

## On Bill Financing (OBF) Research

Focus: OBF and other EE financing options

States: Arkansas, Florida (Tallahassee), Illinois, New York, Washington (Seattle), Oregon (Eugene)

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### **NCSL**

<http://www.ncsl.org/research/energy/on-bill-financing-cost-free-energy-efficiency-improvements.aspx>

*A review of above OBF page compiled by the National Council of State Legislatures seems to indicate that only the following states have legislatively enacted OBF programs: California, Connecticut, Georgia, Hawaii, Illinois, Kentucky, Massachusetts, Maine, Minnesota, New York, Oregon, and South Carolina.*

*According to the website, Utilities in the following states have undertaken OBF programs without legislative action: Alabama, Arkansas, Colorado, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota and Wisconsin, Nebraska, New Hampshire and Rhode Island, New Jersey, Texas, Vermont and Washington.*

*The site also links to several potentially helpful reports and studies, one link is included here below:*

<http://aceee.org/sector/state-policy/toolkit/on-bill-financing>

### **Kansas**

1. Program: How\$mart  
Company: MidWest Energy  
Program Type: OBF, Residential and Small Commercial  
Items Covered: insulation, air sealing, new heating/cooling systems, commercial lighting  
Details: monthly surcharge (less than projected EE savings) tied to location and becomes the responsibility of any new buyer (disclosure required). Principal can be paid in full with no early pay off penalty. Customer requests an audit, conducted by Midwest Energy, which makes recommendations re: EE improvements and creates a conservation plan. Customer chooses a contractor (contractor has agreements with Midwest energy) (Re: rentals, LL and T must agree to participate). Interest rates: residential (3.5% over 15 years), Commercial (4.5% over 10 years), Program Fee (5% of ME investment). ME pays for all justifiable improvements (improvements where savings > cost), any additional improvements are the customer's responsibility. A UCC lien is placed on the impacted property. If seller fails to provide written disclosure, balance is due in full within 30 days of sale. The company does not charge for the energy audits unless a customer decides against utilizing the program/moving forward with the improvements (cost available here: <https://www.mwenergy.com/environmental/energy-efficiency/energy-audits-services>)

The programs listed on the State's Corporation Commission (Similar to MPSC) website are all related to Federal tax incentives or the Rural Energy for America Program.

While Kansas does not appear to have any legislatively enacted/mandated OBF or other EE financing programs, two statutes appear to authorize such programs:

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2014 Kansas Statutes 66-1248

([http://www.kslegislature.org/li\\_2014/m/statute/066\\_000\\_0000\\_chapter/066\\_012\\_0000\\_article/066\\_012\\_0048\\_section/066\\_012\\_0048\\_k.pdf](http://www.kslegislature.org/li_2014/m/statute/066_000_0000_chapter/066_012_0000_article/066_012_0048_section/066_012_0048_k.pdf)) and

2015 Kansas Statutes 75-37,125

(<http://law.justia.com/codes/kansas/2011/Chapter75/Article37/75-37-125.html>)

though the 2015 statute looks like it applies to government entities.

Website: <https://www.mwenergy.com/environmental/energy-efficiency/howsmart>

### **Illinois**

Senate Bill 1918, PA 096-0033 (2009) (<http://www.ilga.gov/legislation/publicacts/96/PDF/096-0033.pdf>)

Summary by the Citizen's Utility Board ([http://www.citizensutilityboard.org/ciLiveWire\\_IEP\\_ICCR.html#](http://www.citizensutilityboard.org/ciLiveWire_IEP_ICCR.html#))

Senate Bill 2350, PA 098-0586 (2013 Update) (<http://www.ilga.gov/legislation/publicacts/98/PDF/098-0586.pdf>)

Illinois On Bill financing for Gas Utilities (<http://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=022000050K19-140>)

#### *Illinois Commerce Commission OBF Dockets:*

- 10 – 0095 Petition for Approval of On Bill Financing Program for Central Illinois light Company (<https://www.icc.illinois.gov/docket/CaseDetails.aspx?no=10-0095>)
- 10 – 0091 Approval of the OBF Program for Commonwealth Edison Company (<https://www.icc.illinois.gov/docket/CaseDetails.aspx?no=10-0091>)
- 11-0689 OBF (<https://www.icc.illinois.gov/docket/CaseDetails.aspx?no=11-0689>) Initiated to determine “standard evaluation criteria and methodology” of OBF programs
- 15-0487 Petition to approve an IL EE Policy Manual (<https://www.icc.illinois.gov/docket/CaseDetails.aspx?no=15-0487>)
- 15-0403 Independent Evaluation of the Electric and Gas OBF Programs (<https://www.icc.illinois.gov/docket/CaseDetails.aspx?no=15-0403>)

Illinois Commerce Commission Report & Recommendations Regarding On Bill financing Programs (Oct. 2016)

(<https://www.icc.illinois.gov/reports/report.aspx?rt=39>)

### **New York**

Green Jobs – Green New York Act of 2009

(<https://www.nyserda.ny.gov/Researchers-and-Policymakers/Green-Jobs-Green-New-York>)

Power NY Act of 2011,

([http://assembly.state.ny.us/leg/?default\\_fld=&bn=A08510&term=2011&Summary=Y&Actions=Y&Text=Y&Votes=Y](http://assembly.state.ny.us/leg/?default_fld=&bn=A08510&term=2011&Summary=Y&Actions=Y&Text=Y&Votes=Y))

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*Other helpful sites:*

<https://www.nyserda.ny.gov/>

<http://www.energyfinancesolutions.com/main/homeownersnybillrecovery/title/New%20York>

### **Oregon**

HB 2626 (2009/2010) ([http://www.energycities.org/wp-content/uploads/resources/OR\\_OnUtility%20Bill\\_hb2626.en.pdf](http://www.energycities.org/wp-content/uploads/resources/OR_OnUtility%20Bill_hb2626.en.pdf))

### **Arkansas**

Act 554 relates to State agency EE contacts <ftp://www.arkleg.state.ar.us/acts/2013/Public/ACT554.pdf>

In October 2014, the USDA began operating an EE loan program in Arkansas. <https://www.usda.gov/wps/portal/usda/usdahome?contentid=2014/10/0237.xml>

On April 15, 2013, Gov. Beebe signed Senate Bill 640, the Property Assessed Clean Energy Act. The law “authorizes government entities to voluntarily form energy improvement districts with the power to issue tax-exempt bonds to fund low-interest, long-term loans to interested property owners for energy efficiency improvements, water conservation improvements and renewable energy projects.” Per the cited article, *the bill allows for the loan to attach to the property owner’s property taxes, not utility bill.* <http://pacenation.us/pace-bill-passed-in-arkansas-signed-by-governor/>

89<sup>th</sup> General Assembly, SB 640 (<http://www.arkleg.state.ar.us/assembly/2013/2013R/Bills/SB640.pdf>)