



Better Buildings Residential Network Financing and Revenue Peer Exchange Call: *Revenues from Employee Benefit Programs*

Call Slides and Summary

July 25, 2013

- Call Logistics and Roll Call
 - Is your program implementing (or thinking about) an employer-based program?
- Program Experience
 - Keith Canfield, Clinton Climate Initiative HEAL Program
 - Katie Mandes, Center for Climate and Energy Solutions
- Discussion
 - What are key opportunities and challenges for employer-based programs?
 - How can employer-based programs be turned into revenue streams and/or be sustainable over the long term?
 - What assistance or resources do programs need to adequately consider or implement employer-based programs?
- Future Call Topics

Participating Programs and Organizations



- Baltimore, MD
- Charlottesville, VA
- Chapel Hill, NC
- Cincinnati, OH
- Clinton Foundation
- Connecticut
- Kansas City, MO
- Madison, WI
- Maryland
- Michigan
- Nevada
- Portland, OR
- Rutland County, VT
- San Diego, CA
- San Francisco, CA
- San Jose, CA



CCI HEAL

home energy affordability loan

AN EMPLOYER-ASSISTED
ENERGY BENEFIT
PROGRAM *by*



CLINTON CLIMATE INITIATIVE

Home Energy Affordability Loan

(HEAL)

- HEAL program Description
- Why through the workplace?
- How does it work?
- What are the benefits of participating?
- What is required of an employer?



“The idea behind HEAL is to make workplace retrofits the norm and to create both the demand and the financing for employee residential upgrades.”

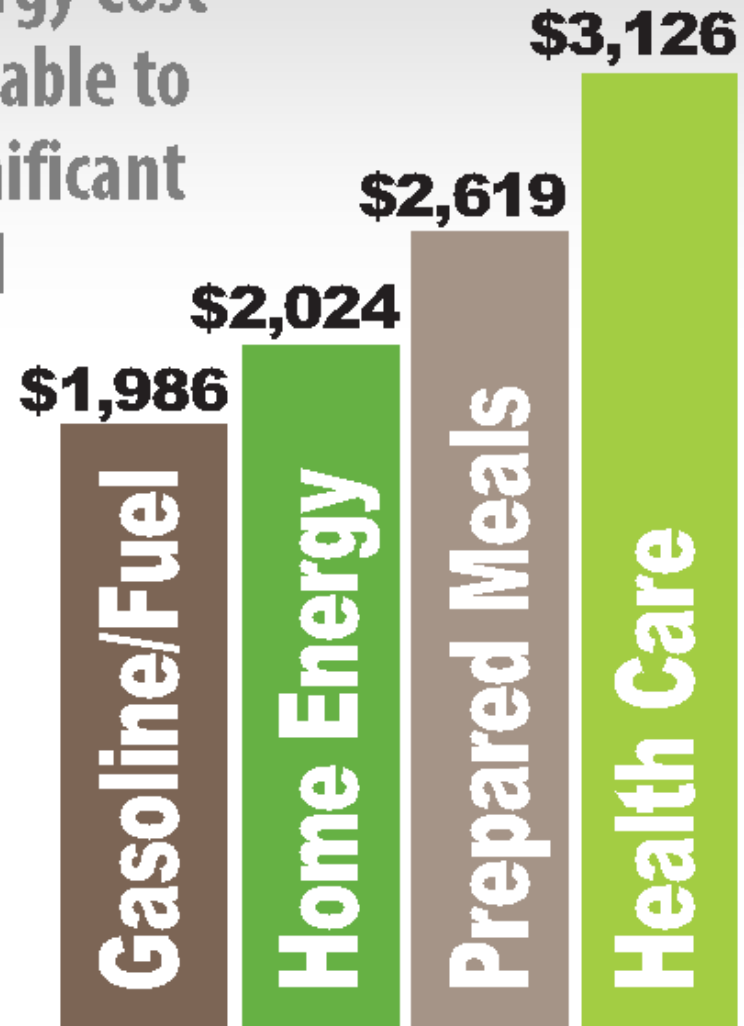
Bill Clinton, [Back to Work](#), 2011



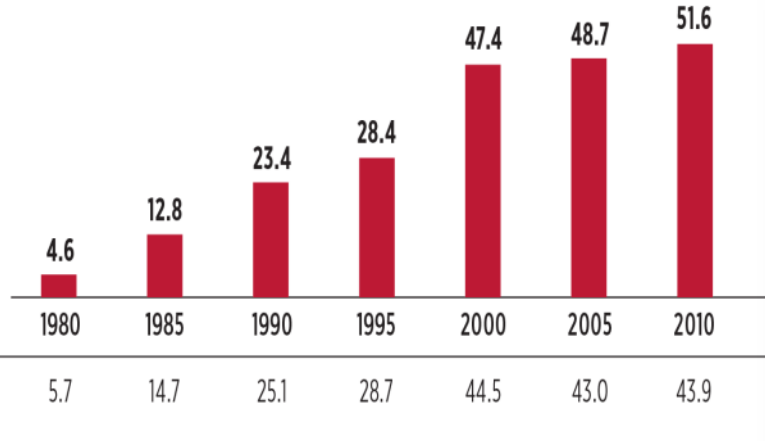
40% of employees have experienced benefit reductions

Home Energy Cost as Comparable to Other Significant Household Expenses

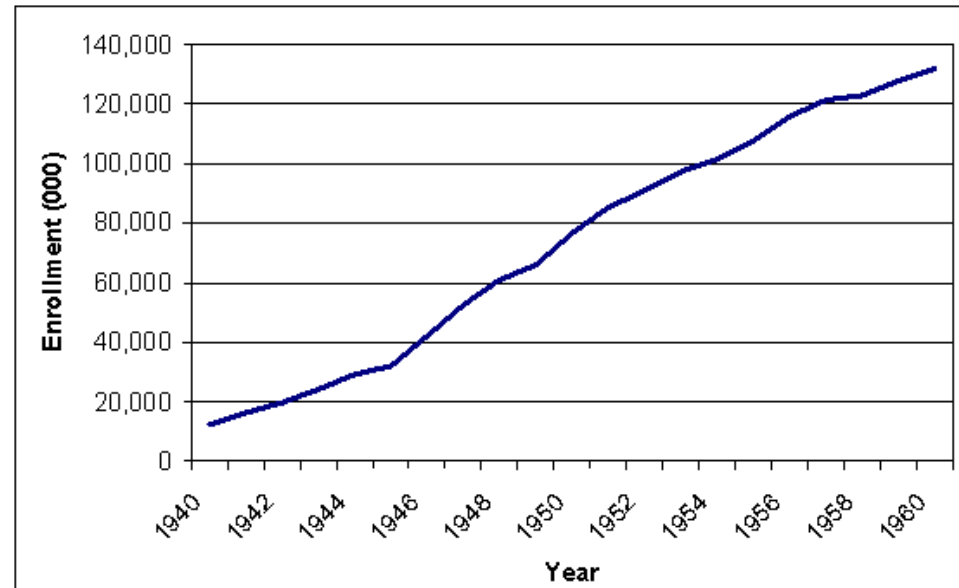
Annual Cost Sources: BLS, Consumer Expenditures, 2009-11; CCAA, Parents and the High Cost of Child Care: 2012 Report



Where Big Ideas Get Traction



Health Insurance



For Employers:

Home Energy Affordability Loan (HEAL) provides the process and infrastructure that allows employers to offer Residential Energy Upgrades for their workforce in a turnkey manner:

- HEAL process similar to an employee benefit provider
- Provides coordination of the entire process through the employer:
 - Marketing, Signup, Audit, Consultation
 - Audit to Upgrade Conversion Support
 - Test-Out Quality Assurance
 - Finance Facilitation/Management



HEAL Model

COMMERCIAL SAVINGS



RESIDENTIAL UPGRADE DELIVERY



LOAN

PR DEDUCTION

Non-Traditional Financing Source

Both models use payroll deductions for repayment

Neither model requires consideration of home value/equity for decision

■ HEALⁱ: Credit Agnostic Financing

- Financing eligibility decision based on non-credit metrics (e.g. – Seniority, Employment History, Employee Reviews)

■ HEAL³: Credit Score Mitigation

- Employer participation criteria and payroll deduction provides risk mitigation



Why don't they do it themselves?

- ❑ Lack of Time, Knowledge of Savings
- ❑ Access to Capital
- ❑ Lack of Awareness
- ❑ Availability of Services



94% of employees participating in HEAL view employers more positively for offering the HEAL energy benefit program.



Source: HEAL Participant Survey, June 2013

Respondents say:

96%

their employers are progressive
in the local community

93%

their employers care more about
their employees

83%

their employers are more
sustainable or environmentally
minded

82%

would likely recommend their
employer to others

Source: HEAL Participant Survey, June 2013



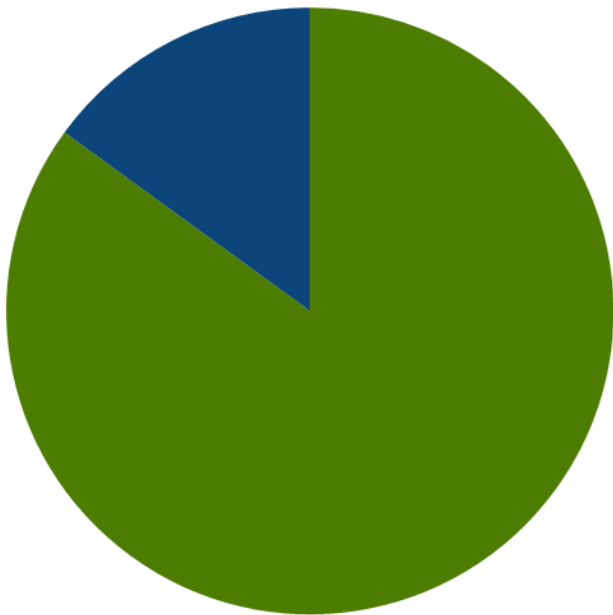
Employer Provides:

- Venue for Employee Presentations
 - Timed to match local audit capacity
 - Allow use of marketing channels to promote
- Venue for providing Home Audit results to employees
 - Small office or room
 - Usually one day per week
 - Individual meetings, 30–45 minutes in duration
- Payroll deduction
- Loan Management (Classic Model) or Accounting Support (3rd Party Model)

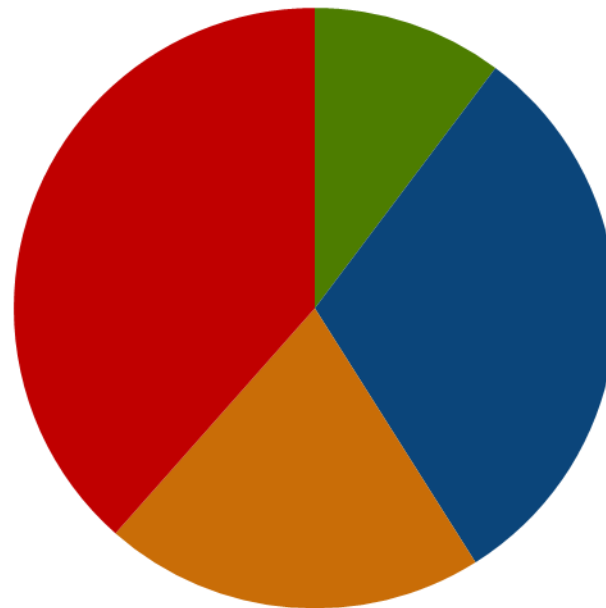


Revenue Per Client Served

2011



2013



- Grants
- Utilities
- Contractors
- Employers

Thank You



Clinton Climate Initiative



CCI HEAL
home energy affordability loan

MAKE AN IMPACT



SAVE ENERGY, SAVE MONEY, SAVE THE PLANET

CENTER FOR CLIMATE AND ENERGY SOLUTIONS

July 25, 2013

The Center for Climate and Energy Solutions (C2ES), formerly the Pew Center on Global Climate Change, brings together business leaders, policy makers, scientists, and other experts to provide credible information, straight answers and innovative solutions to address global climate change.

Our areas of focus and expertise include:

- **Policy analysis** (state, federal, and international)
- **Innovative technology solutions**
- **Climate science** (impacts, adaptation, communication)
- **Markets and business**



Business Environmental Leadership Council (BELC)



MAKE AN IMPACT

SAVE ENERGY, SAVE MONEY, SAVE THE PLANET



Empowering individuals and communities to take meaningful action to **save energy, save money, and live sustainably**



Make an Impact has grown from an employee engagement project to a full-scale program that **empowers individuals and communities to take meaningful action toward sustainability and dollar savings.**

- 4 corporate partners
 - Alcoa
 - Bank of America
 - Entergy
 - Citi
- 7 branded websites and calculators
- 43 events in 17 states
- Programs on 4 continents

- Enhances organization's reputation as a sustainability leader
- Engages employees and communities in meaningful action
- Empowers individuals to save energy – and save money
- Leverages existing energy efficiency tools and programs
- Detailed reporting quantifies engagement and impact





Make an Impact Launches in Warrick

Click here to read a recap and to see photos and video



Measure Your Carbon Footprint. Calculate Potential Savings.

[START HERE](#)

Engaging communities using:

- Website resources
- Carbon calculator
- Onsite events
- Special programs
- Ongoing engagement

Latest News MORE ▶

June 26, 2011 at 12:28 PM GMT
That DVR in your den uses more energy than your refrigerator.
A new energy study reported in the New York Times documents a growing problem: "Always-on" DVRs and set top boxes in American homes are, to put it bluntly, energy hogs.

Schools' Challenge MORE ▶



Student Center MORE ▶

Your everyday actions impact the Earth so stay informed about what you can do to be a good steward of the environment. There's a ton of information to



Importance of Ongoing Engagement

- Communications, surveys, and incentives
- Best practices: Employees as Ambassadors
- Workshops, expert discussions, and community events
- Case studies and leader calls
- Quarterly e-newsletters
- Green Teams



Online metrics include:

- **Website** visits, average daily visits.
- **Calculator Metrics**
 - Calculator registrations*
 - Potential CO2 lbs avoided, committed CO2 lbs avoided*
 - Potential and committed dollars saved from reducing energy use*
- **Pledge List Metrics**
 - Total number of completed pledge lists*
 - Total number of pledges by category (e.g. recycle, lighting, etc.)*
- Available: social media engagement, media mentions

NOTE: all items marked with * indicate that the data is sortable by sub-group (e.g. by school, team, etc.) – This feature can be used to facilitate competitions among groups



Thank you for your time!

- What are key opportunities and challenges for employer-based programs?
- How can employer-based programs be turned into revenue streams and/or be sustainable over the long term?
- What assistance or resources do programs need to adequately consider or implement employer-based programs?

Key Opportunities and Challenges

- Scalability is important for program replication and extension
- Costs are similar to energy concierge model, but employer based model has a slightly different allocation of effort
 - Program intake phase is generally more efficient/less costly
 - Personal delivery of the energy plan takes more time and resources, so is generally more costly
- Need to find ways to do more with less
 - Resource constraints are affecting everyone, including corporate partners
 - Constrained resources (financial and people) create shifting goals and priorities and can make it a challenge to keep a program at the forefront
- Show relevance of this program to some of the corporate partner's existing efforts

- Demonstrate the value proposition
 - Metrics can help show savings and impact for both employee and employer (e.g. effect of program is 1.5% raise for employees that costs a fraction of that)
 - High conversion rates are attractive to contractors
 - DOE case study of Grand Valley State University (GVSU) partnership has information on “what’s in it for the employer”:
https://www1.eere.energy.gov/buildings/betterbuildings/neighborhoods/pdfs/gvsu_interview_formatted_1-28-13.pdf (video coming soon)
- Leverage existing relationships
 - Focus on companies in communities with an existing sustainability ethic
- Screen employers to identify who might be ready
 - Use scoring matrix to quantify key areas of impact and outreach
 - Examine buy-in from upper-level management and if companies are already working to reduce their footprint
- Identify and develop a relationship with a company point person
 - Many different people and departments (operations, brand management, HR, etc.) are involved when engaging employees; a point person can help herd cats and keep the program a priority

Revenue Streams and Sustainability

- Employer-based programs represent an opportunity to diversify revenue sources for delivering services
- Two models to administer financing via payroll deductions
 - Employer-based lending
 - Employer sets credit criteria, usually minimum employment period (similar to vesting)
 - Benefits: credit-agnostic, approach offers access to funds to a sector that may be underrepresented or unbankable
 - Third party model
 - Credit unions may be able to use risk mitigation factors (e.g. payroll deductions) that allow them to offer a lower interest rate than market rate
- Prove value to constituencies and they may share costs for services and resources through dues and direct support
 - Corporate members of the Business Environmental Leadership Council pay \$35,000/year
 - HEAL contractors pay independent test-out costs

Future Opportunities

- Consider partnerships between programs with complimentary aspects
 - Coordinate service delivery
 - Target a broader audience (e.g. residential and commercial renters)
- Find ways to make tools and resources even more available and easily transferable (e.g. calculators in widget form)

- Successfully Winding Down or Transitioning Financing and Incentive Programs ([September 26](#))
- Lessons from On-bill Financing and Repayment Programs ([October 24](#))
- *Please email other suggested call topics to:*
bbpeerexchange@rossstrategic.com