



# USDA Rural Energy Savings Program On-bill Financing Program "Energy Retrofit Ashland"

December 3, 2024

## RESP Financing Update

### Lending of Credit issue with RESP borrowing

- ❖ Municipalities prohibited *from pledging its full faith and credit to backing the loan to a company.*
- ❖ RUS approved Ashland Electric *revenues to secure the debt.*

### Per bond counsel, two statutes to approve the borrowing

- ❖ ORS 287A.150 – *referral period which may refer authority to the voters.*
- ❖ ORS 271.390 – *requires financing of real or personal property only; Council finds the energy efficient measures are needed; requires a weighted average maturity application to the customer loans.*



## Other Financing Considerations

### Authority Considerations

- ❖ Timing; Ability to move forward
- ❖ Special upfront advance

### If ORS 271, use of Conservation Funds BN23-25

- ❖ Available \$955K
- ❖ Requesting \$200K to ensure successful launch
  - Conservation billing specialist/manager, marketing, lower interest, unforeseen costs
  - Partly/fully recoverable through program



## Other Financing Considerations

### Interest rate, fees, etc

- ❖ Affordability; Debt coverage ratio

### Creditworthiness

- ❖ Ensure successful launch; Use first year to flush out issues

### Opportunity to expand program

- ❖ Build resources to offer equity and flexibility – low income & renters

### Timing of Loan Process

- ❖ ETA February 2025

*Return to Council in Feb/Mar on additional updates*



# 10 steps to completing loan # 1

## Start

Congratulations! Your application to USDA was approved now you can finalize your loan documents and launch the program!



## End!

(...sort of; now repeat steps 7-9 an average of 50 times a year for 10 years!)

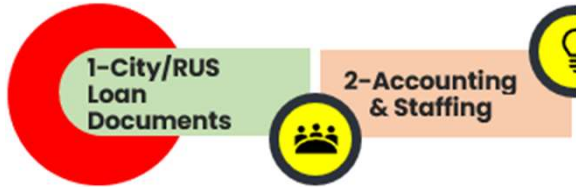
Ongoing: Data analysis and adaptive management to ensure project success. Apply for additional funding 2-3 years after launch!





### Energy Retrofit Ashland Timeline

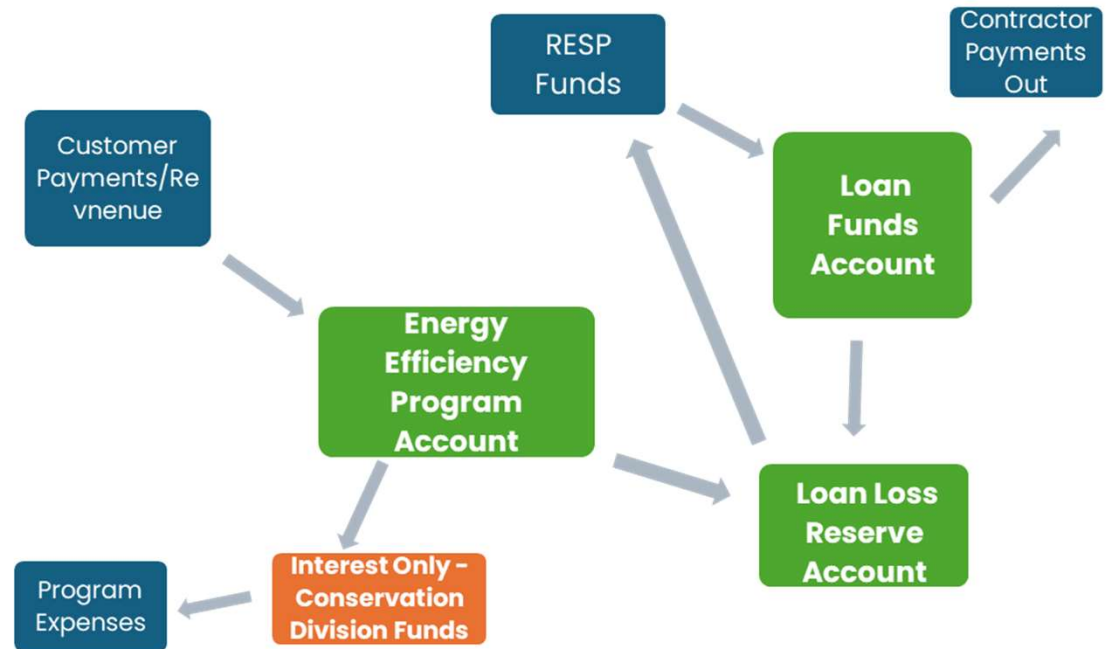
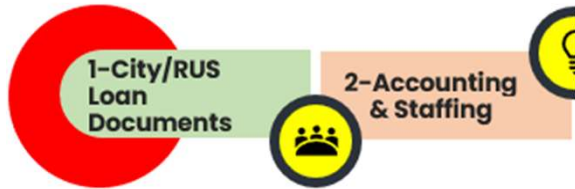
Project Start	Fri, 11/1/2024	Dec 1, 2024	Jan 1, 2025	Feb 1, 2025	Mar 1, 2025	Apr 1, 2025	May 1, 2025	Jun 1, 2025	Jul 1, 2025
<b>TASK</b>									
<b>Rollout for On-Bill Finance Program</b>									
1 Finalize Loan Documents		█	█	█					
Set up Fund Accounts			█	█	█				
2 Budgeting for new hire		█	█						
2 Hire & Train UB Coordinator			█	█	█	█			
Create Financial Procedures			█	█	█	█			
3 Contractor Recruitment & Training			█	█	█	█	█		
Tyler Software setup/refinement			█	█	█	█			
Delelop Website and Contractor Training			█	█	█	█			
4, 5 Develop Forms, Spreadsheets & Procedures		█	█	█	█	█			
5 Legal Review of City Forms				█	█	█	█		
6 Marketing & Outreach				█	█	█	█	█	
HES Program (parrallel program)		█	█	█	█	█			
<b>Program Begins</b>									
Launch Program						█	█	█	█
7 Loan Applications							█	█	█
8 Loan Review/Approval							█	█	█
9 Closing, Payment & Financing								█	█
<b>Ongoing Duties</b>									
10 Reporting									█
10 Applicant Support & Enforcement									█
Data analysis and adaptive management									█
Apply for more funds in 2-3 years!									█



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<b>TASK</b>						
<b>Rollout for On-Bill Finance Program</b>						
<b>1</b> Finalize Loan Documents		█	█	█	█	█
Set up Fund Accounts			█	█	█	█
<b>2</b> Budgeting for new hire		█	█	█	█	█
<b>2</b> Hire & Train UB Coordinator			█	█	█	█
Create Financial Procedures			█	█	█	█
Tyler Software setup/refinement			█	█	█	█





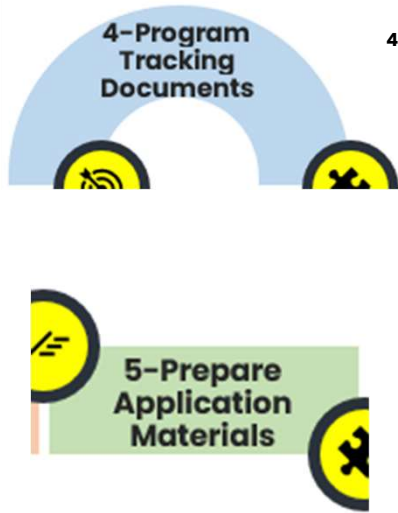




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<b>TASK</b>							
<b>Rollout for On-Bill Finance Program</b>							
<b>3 Contractor Recruitment &amp; Training</b>							
a. Review Ashland Business Licenses, Regional and State Lists							
b. Letters to recruit and explain application process							
c. Contractor Application							
d. Contractor Review							
e. Contractor Agreement							
f. Contractor Manual (guidelines, process, outreach material)							
g. Contractor Training (2 hour training required)							





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<b>TASK</b>							
<b>Rollout for On-Bill Finance Program</b>							
Develop Website							
<b>4, 5</b> Develop Forms, Spreadsheets & Procedures							
a. Finalize List of Eligible Measures							
b. Finalize Evaluation Parameters (measure and program)							
c. List of Participating Contractors							
D. Loan Application (attach contractor bid)/Tarrif Rider							
E. Calculator for time of loan for improvements							
F. Pre/Post Install conservation plan							
G. Tariff Rider							
H. Certificate of Completion							
I. Recording Document							
J. Late Payment Notice							
<b>5</b> Legal Review of City Forms							



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<b>TASK</b>							
<b>Rollout for On-Bill Finance Program</b>							
<b>6 Marketing &amp; Outreach</b>							
a. Multiple articles in City Newsletter (coming/here/examp							
b. Press Release for Launch (Earthday 2025!)							
c. Website Development							
d. Earthday Tabling/launch							
HES Program (parallel program)							



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<b>TASK</b>										
<b>Program Begins</b>										
Launch Program										
7 Loan Applications										
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Apply for more funds in 2-3 years!										

*Ongoing. Data analysis and adaptive management to ensure project success. Apply for additional funding 2-3 years after launch!*



# Conservation Funding – Non-RESP Expenses

## 1. **Options Reviewed by Conservation Staff**

- Match Energy Trust Offerings
- Offer increased amount on existing incentives
- Increase Pass Through Heat Pump incentive (PTHP)
- Add Staff

## 2. **Energy Trust Offerings (ETO)** – may not have the hoped for impact

- Still mainly focuses on owners not renters
- May not be practicable for lower income individuals and

## 3. **Increased incentives** – needs further evaluation of what to fund and for how much.

## 4. **PTHP incentive for homes and apartments** – most readily available option that can both lower costs and limit energy consumption

- Rental unit retrofit incentive to cover up to 100% of costs for hardware and installation up to \$1500 (300 units = \$450,000)
- Run program through fiscal year 2027 or until funds have expired.

## 5. **Electric Vehicle Chargers**

- Replacement of unsupported EV Chargers – \$50,000

## 6. **Funds available for assistance program funding**



**Questions?**



**Thank you!**

**Mariane Berry  
Finance Director  
&**

**Chad Woodward  
Climate & Energy Analyst**

