



**Commons  
Energy**

Saving Energy,  
Strengthening  
Communities

**Presentation to New  
Hampshire PUC Finance and  
Funding Work Group  
April 18, 2018**

# Agenda

- Overview of Commons Energy
- Questions of interest to New Hampshire
  - Relationship with efficiency programs
  - Customer acquisition
  - Alternative financing mechanisms to unlock new sources of funding or increase benefits to ratepayers

# Purpose:

Commons Energy seeks to achieve deep energy savings in unserved buildings across market sectors serving a public purpose

# Goals:

Energy, economic, and environmental gains

## Commons Energy Market Sectors



# What is an ESCO?

An energy service company (ESCO) is a commercial or non-profit business providing a broad range of energy solutions including designs and implementation of energy and water savings projects, monitoring and verification of savings, and a guarantee of savings. An ESCO assumes the risk as a means to overcome barriers to making energy-saving investments.

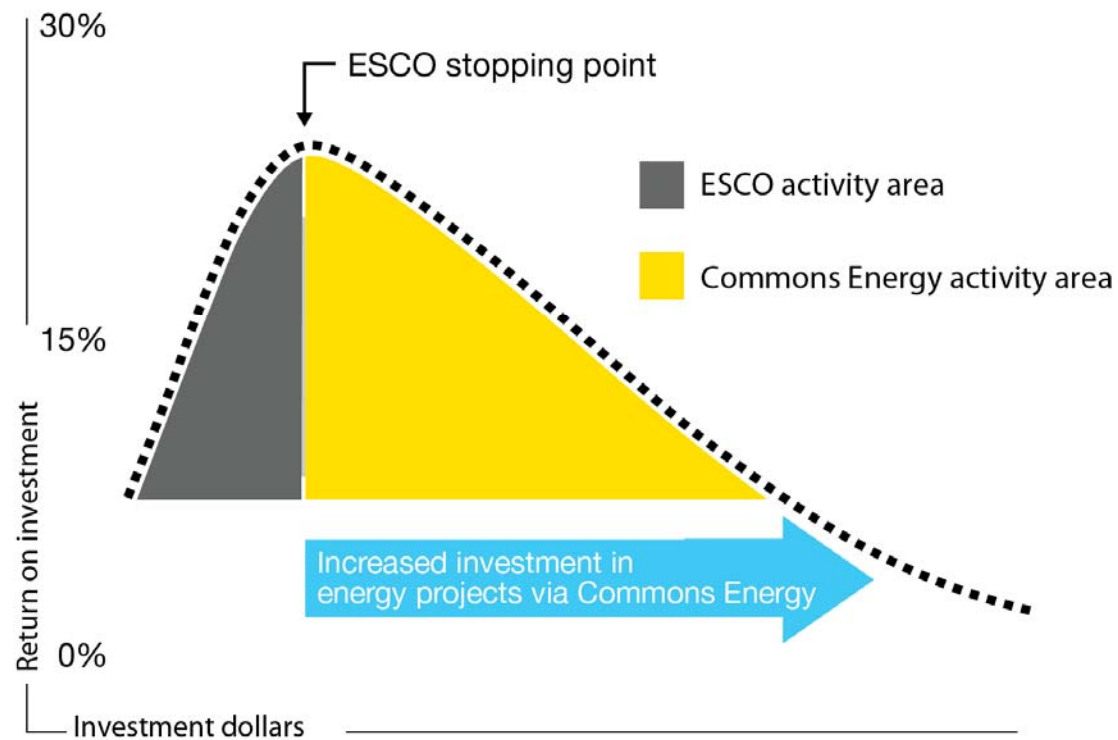
# What have ESCOs accomplished?

According to NAEESCO, since 1990, ESCOs have delivered:

- \$45B in projects
- \$50B savings – guaranteed and verified
- 425,000 person-years of direct employment
- \$30 billion of infrastructure improvements
- 470 million tons of CO<sub>2</sub> savings at no additional cost

# Commons Energy Addresses Unmet Needs

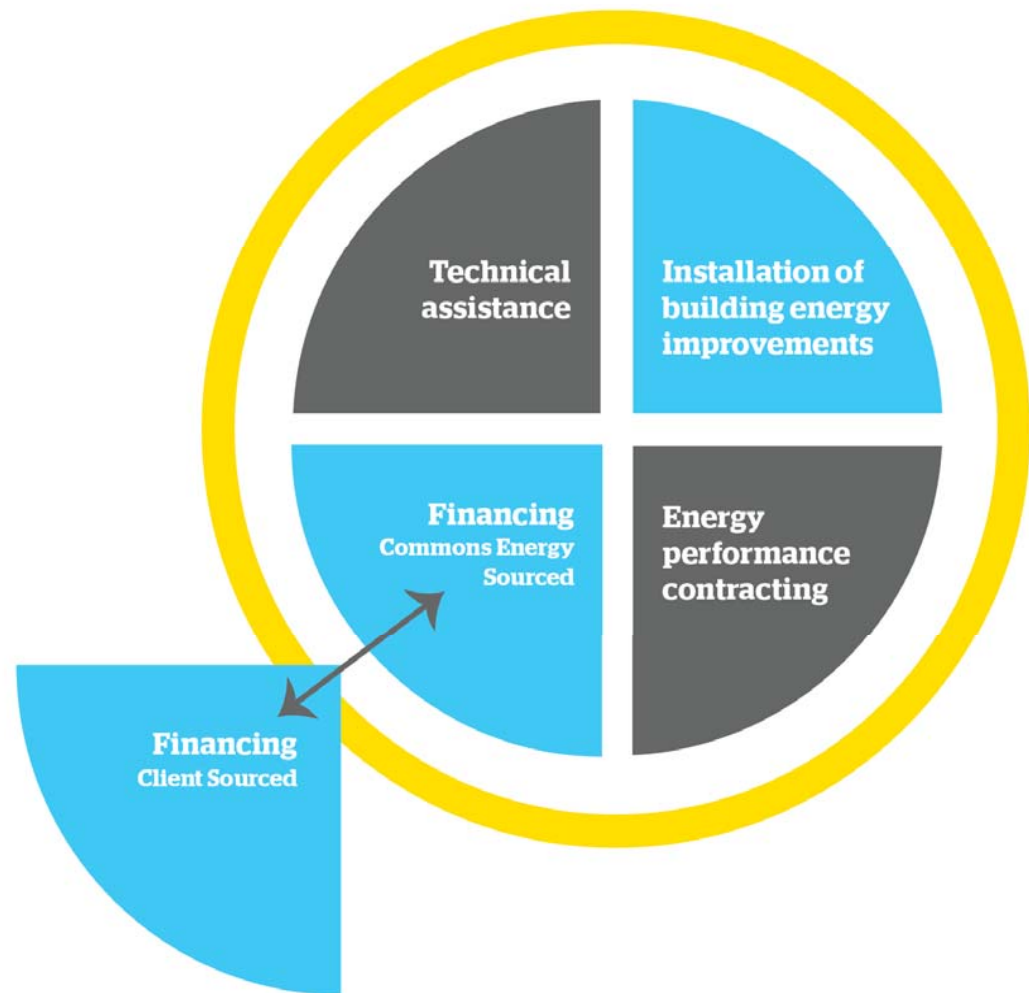
## How Commons Energy Builds a Client's Positive Cash Flow



# Method:

Integrated services offering comprehensive, whole-building, client-based solutions to existing barriers

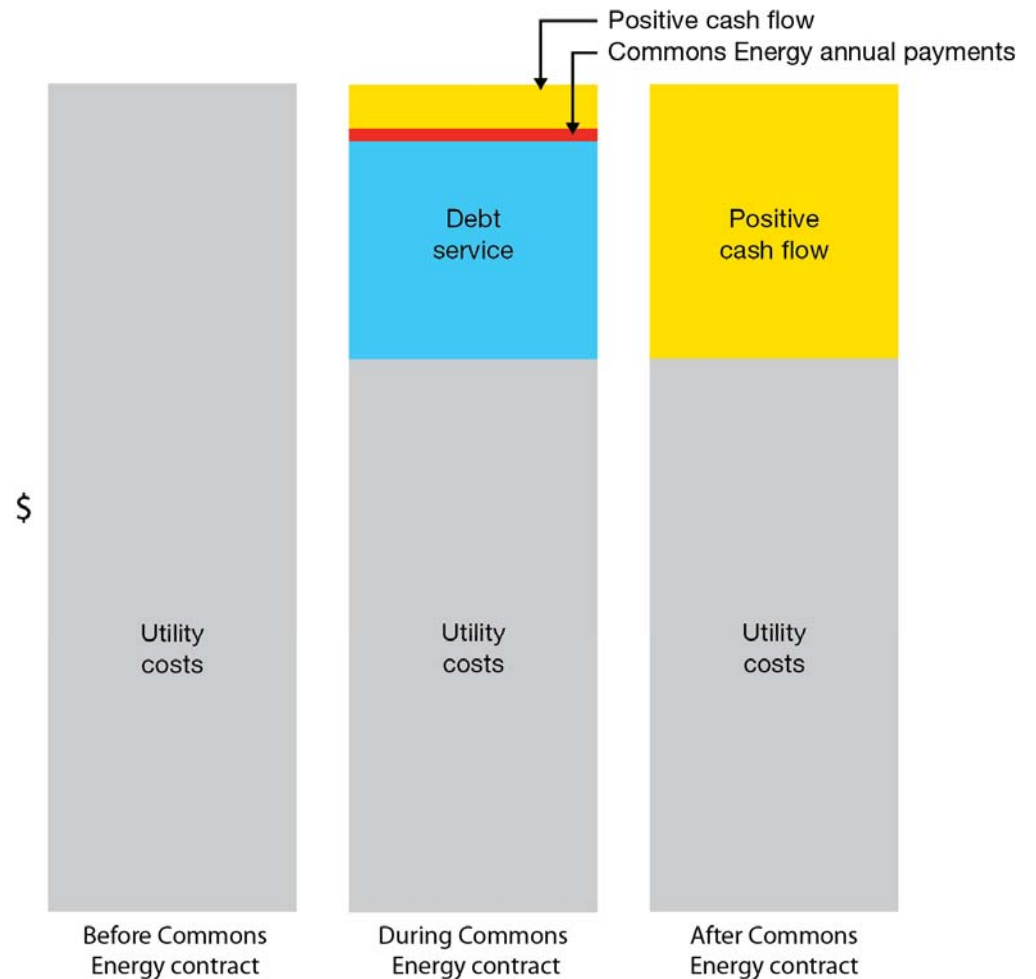
## Commons Energy Integrated Services Model



# Approach:

Deepens and extends the ESCO model of future savings to fund improvements, replacing objective of public benefit to traditional private returns

## How Commons Energy Builds a Client's Positive Cash Flow





# Step by Step

- Identify customers with at least \$50K in annual utility bills (energy & water)
- Analyze bills to understand savings opportunities
- Offer free opportunity assessment (target projects \$100K → ~\$750K)
- Complete an investment-grade audit with limited risk to client
- Develop implementation plan & financing package (as needed)
- Oversee equipment installation & commissioning
- Measure & verify ongoing equipment performance
- Guarantee the savings

# Relationship with Efficiency Programs

- Efficiency program incentives are very important to making Commons Energy projects work
- We are seeking projects that provide deep energy savings and positive cash flow for customers without large capital reserves
- With today's utility and fuel prices, efficiency program incentives are an important part of the mix

# Customer Acquisition

- Customer acquisition is a time-consuming process for Commons Energy
- Are working through established relationships and with past clients
  - National Housing Trust
  - Champlain Housing Trust
  - Housing Vermont

# Innovative Financing Mechanisms

- Use of “patient” capital
- Use of credit enhancements



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# Commons Energy

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Information about Public Purpose ESCOs: [www.ppescohowto.org](http://www.ppescohowto.org)

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