On-Bill Financing for Energy Efficiency Upgrades

Zero-interest financing for business customers

Energy efficiency upgrades are a great way for businesses to lower their energy use and reduce monthly bills. PG&E can help you make facility improvements without high interest costs.

What is On-Bill Financing?

- The Energy Efficiency Retrofit Loan Program, also known as On-Bill Financing, helps eligible customers pay for energy efficiency retrofit projects with zero interest, zero penalty loans.
- The program works in conjunction with PG&E’s energy efficiency rebate and incentive programs by eliminating up-front costs.
- After project completion, PG&E will lend the money for the retrofit, and the customer will pay the loan—interest free—through their monthly utility bills.

How much can businesses and agencies borrow?

- Business customers may qualify for loans between $5,000 and $100,000 per service address, with loan periods of up to 60 months.
- Government agencies may qualify for loans between $5,000 and $250,000 per service address, with loan periods of up to 120 months.
- Loan funds must be used to purchase and install qualifying energy efficient equipment.

What kinds of projects are eligible?

Financing is available to fund many energy efficient technology upgrades, including LED lighting, refrigeration, HVAC, food service and LED streetlight projects. To qualify, a project’s total cost savings must be sufficient to repay the loan within the maximum loan term limits, and the project must qualify for a rebate or incentive through a PG&E program.

Customers may install the equipment themselves or hire a contractor to perform the work. PG&E may need to inspect the site before the old equipment is removed and may perform another inspection upon project completion.
How is the loan term calculated?

To qualify for financing through the On-Bill Financing Program, a project’s estimated energy savings must be sufficient to repay the loan during the maximum allowable payment term. The monthly payment is calculated based on estimated monthly energy savings.

For example:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Project cost</td>
<td>$10,000</td>
</tr>
<tr>
<td>Energy efficiency rebates and/or incentives</td>
<td>$(2,500)</td>
</tr>
<tr>
<td>Loan amount (remaining costs to be funded)</td>
<td>$7,500</td>
</tr>
<tr>
<td>Estimated monthly energy savings from retrofit</td>
<td>$300</td>
</tr>
<tr>
<td>Monthly loan installment billed on PG&amp;E utility bill</td>
<td>$300</td>
</tr>
<tr>
<td>Simple payback period (loan amount divided by monthly payment amount)</td>
<td>25 months</td>
</tr>
</tbody>
</table>

The loan terms for the customer in this example would be $300 per month for 25 months.

If a business customer closes a PG&E account before the loan term ends—for example if a business closes or moves to a new location—the business must pay off its loan balance when the final bill is settled.

Does your business or agency qualify?

Before beginning your retrofit project, contact PG&E to make sure your energy efficiency upgrades qualify for On-Bill Financing. To be eligible, customers must have a PG&E account that has been continuously active for the past 24 months and has been in good standing for the past 12 months. Business customers are also subject to a payment history screening.

Next Steps

To find out more information about the On-Bill Financing Program and to check your eligibility, contact your PG&E Account Manager through the Business Customer Service Center at 1-800 468-4743, or visit pge.com/obf.