

Financing Energy Efficiency

Building America Stakeholders Meeting
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Background

- San Antonio Energy Financing Efforts are mostly recent – post 2008 recession
 - Various methods attempted
 - On-Bill Financing
 - Revolving Loan Fund
 - Loan Loss Reserve
 - Interest Rate BuyDown
- Initially Active with PACE

On- Bill Financing

- City conducted consultant study on the PAYS® (Pay As You Save)
- Needed utility bill technology improvements created initial postponement
- Public funds for private benefit issue has to be resolved in San Antonio

Revolving Loan Fund

- City Lights
- 0% interest for lighting upgrades for small businesses
- Quick payback on lighting allows fund to be replenished quickly and thereby maintain activity
- City Lights experience illustrated the low risk tolerance of borrowers and the benefit of streamlined service.



Revolving Loan Fund (cont'd)

- Texas LoanSTAR –Loans to local governments for energy measures with 10 year or less paybacks
- Not eligible for Residential Programs; must be public entity owned facilities
- Implementation challenges attracts ESCO's

Loan Loss Reserve

- Complicated reporting and tracking elements due to use of public funds
- Lender reluctance toward participation



Interest Rate BuyDown

- Tepid response from lenders
- Lender experience matters
- Generating borrower interest is a challenge
- Qualified borrower shortage



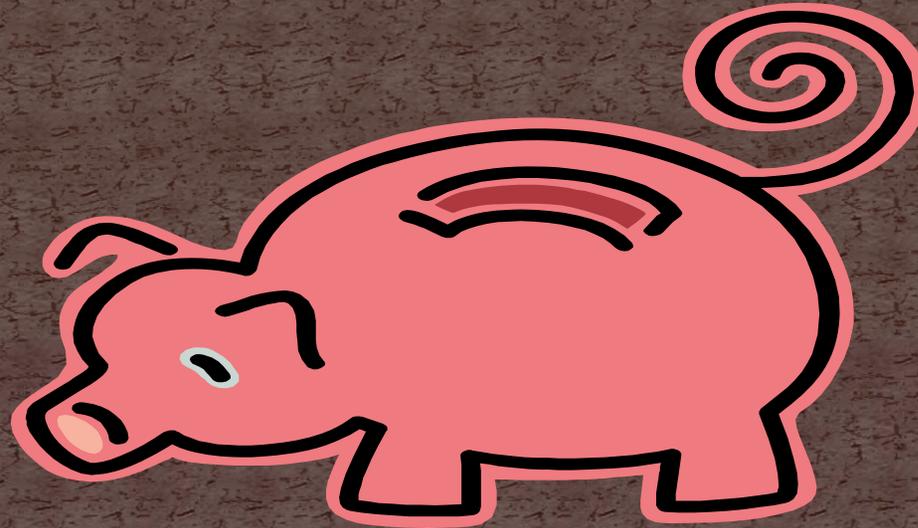
Lessons Learned

- Lender Experience Matters
- Caution in down economy by lenders and borrowers



Lessons Learned (cont'd)

- Lenders seek to build relationships
 - Caveat: With customers with 680+ credit score
- Penny saved is a penny earned: Valuing energy efficiency as an investment strategy has not been achieved



Thank you for your attention!

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