</b>	<b>391,824</b>	<b>994,673</b>	<b>1,167,376</b>	<b>1,366,199</b>	<b>1,529,128</b>	<b>13,079</b>	<b>23,070</b>	<b>31,799</b>	<b>41,756</b>

Analysis assumes all measure costs and associated program costs are incurred the year in which a given measure is installed.

# Developing costs based on potential assessment

## Hypothetical Program: Development of Costs



## Example of Cost Development for Hypothetical Program, Year 2016

	No. of Units	Measure cost/unit	Measure Cost	Incentive (as % of measure cost)	Incentive Cost	Admin Cost Adders				Total Program Administrator Budget
						Implement-ation	Sales, Education & Marketing	Evaluation	Portfolio Admin	
Measure X	1,000,000	\$ 3	\$ 3,000,000	33%	\$ 1,000,000	60% of Incentives	10% of Incentives	10% of Incentives	1.0 FTE @ \$100k/yr	\$ 16,138,000
Measure Y	5,000	\$ 2,000	\$ 10,000,000	33%	\$ 3,333,000					
etc...	etc...	etc...	etc...	33%	etc...					
<b>TOTAL</b>			<b>\$ 27,000,000</b>		<b>\$ 8,910,000</b>	<b>\$ 5,340,600</b>	<b>\$ 891,000</b>	<b>\$ 891,000</b>	<b>\$ 100,000</b>	

# Financing programs

- Find total measure costs for each program with financing potential
  - You would get a loan for a furnace under the HVAC program, but not a single light bulb
- Estimate percentage of projects which will opt for financing.
  - Experts indicate that a mature financing program can lift customer adoption by 30-50% (EE Financing Panel, 2013 AESP National Conference, Orlando, FL). Conservative assumption here, starting at 10% rising to 15%.
- Allocate a portion of financing costs to be fronted by the program
  - Multiplier effect of 5X to 10X from other capital sources that are attracted to fund the loans.
- Results in a revolving loan fund of 2% to 3% of the total annual budget.
  - Functions as a loss-reserve to cover the fraction of people who default on their loans (often 5% or fewer for EE-related loans, depending on the terms of the program)
  - Provides sponsorship and credibility to the loan program, attracting potential borrowers as well as other sources of capital and financing.
- This is a general framework. Recommend issuing RFP to receive detailed vendor proposals.

Financing-Eligible Programs	
Residential	C&I
Res Low Income Comfort Partners	Bus SmartStart (Prescriptive Rebates)
Res Home Performance with ENERGY STAR	Bus SmartStart (Custom Incentives)
Res HVAC - Electric & Gas	Bus Pay-for-Performance
	Bus MultiFamily
	Bus Local Government Energy Audit