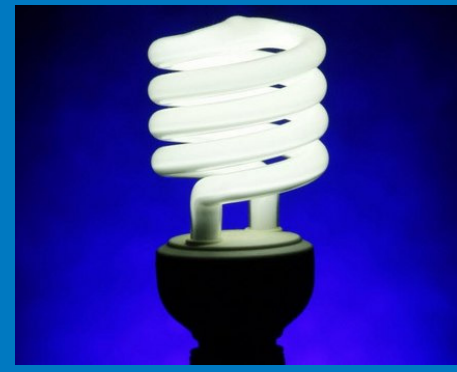


Utility Energy Efficiency Financing: Non-Residential



Laura Adelman

National Grid

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National Grid On-Bill Financing (OBF)

- National Grid has offered OBF programs for 20 years in New England
- In New York, OBF was approved as part of National Grid's Small Business Energy Services Program (SBS) in 2009
- Small business customers account for only 17% of National Grid's New York electric sales, while the SBS accounts for 38% of National Grid's electric energy efficiency targets
 - Regional program administrators claim OBF opportunities increase the energy efficiency project "close rate" by 25-50%
- SBS enables small businesses to invest in energy efficiency during a tough economy
 - National Grid has the highest targets, and highest percentage of SBS savings

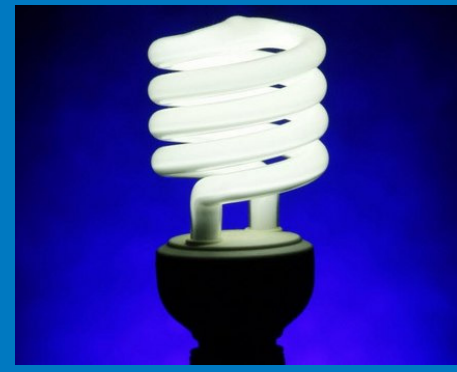
National Grid's NY Small Business Program

- SBS incentives cover 70% of project costs; participants are responsible for 30% of project costs
- About half of the over 6,000 annual SBS applications use available OBF options
 - 12 or 24 month 0% financing available for 30% of project costs
 - Those that do not opt for OBF receive a 15% discount
- Approximately 14,000 customers have participated in OBF opportunities for SBS
 - Invested more than \$32M in energy efficiency
- National Grid manages approximately \$6-7 million in SBS on-bill financing loans at any given time
- Loans average about \$2500 each
- The program has a very low default rate, approximately 3%

NYSERDA's On Bill Recovery (OBR)

- Approved by Governor Cuomo in 2011 - available for residential, small business, not-for-profits and multifamily building owners
- Electric utilities required to place OBR charges on customer bills
 - Utilities to be compensated for associated billing system costs
 - Facilitating utilities to be paid \$100 per loan plus 1% of loan values
- Benefits to customers
 - Convenient – no separate bill to pay
 - Repay with money from energy savings
 - Low 3.49% interest rate
 - Transferrable if you sell your property

Questions?



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