

# Expanding Opportunity with Inclusive Financing

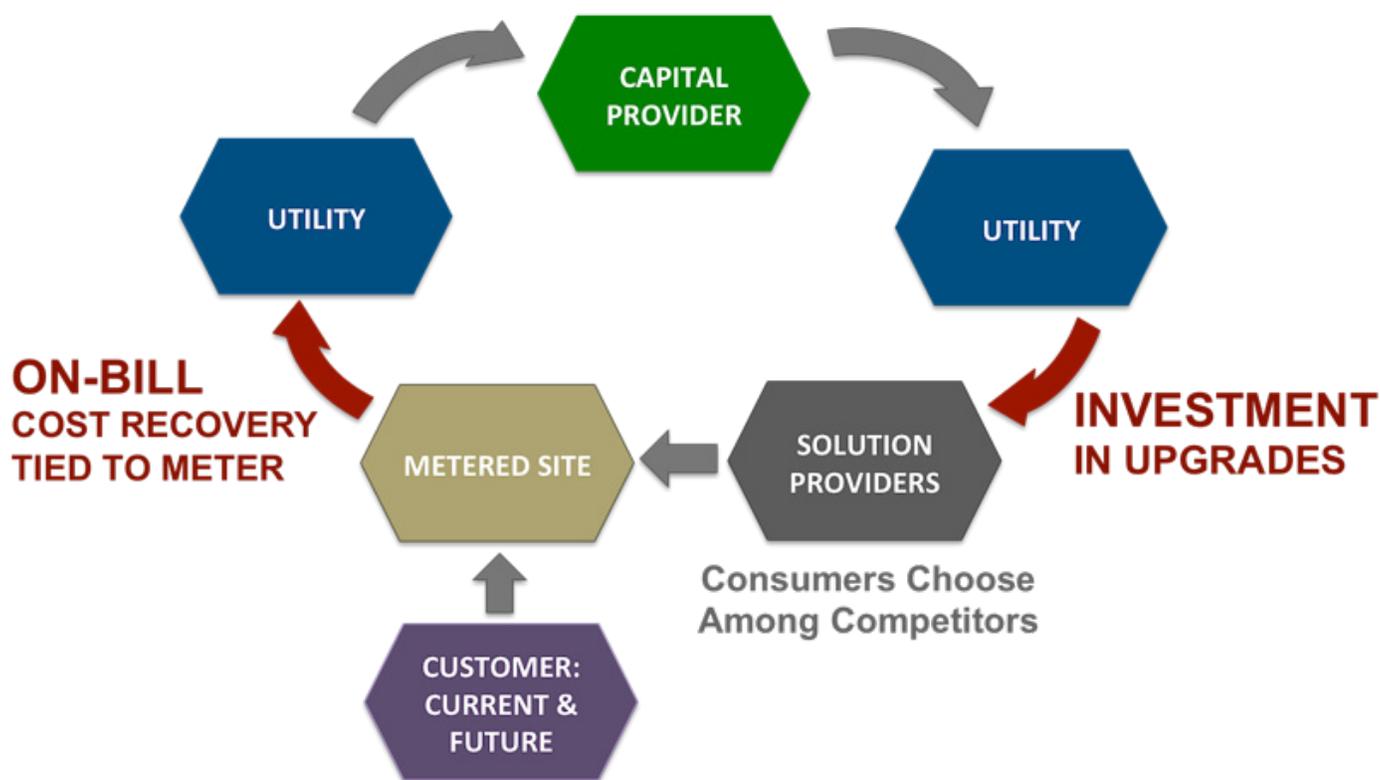
The Arkansas Public Service Commission voted unanimously to approve our opt-in tariff for cost effective energy efficiency investments in early 2016.<sup>1</sup> Within 90 days, our utility switched from offering loans for energy efficiency upgrades (our HELP program) to offering inclusive financing through HELP PAYS®, a tariffed on-bill program based on the Pay As You Save® (PAYS®) system.



Mark Cayce, General Manager  
Ouachita Electric Cooperative

With HELP PAYS, our utility can serve all customers, regardless of income, credit score, and renter status. The tariffed terms provide immediate net savings for the customer with no new debt obligation, and it assures the utility a low risk path to cost recovery through a charge on the bill that is less than the estimated savings from the upgrades. Our utility assures the upgrades continue to function throughout the period of cost recovery, and once cost recovery is complete, all upgrades belong to the owner.

PAYS offers all utility customers the option to access cost effective energy upgrades using a proven investment and cost recovery model that benefits both the customer and utility.



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<sup>1</sup> Commissions in Kansas, Kentucky, Hawaii, and New Hampshire along with utility oversight boards in California and North Carolina have approved similar tariffs also based on the Pay As You Save® (PAYS®) system

# Key Findings: HELP PAYS® Inclusive Financing vs. HELP Loan

Ouachita Electric Cooperative transitioned from its previous, nationally recognized HELP loan program to its HELP PAYS® tariffed on-bill investment program in order to benefit more of its members, and to increase the benefits it could deliver to participants. With this preliminary analysis of data for the first nine months of the program, some of those benefits are being validated immediately by the market response compared to the same period of the prior year with the HELP program in Ouachita Electric Cooperative's service area.

## 1. Participation tripled:

During the period April 1, 2015 – December 31, 2015, the HELP program in the same utility's service area served 70 members, all owners of single family homes. Over the same period during 2016, HELP PAYS® served 113 single family homes, 82 units of multifamily housing, and two commercial customers – approximately triple the number of participants.

## 2. Immediate net savings:

HELP PAYS® participants benefit from positive cash flow by keeping at least 20% of the estimated savings – compared to an average of zero immediate net savings in HELP, a bill neutral loan program.

## 3. Renters say yes:

Renters, who were categorically ineligible to participate in the HELP loan program, accounted for nearly half the participants in the first quarter of the HELP PAYS program, and by the end of 2016, 100% of the multi-family renters in the service area had opted into the program. Their landlords readily supported the program, agreeing to pay copayments required to qualify upgrades if needed.

## 4. Average investment doubled:

In the same period during 2015, the average size of the 70 single family HELP loan project was near \$2,280. In 2016, average investment through the HELP PAYS® program more than doubled to \$6,320.

## 5. Total investment grew by more than 5x:

During the same period in 2015, the HELP loan program in the utility's service area produced investments in energy efficiency of approximately \$290,000. With the HELP PAYS program, investment surged by more than a factor of 5 to exceed \$1.4 million.