

Below is a list of programs that allow for cost-recovery of energy efficiency improvements and renewable energy systems through a utility or government bill. The examples here show that a no-cash-upfront billing program for energy efficiency is feasible. That does not mean, however, that any of these programs is ideal in all respects. Organizing a broad-based energy efficiency program to maximize savings is still a work in progress.

Programs using utility bills:

New Hampshire

The New Hampshire Public Utilities Commission in 2001 authorized pilot programs to provide no-cash-upfront energy efficiency projects, with payments incorporated into electric billing. A program evaluation performed 18 months after the start of the programs found that they were effective in attracting customers who would not otherwise install energy efficiency upgrades. The program offered by the Public Service Co. of New Hampshire targeted municipal buildings and is still in operation today. More information is available at <http://www.psnh.com/Business/Efficiency/Paysave.asp>.

Kansas

On August 16, 2007, the Kansas State Corporation Commission approved a tariff similar to those used in New Hampshire for Midwest Energy Inc., based in Hays, Kansas. The program, called How\$mart, provides money for energy efficiency improvements and allows customers to pay for the improvements on their monthly utility bill. The program is very popular among customers, and almost as soon as the program was launched, a waiting list was formed. More information can be found at <http://www.mwenergy.com/howsmart.aspx>.

Michigan

By an order dated August 26, 2008, the Michigan Public Service Commission invited regulated utilities and others to participate in a working group to implement a program to provide energy efficient products that are purchased with no up-front payment and no customer debt obligation. The Commission found that such a program could provide "significant benefits to all classes of utility customers." A pilot program is expected to be launched in 2009. More information, including a link to the PSC order, can be found at http://www.michigan.gov/mpsc/0,1607,7-159-16377_47107_51666---,00.html.

Hawaii

Hawaii's program targets renewables instead of energy efficiency. In 2006, the legislature mandated a no-cash-upfront utility billing program to cover the installation of solar water heaters. Utilities whose service areas include the islands of Hawaii, Maui, Oahu, and Kauai were required to file relevant tariffs and launch programs by June 2007.

Massachusetts

As part of the Massachusetts' Green Communities Act of 2008, the legislature directed the Department of Public Utilities to implement an "energy pay and save" pilot program that would allow electric

utility customers to pay for energy efficient or renewable energy products over time as a charge on a electricity bill. The pilot will be implemented by April 1, 2009.

Programs using government bills:

Babylon, New York – Town Initiative

Babylon, a “town” with a population of 220,000, launched the Long Island Green Homes program in October 2008. The program offers retrofits at no upfront cost, and recovers from homeowners a charge imposed by the town to cover the costs. More information is available at <http://www.townofbabylon.com/whatsnew.cfm?id=252&searchDate=06/16/2008>.

Berkeley, California – City Initiative

In November 2008, Berkeley launched its “Berkeley First” program that provides support to property owners to install solar systems and recovers program costs from participants’ property tax bills over a period of 20 years. Within ninety minutes of the program launch, it was fully subscribed. More information is available at <http://www.ci.berkeley.ca.us/ContentDisplay.aspx?id=23654>

Palm Desert, California – City Initiative

Palm Desert launched its Energy Independence Program in October 2008. The program allows the city to loan money to participants for any efficiency measure which is permanently attached to the property, including solar systems. Participants pay the loan back over time through their property tax bill. The Palm Desert website provides additional information and is available at www.cityofpalmdesert.org/Modules/ShowDocument.aspx?documentid=2571.

For more information see www.cows.org/me2