From: Chris Woolery [redacted]
Sent: Thursday, October 20, 2022 5:20 PM
To: Hayden, John; Bevington, John
Cc: andrew mcdonald; [redacted]; Carrie Ray; Josh Bills; Rachel Norton
Subject: RE: Inputs and assumptions for PAYS

EXTERNAL email. STOP and THINK before responding, clicking on links, or opening attachments.

Hi again friends,

Dangit! With apologies for this second email, I meant to include ENERGY STAR's web resource on Inclusive Utility Investment as well.

I like to share this link because it's from an independent third party, and because it includes links to even more info – including a resource library.

Thanks again,
CW

From: Chris Woolery
Sent: Thursday, October 20, 2022 5:01 PM
To: Hayden, John [redacted]>; Bevington, John [redacted]
Cc: 'andrew mcdonald [redacted])' [redacted]; [redacted]; Carrie Ray [redacted]>; Josh Bills <[redacted]>; Rachel Norton <[redacted]>
Subject: Inputs and assumptions for PAYS

Hi John and John,

(Cathy, Andy, and my MA co-workers are copied herein.)

Thanks for asking for more info on PAYS®! I will start by directing you to the Essential Elements and Minimum Program Requirements that must be met for an inclusive utility investment program to use the PAYS name.

Like most other energy/DSM best practices, PAYS and the language around it continue to evolve at a very rapid pace. We have gone from "on-bill financing" to "tariffed on-bill" to "inclusive utility investments" at lightning speed, and the folks that are implementing the program at scale continue to refine it and make it more accessible, less risky, and most effective. Also: Eetility, the program operator for the biggest PAYS programs, now offers the license to operate PAYS for free.

I can put y'all in touch with PAYS experts that can answer any of your more detailed questions! And I would love to do that in a timeframe that could make it possible for a robust PAYS program to make it into this year's filing.

Here are some of the basic inputs and numbers for programs of which I am aware:

- Cost-recovery term: max of 12-15 years (up to 80% of the life of the measures)
  - We reduce the term whenever the savings allow for it, to minimize the cost recovery periods
- Monthly payment: max of 75-80% of the estimated monthly savings

- Financing rate: 0-3%, depending on funding source (the utility can take out a loan to finance the inclusive utility investments, but the customer agreement is not a loan)
- Customer contribution: none required, but the customer can choose to make an up-front payment if the estimated savings isn't high enough to justify the payment for the package of their choice, or if they want to reduce their tariffed payment or agreement term
- Typical peak load reduction (per participant): 1.2-1.3 kW (Roanoke's program)
- Uncollectable are less than 0.05%
- Source for much of this data is here

And here are some numbers (through 8/2020) from How$martKY™:

- Avg. yearly elec savings: 5514 kWh
- Avg. monthly elec cost savings: $52.15
- Avg. monthly charge: $39.13
- Avg. total job cost: $7592
- Avg. capital deployed (utility investment after incentives, customer contributions, etc.): $5087

If you'll share the inputs and assumptions that you used for your model, I can ask for expert input from our end as well.

Looking forward to hearing from y'all about meeting with Kenya soon!

Thanks,
CW

MOUNTAIN ASSOCIATION
mtassociation.org

We changed our name.
Here's why.

Chris Woolery
Residential Energy Coordinator
HE/HIM/HIS

EMAIL: [redacted]
OFFICE/MOBILE: [redacted]