Agenda

• Overview of Commons Energy

• Questions of interest to New Hampshire
  — Relationship with efficiency programs
  — Customer acquisition
  — Alternative financing mechanisms to unlock new sources of funding or increase benefits to ratepayers
Purpose:
Commons Energy seeks to achieve deep energy savings in unserved buildings across market sectors serving a public purpose

Goals:
Energy, economic, and environmental gains
What is an ESCO?

An energy service company (ESCO) is a commercial or non-profit business providing a broad range of energy solutions including designs and implementation of energy and water savings projects, monitoring and verification of savings, and a guarantee of savings. An ESCO assumes the risk as a means to overcome barriers to making energy-saving investments.
What have ESCOs accomplished?

According to NAESCO, since 1990, ESCOs have delivered:

• $45B in projects
• $50B savings – guaranteed and verified
• 425,000 person-years of direct employment
• $30 billion of infrastructure improvements
• 470 million tons of CO2 savings at no additional cost
Commons Energy Addresses Unmet Needs

How Commons Energy Builds a Client’s Positive Cash Flow

- ESCO stopping point
- ESCO activity area
- Commons Energy activity area

Increased investment in energy projects via Commons Energy
Method:

Integrated services offering comprehensive, whole-building, client-based solutions to existing barriers
Approach:

Deepens and extends the ESCO model of future savings to fund improvements, replacing objective of public benefit to traditional private returns.

**How Commons Energy Builds a Client’s Positive Cash Flow**

- **Positive cash flow**  
- Commons Energy annual payments

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Before Commons Energy contract  

During Commons Energy contract  

After Commons Energy contract

Utility costs

Debt service

Utility costs

Utility costs
Step by Step

- Identify customers with at least $50K in annual utility bills (energy & water)
- Analyze bills to understand savings opportunities
- Offer free opportunity assessment (target projects $100K → ~$750K)
- Complete an investment-grade audit with limited risk to client
- Develop implementation plan & financing package (as needed)
- Oversee equipment installation & commissioning
- Measure & verify ongoing equipment performance
- Guarantee the savings
Efficiency program incentives are very important to making Commons Energy projects work.

We are seeking projects that provide deep energy savings and positive cash flow for customers without large capital reserves.

With today’s utility and fuel prices, efficiency program incentives are an important part of the mix.
Customer Acquisition

- Customer acquisition is a time-consuming process for Commons Energy
- Are working through established relationships and with past clients
  - National Housing Trust
  - Champlain Housing Trust
  - Housing Vermont
Innovative Financing Mechanisms

- Use of “patient” capital
- Use of credit enhancements
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Information about Public Purpose ESCOs: [www.ppescohowto.org](http://www.ppescohowto.org)

Commons Energy: [www.commonsenergy.com](http://www.commonsenergy.com)