



Home Energy Affordability Loan (HEAL)





Heal: /hēl/: Verb

Cause (a wound, injury, or person) to become sound or healthy again.



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ENERGY



Local Climate and Energy Program



CCI HEAL
HOME ENERGY AFFORDABILITY LOAN

Employer: Energy Upgrade Catalyst



- **Home Energy Affordability Loan (HEAL) provides the infrastructure that allows employers to offer Energy Upgrades in a turnkey manner**
 - HEAL works like an employee benefit provider
 - Marketing, signup, audit, consultation, Upgrade delivery facilitation/QA and finance facilitation/management
- **HEAL views Employers as:**
 - Credible platforms for presenting marketing and education opportunities to workforce en masse
 - Point source aggregators of Upgrade demand
 - Sources of Credit Agnostic financing





Credit Agnostic Financing

Two Models of HEAL

- Both models use payroll deductions for repayment
- Neither model requires consideration of home value/equity for decision
- Industry Financed (HEALⁱ): Original HEAL Model where employer provides Upgrade financing, with the loan pool often funded from facility EE retrofit savings
 - Financing eligibility decision based on non-credit metrics (e.g.- Seniority, Employment History)

Third Party Financing



- **Third Party Finance (HEAL³):** For entities with lending restrictions, third party financing using a credit union is deployed
 - Most state, municipal entities already have a credit union relationship
 - Can be used in conjunction with a Loan Loss Reserve to lower risk/rates
 - For those unable to qualify with credit union, Bridge Loan Fund administered by Clinton Foundation to advance funds that are projected to be paid back through rebates/incentives

Why Credit Unions are Interested

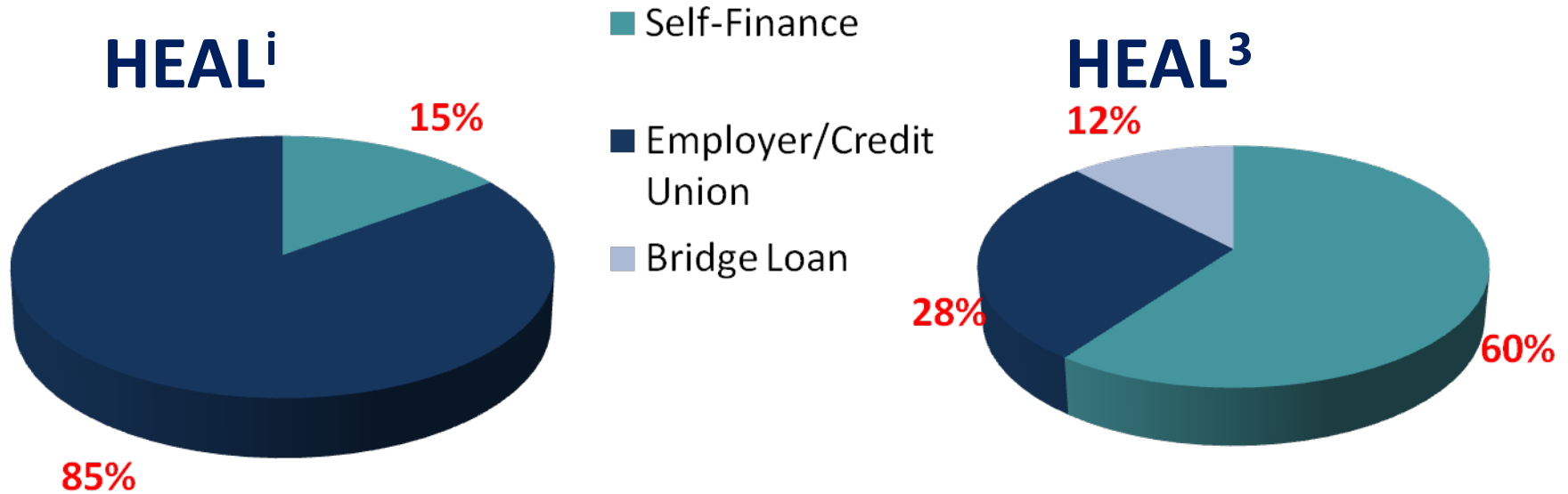


- 1. Already looking for new loan products/services to offer existing members**
- 2. Expands membership within an employer to those not currently members**
- 3. Most CUs already have a payroll deduction process in place with employer**
- 4. Employer participation criteria provides risk mitigation filters**
- 5. Payroll deduction provides enhanced surety of payment**

Reality Check- Altering Behavior



When faced with third party involvement, preferences change





Engaging Utility Program Partners

1. Review State PSC/ UC Energy Efficiency Mandates
2. Participate in Existing Programs
3. Create dataset of your program impact/costs for their program

Utility Partner Custom Programs

1. Can require PSC/UC approval, which may have long lead-times
2. Some entities have latitude to conduct custom pilot programs
3. Identify commonalities between your program goals and Utility EE strategies



EEM Frequency Metrics and Influence of Rebates



	Air Sealing	Duct Sealing	Insulation	Lighting	Appliances	Health/Safety	HVAC	Door/Window	Thermostat
All	84%	39%	65%	89%	22%	12%	13%	9%	22%
Industry 6	72%	97%	48%	83%	3%	10%	0%	0%	17%

Rebate Contribution is a primary determinate of uptake probability:

- Addition of rebates by Natural Gas provider has significantly impacted conversion ratio on EEMs
- 0% on bill financing offered by Electric Utility in lieu of rebates dramatically reduced conversion rates

Takeaways



Employer Model Provides

- **Scale and Reach**
- **Credibility**
- **Marketing Opportunities**

Partners Provide Essential Infrastructure

- **Third-party financial institutions: Credit Unions are often a particularly good fit**
- **Utility Rebate Programs: Can contribute to program cost recovery and increase Upgrade conversion rates**

THANK YOU

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