CCI HEAL
home energy affordability loan

AN EMPLOYER SPONSORED ENERGY BENEFIT PROGRAM
by

CLINTON FOUNDATION
Clinton Climate Initiative
Why the Workplace?
“The idea behind HEAL is to make workplace retrofits the norm and to create both the demand and the financing for employee residential upgrades.”

President Bill Clinton, Back to Work, 2011
Where Big Ideas Get Traction

401k

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of U.S. households</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>5.7</td>
</tr>
<tr>
<td>1985</td>
<td>14.7</td>
</tr>
<tr>
<td>1990</td>
<td>25.1</td>
</tr>
<tr>
<td>1995</td>
<td>28.7</td>
</tr>
<tr>
<td>2000</td>
<td>44.5</td>
</tr>
<tr>
<td>2005</td>
<td>43.0</td>
</tr>
<tr>
<td>2010</td>
<td>43.9</td>
</tr>
</tbody>
</table>

Health Insurance
Original Social Network
Employers Offering HEAL Benefit (by Industry Sector)

- Healthcare: 25%
- Higher Education: 14%
- Manufacturing: 11%
- Municipality/Govt: 7%
- Hospitality: 7%
- Professional Services: 4%
- Utility: 14%

CCI HEAL
Clinton Climate Initiative
HEAL Models
Three Models of HEAL

1. **Employer Provided Finance: Original HEAL Model**
   Where employer provides Residential Upgrade funding
   Employee loan pool can be funded from facility EE retrofit savings

2. **Third Party Finance: Designed for entities with statutory or philosophical barriers regarding employee loans**
   Often employs a Credit Union with existing relationship as employee lender

3. **Mobility Savings: Variation of the Original model that uses saving from transportation initiatives, rather than those from facility improvements**
HEAL Model Design

RETROFIT FINANCE

RESIDENTIAL UPGRADE DELIVERY

FINANCING PARTNER

ENERGY AUDIT

ENERGY UPGRADE

PR DEDUCTION
Non-Traditional Financing Source

Each model uses payroll deductions for repayment

Models do not require consideration of home value/equity as a component of credit criteria

- **HEAL Original and Mobility: Credit Agnostic Financing**
  - Financing eligibility decision based on non-credit metrics (e.g.- Seniority, Employment History, Employee Reviews)

- **HEAL Third Party Finance: Relaxed Credit Criteria**
  - Employer participation criteria and payroll deduction provides risk mitigation
Examples and Results
Why don’t they do it themselves?

- Lack of Time, Knowledge of ROI
- Access to Capital
- Lack of Awareness
- Availability of Services
Pre-Audit Survey

Top Employee Concerns

- Comfort: 87%
- High Energy Use: 70%
- Health/Air Quality: 68%

- High energy bills: 70%
- Moisture/mildew concerns: 34%
- Uncomfortable rooms: 42%
- Indoor air quality, excessive dust: 47%
- Drafts/air leaks: 78%
Energy, Environment & Financial Impacts of Recommendations

Average Simple ROI: 22.2%
Average in annual utility expenses, above the national average: $447
Reduced GHG emissions annually by: 6,708 pounds
Average rebate eligibility: $982

Most Frequent Recommendations
- Air Sealing: 83%
- Duct Sealing: 88%
- Attic Insulation: 58%
- CFL Installation: 100%
- Health & Safety: 10%
94% of employees participating in HEAL view employers more positively for offering the HEAL energy benefit program.

82% said offering HEAL makes for a better workplace.

Source: HEAL Participant Survey, June 2013
Respondents Say…..

- 96% of respondents say their employers are progressive in the local community.
- 93% say their employers care more about their employees.
- 83% say their employers are more sustainable or environmentally minded.
- 82% say they would likely recommend their employer to others.

Source: HEAL Participant Survey, June 2013
Arkansas Results

Average HEAL client savings over 5 years could provide...

- 6 months of Groceries
- 1.1 years of Clothing
- 11.5 months of Gasoline
- 19 years of Flu Shots (family of 4)

Return On Investment

- 23% ROI for employees undertaking home energy improvements
- 9 years in the last 35 that the stock market has exceeded that return
- 7 years in that time period the stock market has had a negative return

90% of participating employees are likely, or very likely, to make energy efficient improvements in the future...

64% would not have made improvements without HEAL participation

Source: HEAL Participant Data, 2012
Source: HEAL Participant Survey, June 2013

Annual Cost Sources: BLS, Consumer Expenditures, 2009-11; CCAA, Parents and the High Cost of Child Care: 2012 Report
CCI HEAL
home energy affordability loan

AN EMPLOYER SPONSORED ENERGY BENEFIT PROGRAM
by

CLINTON FOUNDATION

Clinton Climate Initiative