



Energy Efficiency Program Summary

Small Commercial/Industrial Loan Program & Small Business Energy Advantage

Program Sponsor:	Connecticut Energy Efficiency Loan Fund	Program Administrator:	Connecticut Light & Power & United Illuminating
Program Location:	Connecticut	Eligibility:	Small Business, Commercial & Industrial, Municipal Customers
Program Start:	1998	Program Type:	State Sponsored/Utility Capital (SBEA) State Sponsored/Utility Capital/Private Capital

Program Description:

The Connecticut Energy Efficiency Fund (CEEF) sponsors two financing programs that are administered by Connecticut Light & Power (CL&P) and United Illuminating (UI):

- The Small Commercial/Industrial Loan Fund (C/I Loan Fund)
- The Small Business Energy Advantage (SBEA).

Both programs are used in conjunction with existing rebates and incentives. Project costs that are not covered by rebates and incentives are often financed through one of these loan programs. Both programs are administered by the CL&P and UI, although there are slightly different programmatic requirements between each utility. The CEEF is funded by a benefit assessment charge on each customer’s monthly utility bill.

The C/I Loan Fund is an interest-free loan offered to CL&P customers who are upgrading or replacing existing electrical equipment with high-efficiency electrical equipment. Small industrial manufacturing and commercial customers must have been in business for a minimum of three years, be in good credit standing, and have 100 employees or less. They must also have an average demand over 200 kW/month and fall within the Standard Industrial Classification (SIC) Code 2000-3999. Likewise, commercial customers must have an average demand between 200 and 350 kW/month and fall within the SIC Code 4000-9000. This program is funded with private capital, although the CT Energy Efficiency Loan Fund pays the interest. Because the C/I Loan Fund relies on private capital, it does not use on-bill collection.

For the SBEA program, the customer must be in business for at least one year and have an average demand between 10 and 200 kW/month. The SBEA program is funded entirely by the CT Energy Efficiency Loan Fund and uses on-bill collection. The SBEA program uses financial incentives to offset the project’s cost and zero-percent financing options to cover the balance.

Financing & Financial Products:	<p>C/I Loan Fund - \$5,000 to \$100,000, 0% interest for up to 60 months.</p> <p>SBEA - \$500 to \$100,000, 0% interest for up to 36 months.</p> <p>No disconnection for non-payment. CEEF acts as loss reserve. Default rate for SBEA <1%.</p>
Marketing:	<p>Both programs are marketed primarily through contractors.</p> <p>The SBEA program uses twelve (12) pre-screened contractors who are under contract with each utility.</p> <p>The C/I Loan Fund can be marketed through any contractor.</p> <p>Additionally, each utility markets the program to its customers.</p>
Enrollment Process:	<p>Customer calls utility and is connected to an SBEA Program Administrator to determine eligibility.</p> <p>Customer completes an application.</p> <p>If qualified for SBEA, the utility puts customer in touch with an approved contractor.</p> <p>If qualified for C/I Loan Fund, customer can use contractor of their choice.</p> <p>For SBEA loans, the contractor will conduct a low-cost energy assessment (\$75) of your facility to determine potential energy-saving actions. The utility will work with the contractor to prepare a proposal detailing the proposed measures, the estimated energy savings, and the complete cost.</p> <p>For C/I Loan Fund, no assessment is required. Customer and contractor identify which efficiency measures to implement.</p> <p>For both fund programs, the contractor develops proposal and work plan, which is submitted to the utility for approval.</p> <p>Once work plan is approved, application is complete, and letter agreement signed, the contractor can perform the work.</p> <p>After the project is completed, the measures are inspected and verified by CL&P.</p> <p>Customer repays loan.</p> <p>SBEA loan is repaid via on-bill utility charge. Funds are returned to CEEF.</p> <p>C/I loan is repaid to 3rd party lender, previously approved by CEEF.</p>
Audits:	<p>Basic assessment to identify potential energy-saving actions.</p>
Implementation Criteria:	<p>Lighting, HVAC, refrigeration, electrical controls, motors and air compressors are typical recommendations.</p>
Contractors, Training & Accreditation:	<p>CL&P provides minimal training for approved contractors in SBEA and no training for other contractors.</p> <p>No contractor accreditation is required.</p>

Contracts:	<p>For SBEA program, CL&P has contracts with 12 contractors to provide services – contractors bid to provide services.</p> <p>Letter agreement between participant and contractor.</p> <p>Loan agreement between participant and utility.</p>
Repayment, Collection & Flow of Funds:	<p>SBEA program uses on-bill collection method and utility pays contractor.</p> <p>C/I program uses private lender and 3rd party billing system. Lender pays contractor.</p>
Program Sustainability:	<p>Both programs employ a rebate + financing mechanism. SBEA provides 30-40% rebate and then finances the remainder at 0% interest.</p> <p>CL&P is redesigning the C&I program to have a graduated level of rebates + financing.</p> <p>Instead of receiving rebates for certain measures and having the ability to finance the remainder of the cost, CL&P is considering a graduate scale: For example, if a customer chooses 0% financing, they will receive only 10% rebate. Or, the customer could choose 2% financing and receive a greater rebate, i.e., 20%.</p> <p>Program wouldn't be nearly as successful without the rebate/financing combination.</p> <p>Since system benefit charge is paid by electrical customers, focus of program is only on electrical efficiency measures.</p> <p>The Connecticut Energy Efficiency Fund pays the salaries of the utility employees who administer each program.</p>

CONNECTICUT UTILITY LOAN PROGRAMS

Program Schematic

