



EESI Expands Residential Energy Efficiency Initiative with New Grant

July 23, 2014—EESI is proud to announce the expansion of its on-bill financing initiative into a national effort to significantly improve the energy efficiency of homes served by rural electric cooperatives (co-ops) and public utilities, thanks to a grant from The JPB Foundation. Over the past five years, the Environmental and Energy Study Institute (EESI) has helped to demonstrate and build support for on-bill financing, in which loans for energy efficiency retrofits are repaid through participants' utility bills. Utilities that adopt this approach will cut energy consumption and emissions while improving home comfort and energy affordability for their customers and members.

"We are delighted to receive support from The JPB Foundation to pursue this largely untapped opportunity for energy efficiency gains," said EESI Executive Director Carol Werner. "There are more than 900 co-ops across the country with many low-income customers unable to otherwise afford home energy improvements. We are hopeful that rural co-ops and public utilities will see benefits from this approach for their business and their customers. This approach allows families throughout the United States to benefit from lower bills and healthier, more comfortable homes."

EESI has significant experience in working with co-ops on residential energy efficiency, after partnering with the Electric Cooperatives of South Carolina and Central Electric Power Cooperative, Inc. on their on-bill financing pilot program, "Help My House." The pilot cut energy use in participating homes by 34 percent. The pilot's innovative approach provided low-cost financing to co-op members for "whole house" efficiency upgrades, without upfront costs or traditional credit checks. Loans are attached to the meter and repaid over 10 years through charges on each participant's monthly bill. In most cases, monthly energy savings exceed the cost of loan payments. This improves participants' quality of life by increasing discretionary income and improving home comfort.

The South Carolina pilot was largely financed by the U.S. Department of Agriculture, which has now created a new \$250 million loan fund for rural utilities to carry out energy efficiency projects, including on-bill financing. In addition, the 2014 Farm Bill established the Rural Energy Savings Program (RESP), which can offer zero percent loans to rural utilities for on-bill financing. RESP has been allocated \$75 million per year over the next five years. With federal loans now available, co-ops across the country have the opportunity to implement their own programs.

The success of the South Carolina pilot model shows that co-ops and public power utilities can use on-bill financing programs to significantly reduce carbon emissions and fossil fuel use. Such programs can, therefore, be a valuable strategy to help meet the goals of EPA's proposed Clean Power Plan. On-bill financing programs can help alleviate poverty by reducing families' energy bills, while creating jobs and economic growth by keeping energy dollars local and building demand for energy efficient products. By driving down the need for additional power generation, these programs can be a winning business strategy for utilities.

For more information, please contact Amaury Laporte at alaporte@eesi.org or (202) 662-1884.

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The Environmental and Energy Study Institute (www.eesi.org) is an independent, non-profit organization advancing innovative policy solutions to set us on a cleaner, more secure and sustainable energy path. EESI educates policymakers, builds coalitions and develops policy in support of energy efficiency, renewable energy, sustainable biomass, sustainable buildings, and sustainable transportation. EESI was founded by a bipartisan Congressional caucus in 1984, and its strong relationship with Congress helps EESI serve as a trusted source of credible, non-partisan information on energy and environmental issues. EESI receives no congressional funding and is supported through contributions and grants.