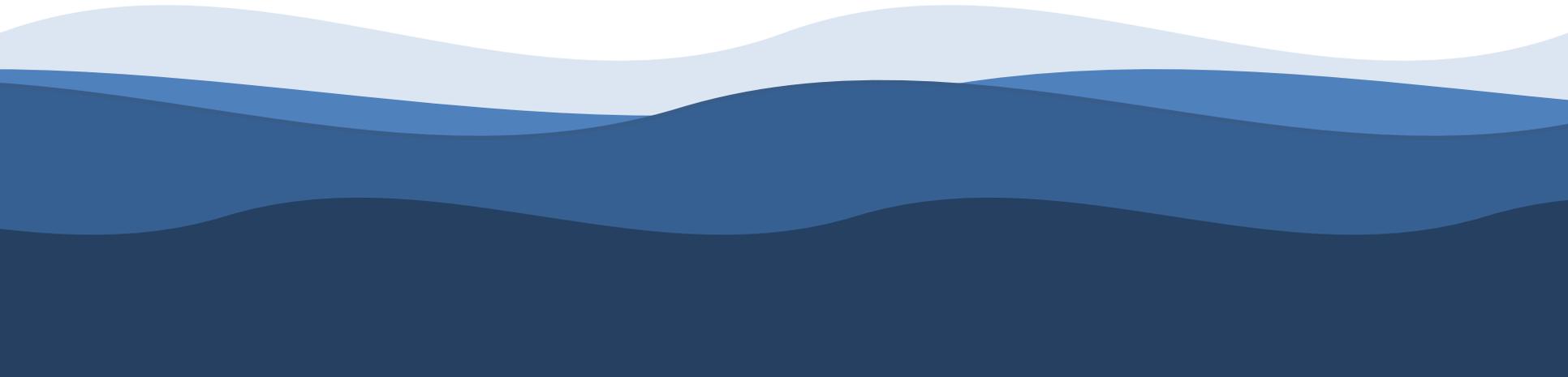




Energy Efficiency for Everyone

On-Bill Financing Update



What is HowSmartKY?

On-bill financing program

Energy savings
pay for retrofits

What is HowSmartKY?

Investment in the electric meter

Not a personal loan

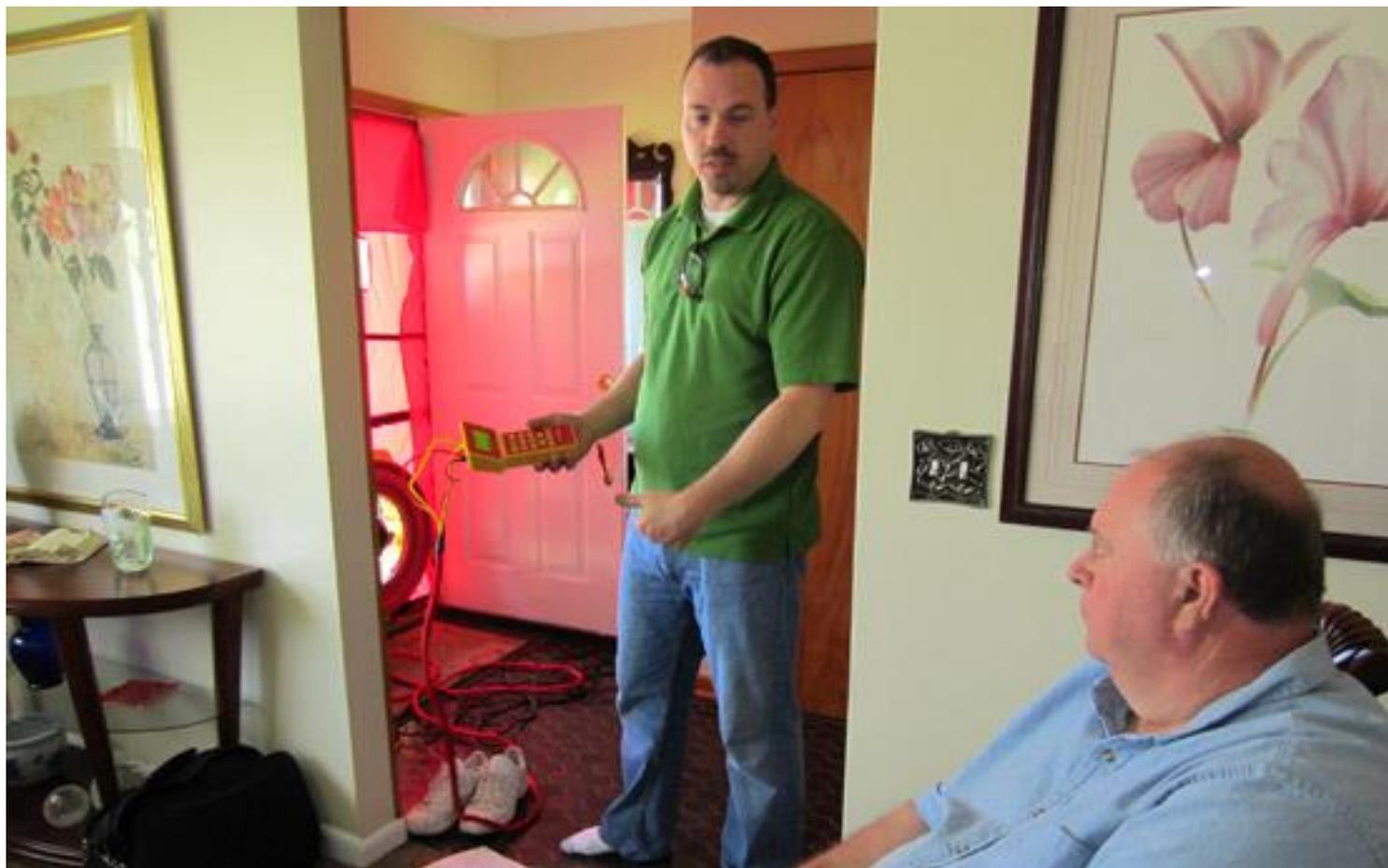
Does not affect the participating customer's credit.

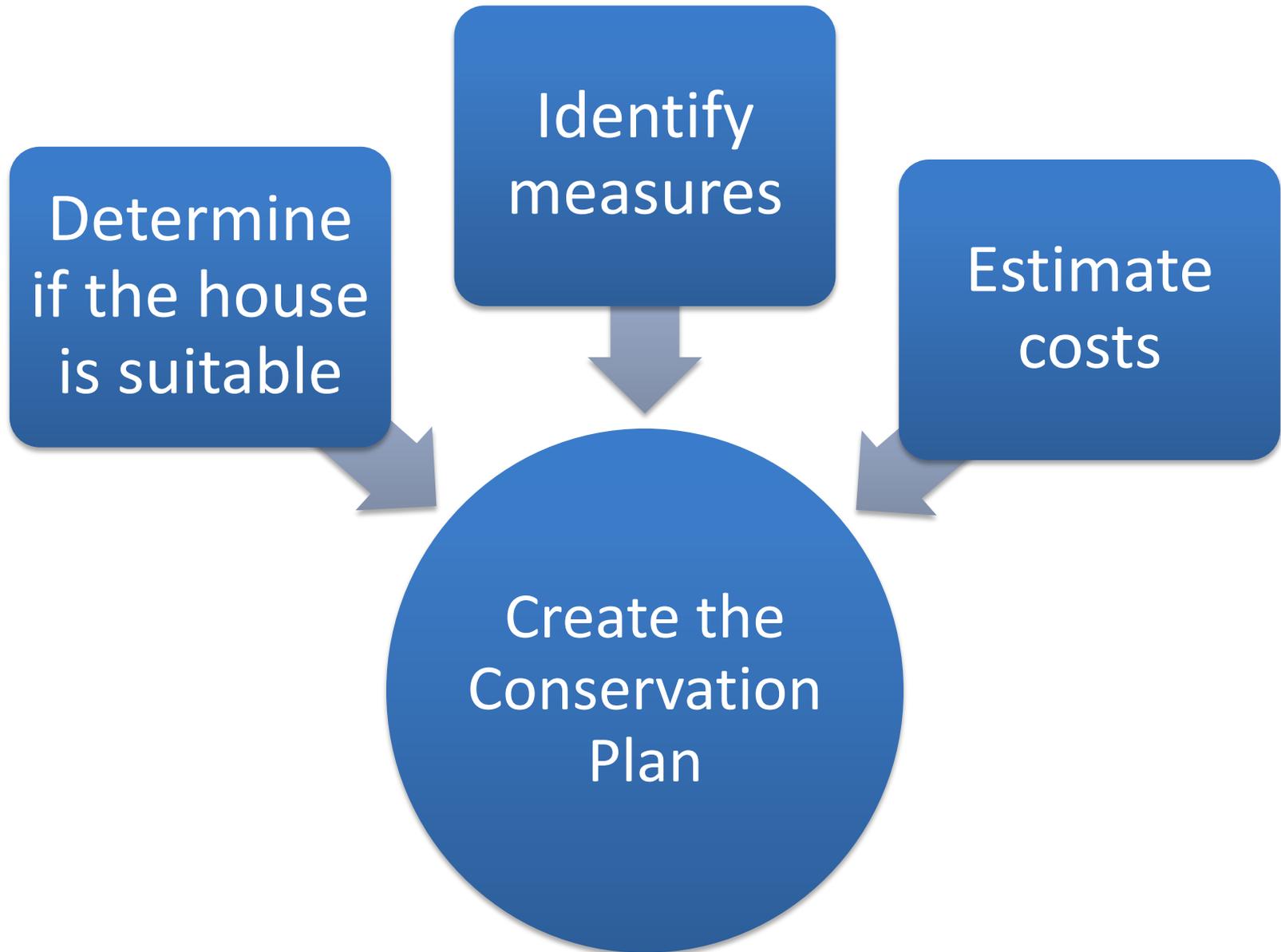
Usually starts with a high bill complaint

Co-op determines the customer is eligible

Audit is performed on the house

Blower Door Test





Conservation Plan

The retrofit payment
cannot exceed
90% of the projected savings

Payback in 15 years or less

Example 1

Single-story home with improperly sized Heat Pump receiving additional insulation & air sealing

<u>\$12,067</u> Cost of Improvements	\$10,067	
- <u>2,000</u> Rebates & Incentives	+ 5%	
\$10,067	\$10,570	@ 3% over 15 yrs = \$73/mo

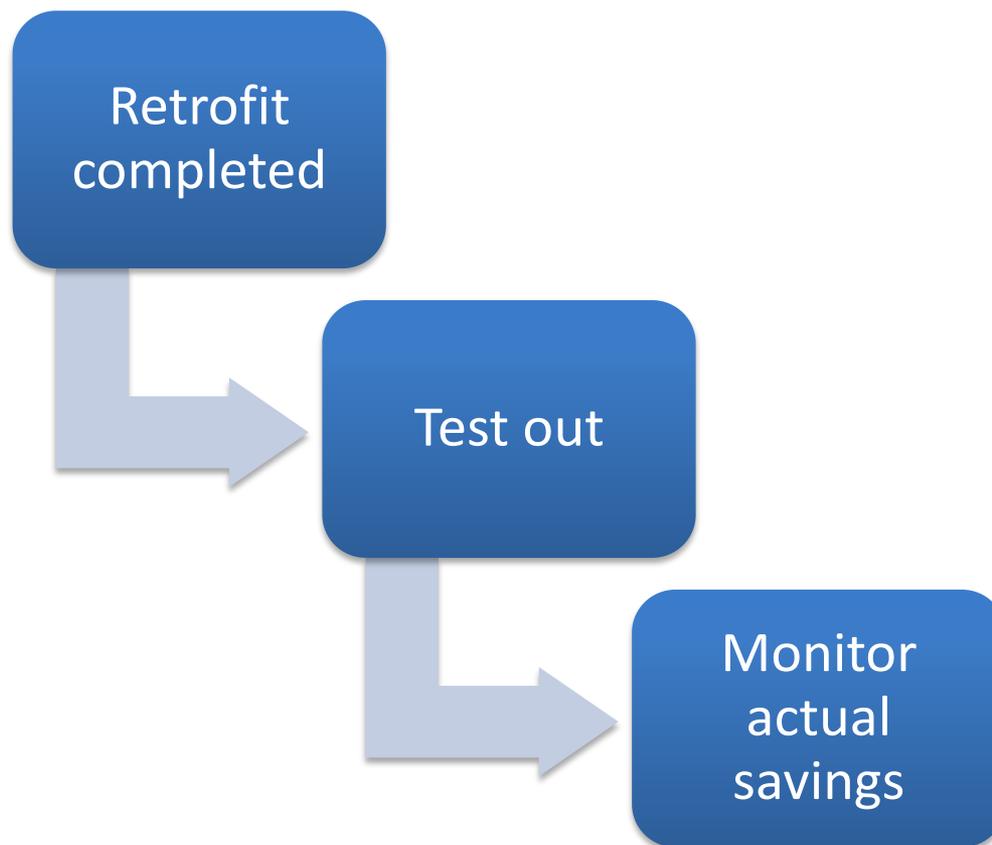
Projected 7979 kWh/yr savings →	\$103/mo	Avg. reduction
	- <u>\$73/mo</u>	Fixed charge
	<u>\$30/mo</u>	Immediate savings

Example 2

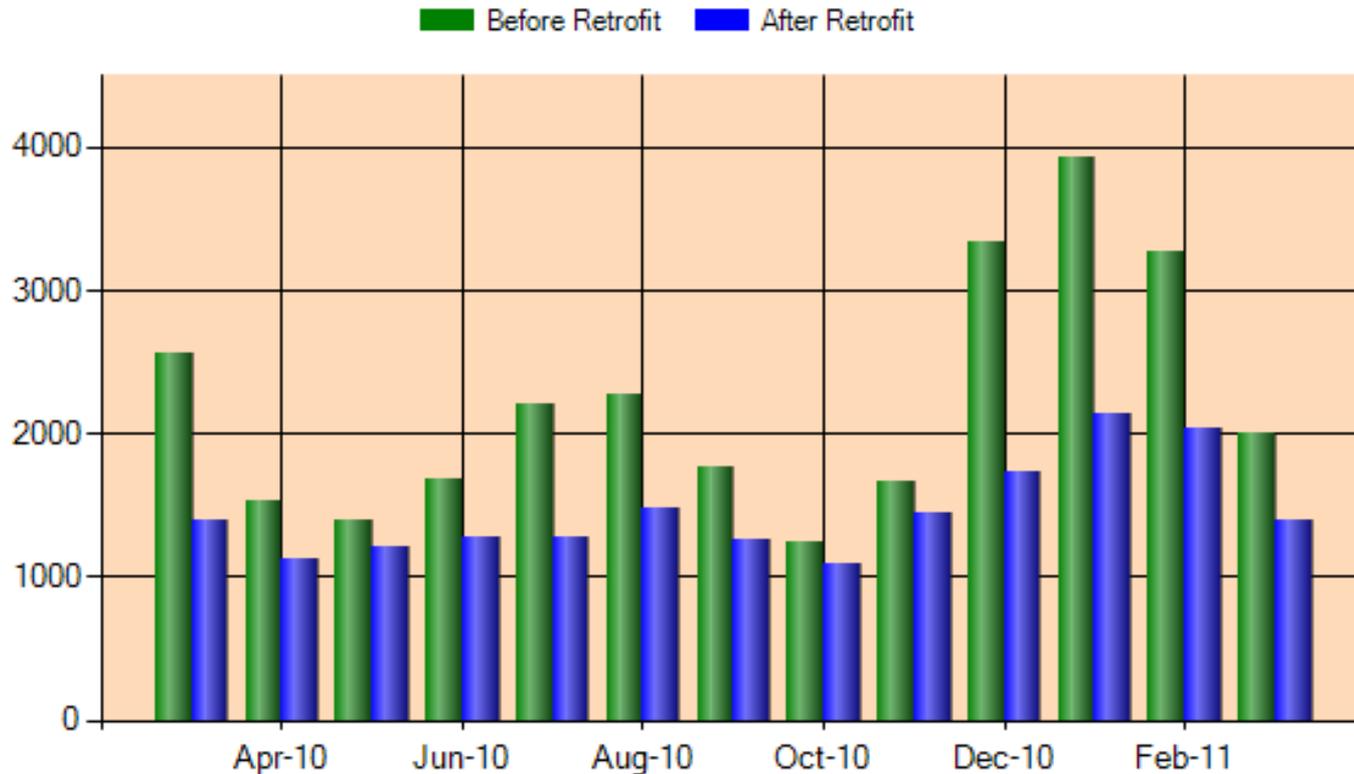
*Double Wide Mobile Home with Electric Furnace
Replaced with an Energy Efficient Heat Pump*

<u>\$7,350</u>	Cost of Improvements	\$5,380	
<u>-1,970</u>	Rebates & Incentives	+ 5%	Project Fees
\$5,380		\$5,649	@ 3% over 15 yrs = \$39/mo

Projected 6061 kwh/yr savings →	\$51/mo	Avg. reduction
	<u>- \$39/mo</u>	Fixed charge
	<u>\$12/mo</u>	Immediate savings



Comparison Results - Single Family Home

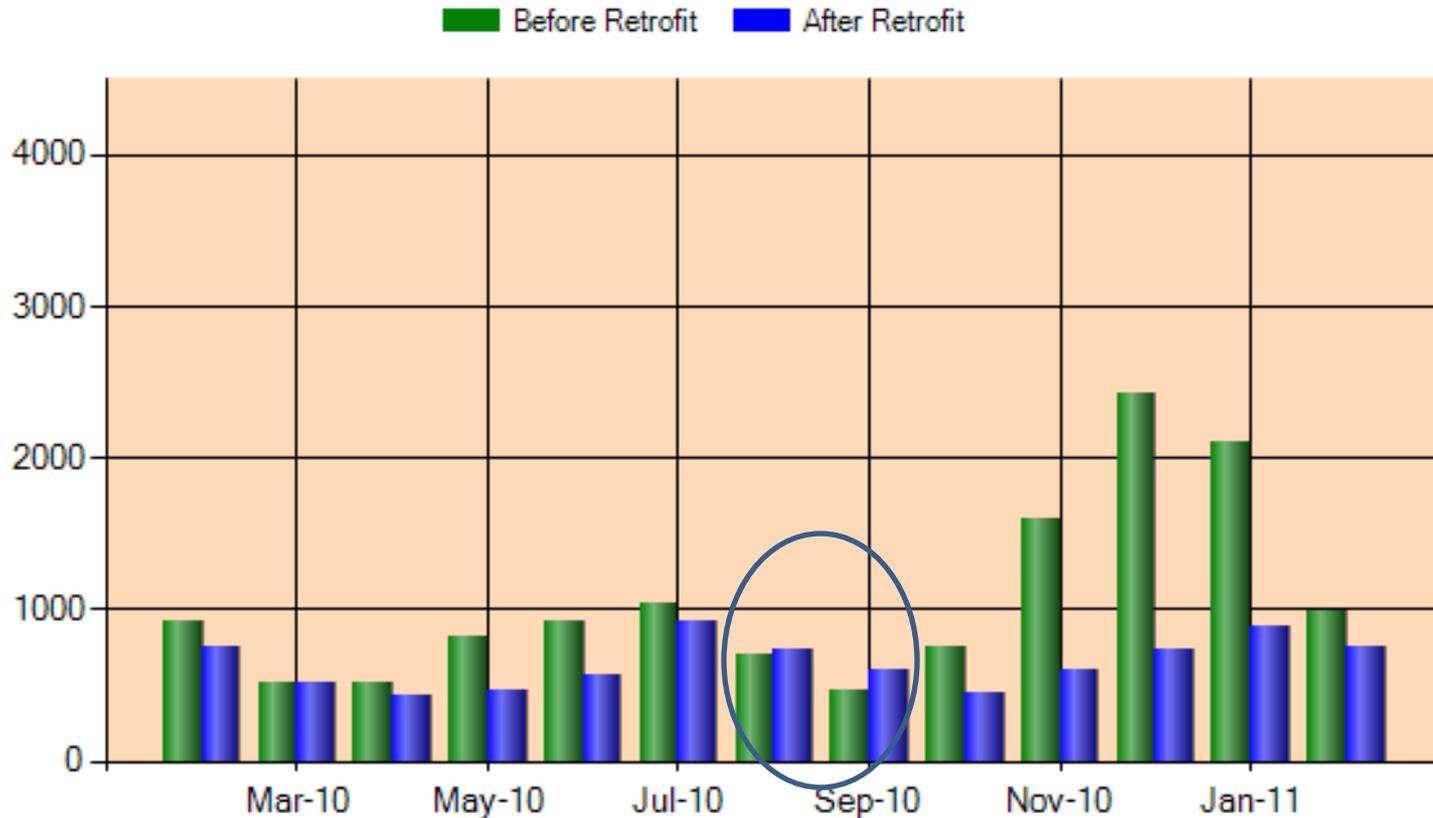


Estimated Savings: \$44

Average Monthly Savings: \$52; the on-bill financing charge: \$22

Weather Normalized Savings of: 31%

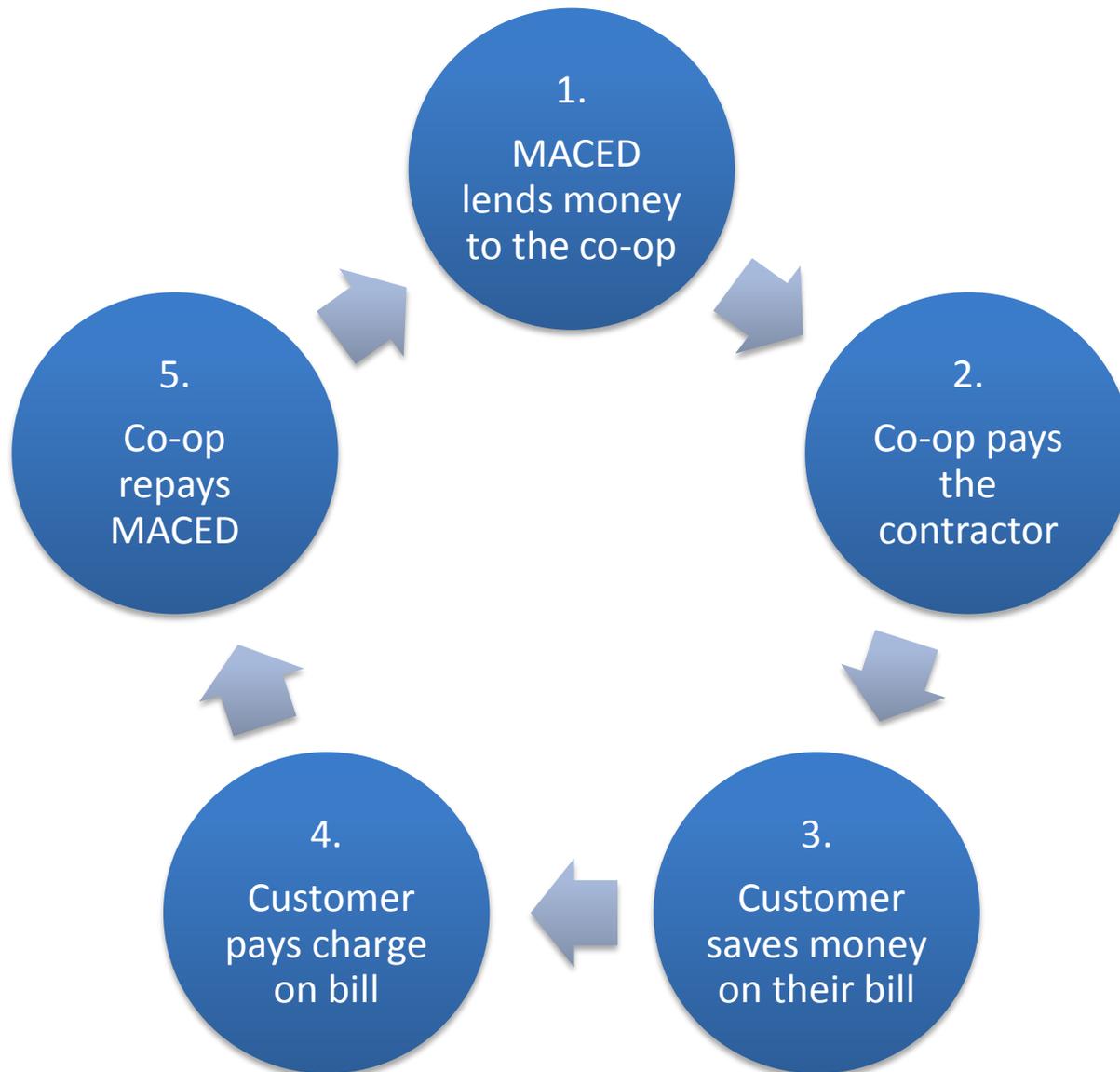
kWh Savings & Behavioral Change

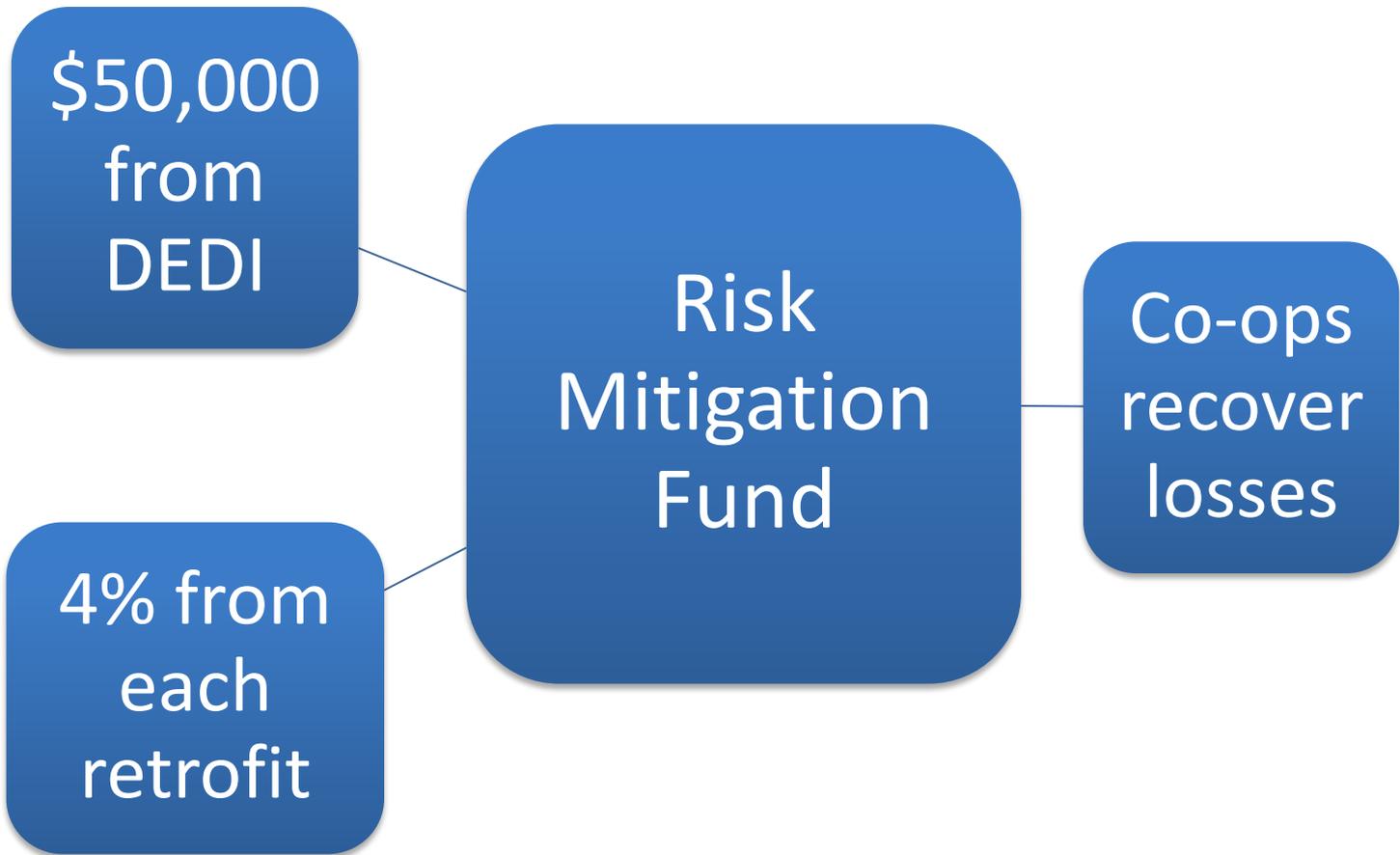


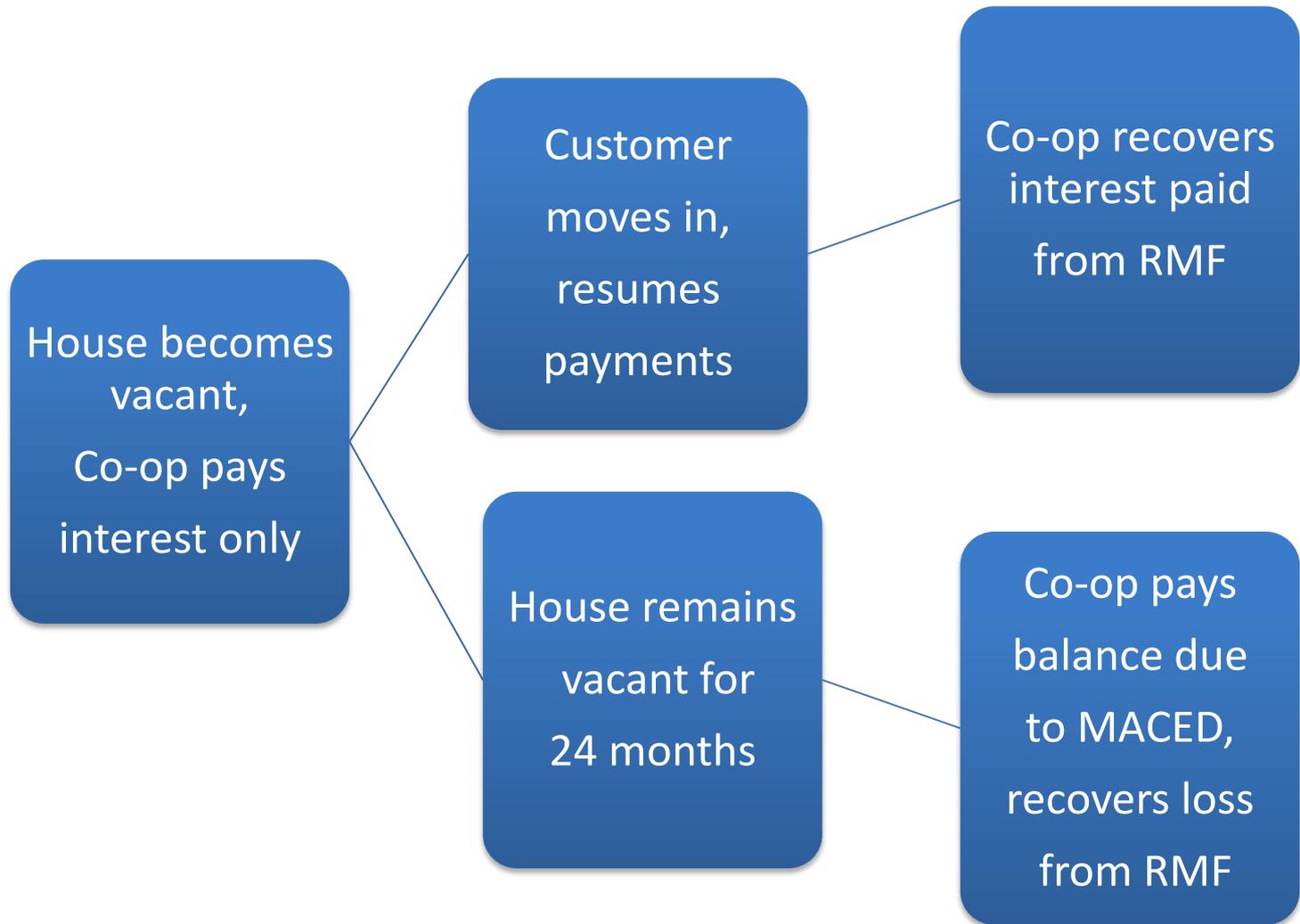
Estimated Savings: \$25

Average Monthly Savings: \$35; the on-bill financing charge: \$18

Weather Normalized Savings: 28%







The Six Rural Electric Co-Op How\$martKY Partners

Electric Distribution Service Areas

PSC Regulated Rural Electric Utilities

-  Big Sandy RECC
-  Blue Grass Energy Cooperative
-  Clark Energy Cooperative
-  Cumberland Valley Electric
-  Farmers RECC
-  Fleming-Mason Energy Cooperative
-  Grayson RECC
-  Inter-County Energy Cooperative
-  Jackson Energy Cooperative
-  Jackson Purchase Energy Corporation
-  Kenegy Corporation
-  Licking Valley RECC
-  Meade County RECC
-  Noltn RECC
-  Owen Electric Cooperative
-  Salt River Electric Cooperative
-  Shelby Energy Cooperative
-  South Kentucky RECC
-  Taylor County RECC

PSC Regulated Investor Owned Utilities

-  American Electric Power (AEP)
-  Duke Energy Kentucky, Inc.
-  Kentucky Utilities Company (KU)
-  Louisville Gas and Electric Company (LG&E)

TVA Regulated Utilities

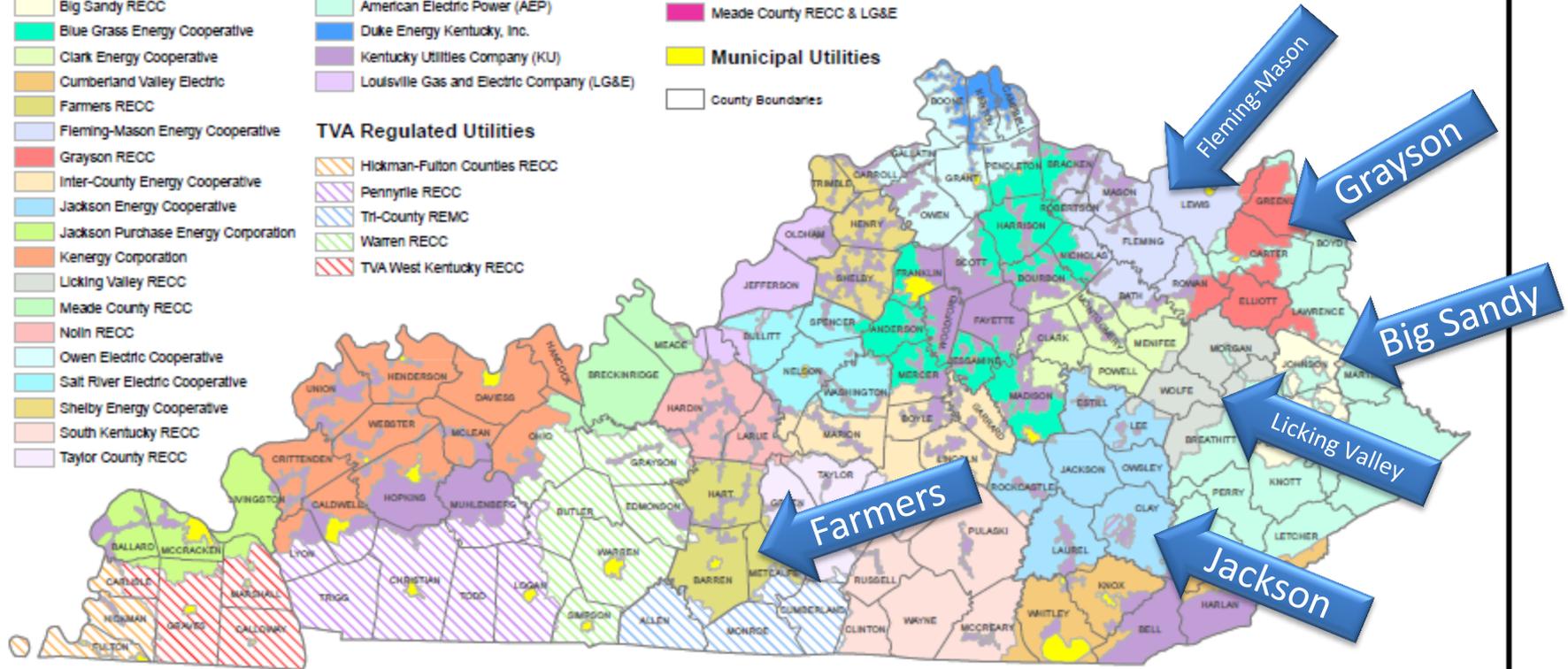
-  Hickman-Fulton Counties RECC
-  Pennyrite RECC
-  Tri-County REMC
-  Warren RECC
-  TVA West Kentucky RECC

Multi-Service Areas

-  Jackson Energy Cooperative & KU
-  Meade County RECC & LG&E

Municipal Utilities

-  County Boundaries



Kentucky has 30 municipal systems serving over 300,000 customers. Twelve of these are provided wholesale power by the Tennessee Valley Authority (TVA) and are regulated by them. The others are self-regulated by the municipality. The boundaries for the municipal systems were either derived from the Public Service Commission's certified territory maps, or from boundaries submitted for informational purposes to the PSC from the municipalities. If the municipal service area boundaries were unknown, a circle was placed around the urbanized area.

The electric service areas are compiled from certified territory maps on file with the Public Service Commission. These are legal documents which define the retail service area of electric suppliers regulated by the Commission (Kentucky Statute 278.017). The legal certified territory boundaries are drafted on 1:24,000 USGS topographic maps, and can be assumed to have an accuracy of 100 feet. This map, which was compiled from the data, is for informational purposes only, and has no legal standing.



Kentucky Public Service Commission
July 14, 2009

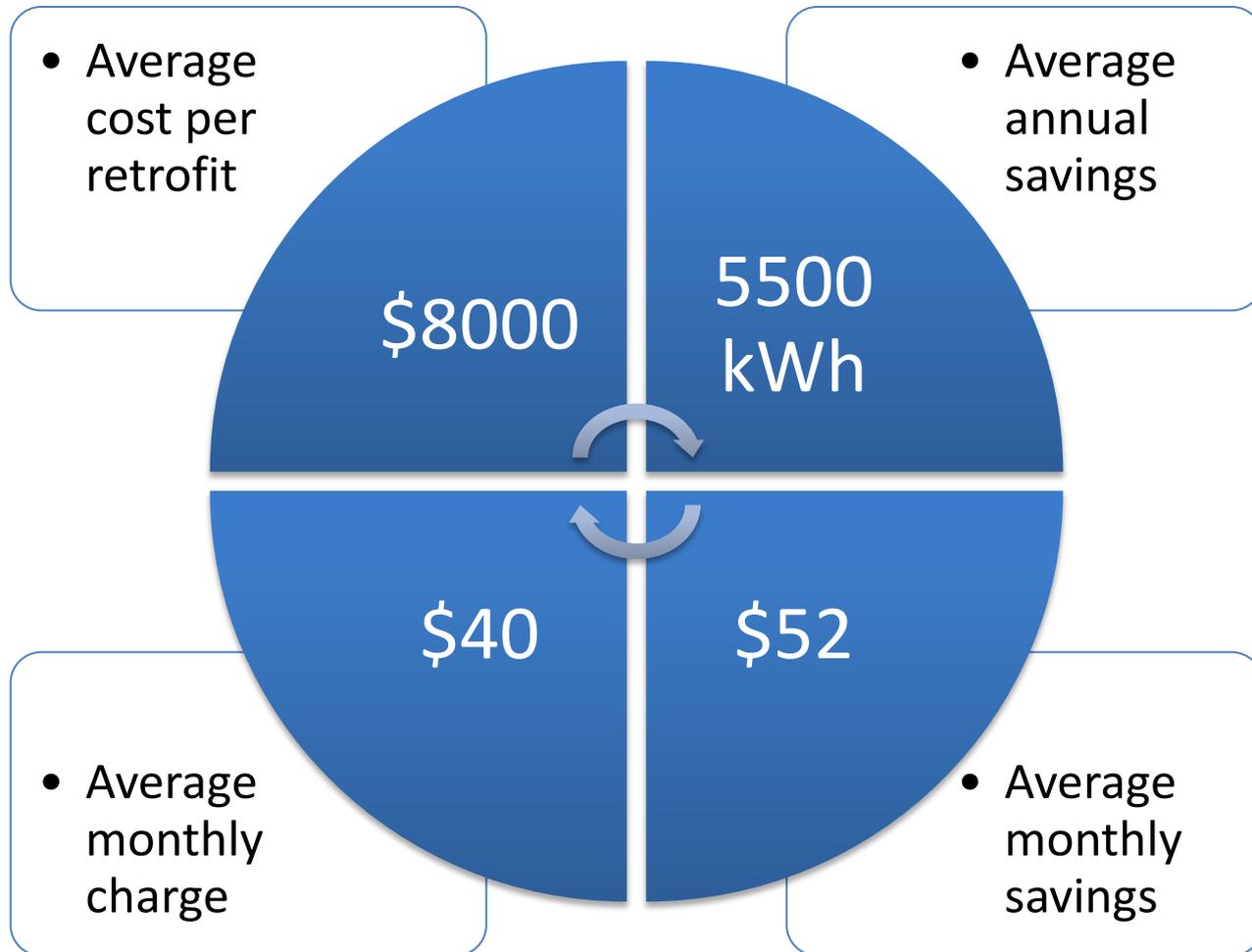
Status Report

Status To Date	
In Process	19
Completed Retrofits	187

363 Energy Assessments have been completed.

More than \$1 million invested in retrofits.

Program Stats



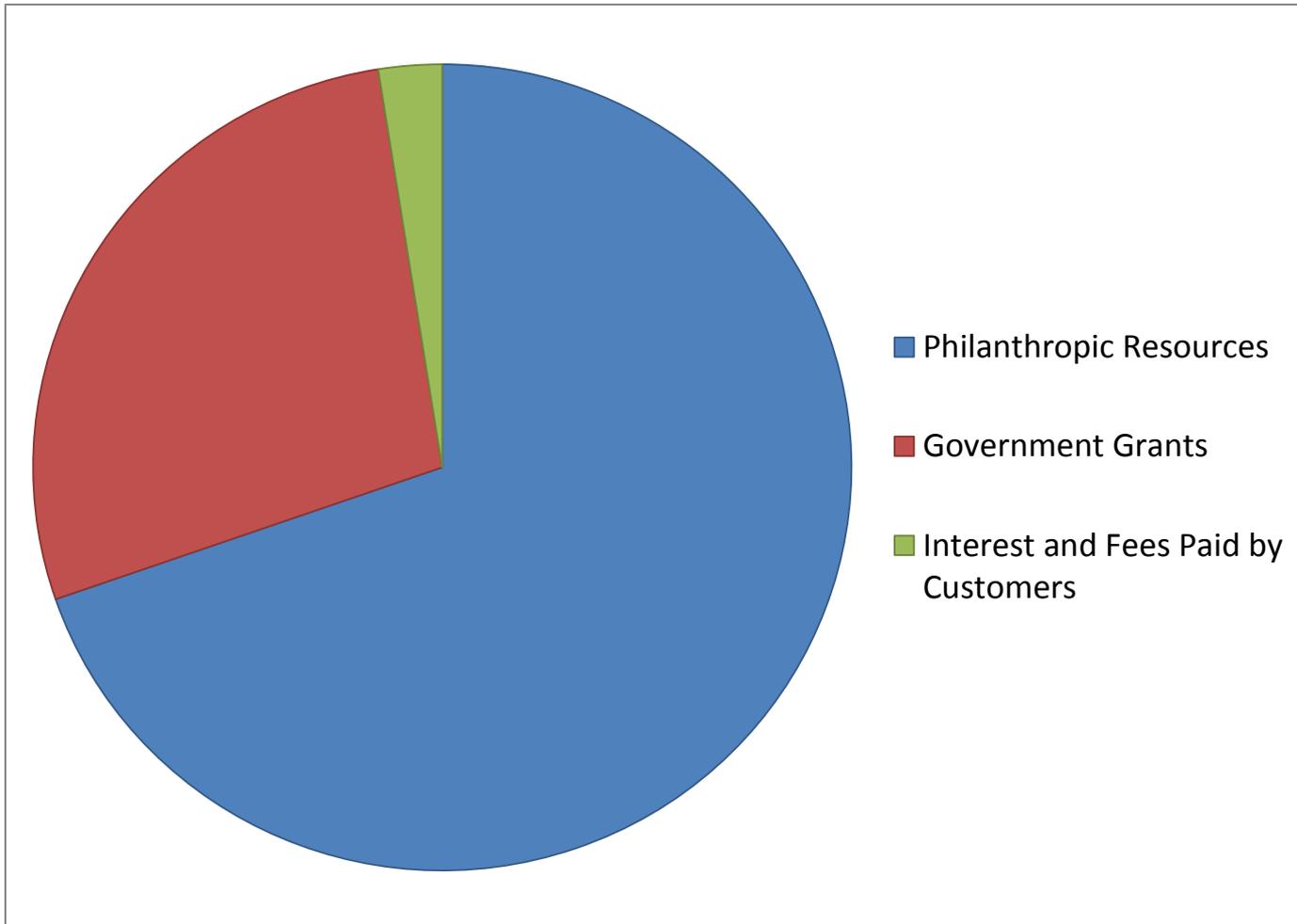
The Next Phase of HowSmartKY

Permanent tariff approved in August 2013

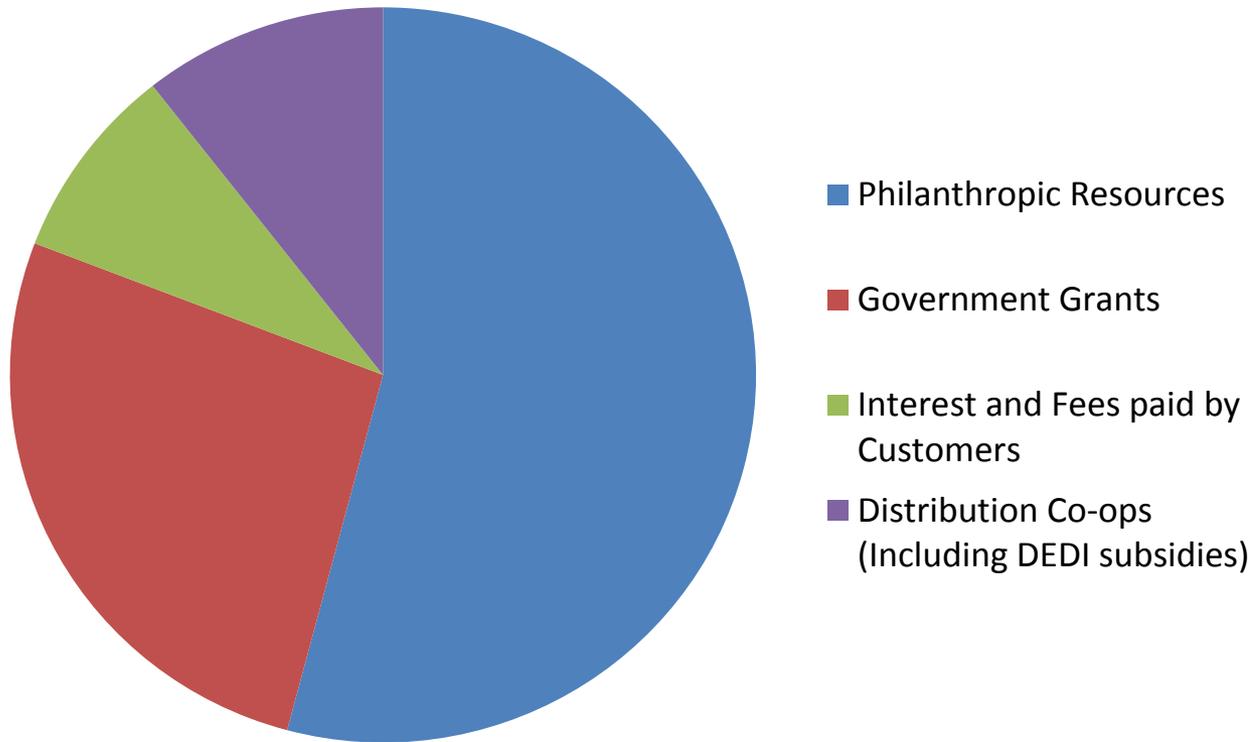
Recruiting additional co-ops

Expanding the program to scale

Sources of Funding: Pilot



Sources of Funding: Current Program



Opportunities and Challenges

- Expanding participation of the distribution co-ops and uptake by the members
- Reducing transaction costs
- Developing the pool of contractors who can take on a bigger share of the work
- Establishing revenue structures to sustain the program as it grows (fixed and variable costs)

Want More Information?

MACED

859 986-2373

www.maced.org