

Attributes of Financing Approaches for Energy Upgrades

Attributes	Inclusive Utility Investments	On-bill loan	PACE
CUSTOMER ELIGIBILITY			
Residential customers are eligible	✓	✓	✓
Commercial customers are eligible	✓	✓	✓
Renters are eligible	✓		
No credit score check	✓	1	
Eligibility includes all customers in a utility's service territory	✓		
Utility uses bill payment history to confirm good standing	1	✓	
CUSTOMER EXPERIENCE			
On-site energy assessment identifies cost-effective upgrades	✓		
Customer chooses contactor for installation	✓	✓	✓
No upfront customer cost	✓	✓	✓
Estimated savings must exceed cost recovery charges over the estimated lifetime of the upgrades	✓		
Immediate net savings to customer	✓		
Payments end if upgrade fails and is not repaired	✓	2	
Customer signs a promissory note to accept a debt obligation	✓	✓	
Customer opts into a utility tariff tied to the location	✓		
Customer agrees to disconnection for not paying utility bills	✓		
Cost recovery is through a fixed charge on utility bill	✓	✓	
Customer agrees to a lien on the property	✓		
Cost recovery is through property tax bill	✓		
Participant's charges end when they leave the location if they have fulfilled their responsibilities, e.g., maintaining upgrades	✓	3	3,4
Cost recovery runs with the location and remains in effect for subsequent customers at that site until cost recovery is complete	✓		

1. This attribute applies in some cases
2. One PACE project developer markets a performance guarantee.
3. The loan obligation may be transferred to a successive property owner, provided they accept the debt obligation.
4. Because real estate negotiations may result in adjustment of the sale price based on the value of outstanding liens, the negotiations may ultimately obligate the seller to pay the outstanding balance on the investment.