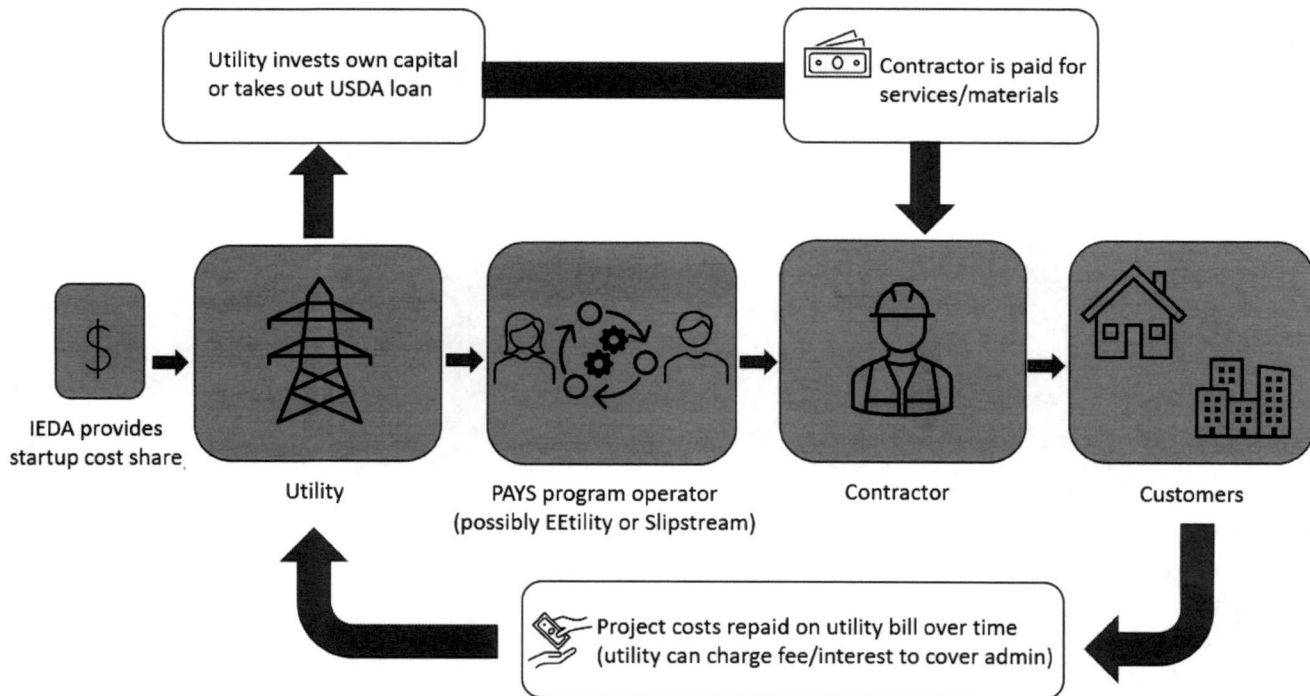


## Pay As You Save® (PAYS) – Concept for Iowa Municipal and Rural Electric Cooperative Utilities\*

(\* For illustrative purposes only. No guarantee of IEDA funding is made here. IEDA has a program that such a project could apply to for potential funding.)

PAYS is a proven, highly successful approach to improving residential, commercial, and institutional building energy performance. PAYS has been implemented by utilities of all types in at least 10 states.

The Pay As You Save® system enables building owners or tenants to purchase and install money-saving resource-efficient measures with no up-front payment and no debt obligation. Those who benefit from the savings pay for these measures through a tariffed charge on their utility bill, but only for as long as they occupy the location where the measures are installed. The monthly charge is always lower than the measure's estimated savings and it remains on the bill for that location until all costs are recovered.



Here are some of the many benefits PAYS provides for utilities and their customers and communities.

- Removes the upfront cost barrier to making energy performance improvements
- Reduces customer energy use and saves customers money
- Works for all building types
- Works for building owners and tenants
- Has a high rate of program utilization
- Supports and creates local jobs
- Reduces demand and peak demand
- Improves building comfort and indoor air quality
- May reduce utility shut-offs
- Utility investments are repaid

According to PAYS technical assistance provider, [LibertyHomes](#), 20 utilities in 10 states have active PAYS programs with PAYS programs across the country already generating the following results.

- \$44 million invested in cost effective upgrades
- 4,500 residential units upgraded
- 590 multifamily units upgraded benefiting renters and owners
- 700 municipal, educational, and industrial facilities upgraded
- >99.9% recovery rate for all projects to date

Four pilot PAYS programs studied in Arkansas, Kentucky, Tennessee, and North Carolina experienced average project investments of ~\$6,900, with average annual energy cost savings ranging from \$623-\$891. 71-82% of contacted customers participated in the programs (closer to 90% today) and the programs have experienced zero charge offs.

Example step-by-step process to launch PAYS.

1. Utility applies to IEDA for startup financial assistance
2. Utility self-funds PAYS or works with USDA to apply for loan funds (use Liberty Homes' USDA app. template)
3. Utility contracts with third-party PAYS provider (ex. Slipstream/EEtility)
4. Provider provides intellectual property (agreements, energy modeling, scope of work software, evaluation, etc.)
5. Provider and utility identify and pre-qualify contractors
6. Provider trains contractors
7. Provider provides (with IEDA \$ assist) Program Management Platform and Data Collection App that includes:
  - Provider, utility and contractor dashboards
  - Task tracking and program status updates
  - Automated task reminders for internal staff, triggered based on preset rules
  - Grid, Gantt, and calendar viewing capability to visualize due dates, reports
  - One-click program participant level documentation, files and photos
  - Mobile apps on iPhone, iPad, and Android
  - Reporting widgets
  - Milestones and dependency tracker to check overall status against deadlines and goals
  - Participant Enrollment App
8. Utility and Provider market program
9. Utility or Provider accepts customer applications
10. Provider completes customer building assessment and basic installs (ex., lamps, aerators, thermostat, etc.)
11. Provider presents scope of work offer to customer
12. Customer accepts offer
13. Provider schedules contractor
14. Contractor completes work
15. Provider verifies contractor work
16. Provider notifies utility to pay contractor
17. Utility adds tariff to customer's bill
18. Provider routinely evaluates performance/impact of customer installations

# Inclusive Utility Investment Programs via Pay As You Save®

