

## **Finance and Funding Work Group (2019)**

### **Schedule:**

Three meetings are scheduled for this work group during 2019 as follows:

January 17<sup>th</sup>, 1.30-4.30 pm.

April 18<sup>th</sup>, 1.30-4.30 pm.

July 18<sup>th</sup>, 1.30-4.30 pm.

### **2019 Update to EERS Settlement Agreement wrt Finance and Funding:**

The Financing and Funding Working Group was to explore additional potential funding and financing mechanisms and, if viable options were found, to work with the Utilities to test procurement strategies and make recommendations for incorporation in annual update filings and in the 2021-2023 Triennial Plan. Several elements identified by the working group have been incorporated into the 2019 Update. The Utilities indicated in the 2019 Plan Update, at 35, their intention to retain a consultant to assist with identifying funding sources. The Settling Parties agree that the Utilities will rigorously pursue retaining such consultant in early 2019. The Settling Parties agree that the Financing and Funding Working Group will continue with quarterly meetings of the working group in 2019.

### **Agreed objectives from 2018:**

- a. Examine all existing financing/funding mechanisms and establish baseline data for current participation rates. (February)
- b. Identify any underserved groups and their challenges(February)
- c. Invite existing financing partners to discuss program progress to date and under what terms and conditions will there be greater participation(February)
- d. Examine what we can learn from paradigms being utilized on other jurisdictions. (March)
- e. Examine the current customer acquisition process from the contractor perspective, and interaction between client /contractor/utility and financing institution(March)
- f. Examine the case for the establishment of a Loan Loss Reserve Fund, how and where? (April)
- g. Examine the case for collaboration on financing with institutions like Citibank etc. in order to draw from a larger pool and subsequently be able to securitize and roll over funds. (April)
- h. Examine the history of donor funding and how and under what conditions we can broaden the donor footprint. (May)
- i. What recommendations can we seek to operationalize in this year's EERS update

**Proposed Agenda for January 17<sup>th</sup>.**

1. Establishment of objectives for 2019
2. Any left-over activities from 2018?
3. NH Saves Partnership Initiative – Consultant update
4. Further consideration of the GDS proposal from 2018 (attached following)
5. On-Bill Financing – Status updates from each utility
6. Moderate Income Financing – Status Update
7. New Commercial Energy Lending Platform (Eversource)
8. Other business.

**GDS Proposal**

(A) Scott Albert submitted a proposal for in depth analysis of Carbon Offset and Equity Funding concepts. Staff has only received feedback from a single work group member. We would be grateful if you could review the proposal, attached below and consider if the proposal could be considered for the period between September and the end of the year?

**Purpose:**

- Probe more deeply into the innovative Carbon Offset and Social Equity funding concepts outlined in the Funding Sources presentation given at the June 20<sup>th</sup> meeting

**Key Activities:**

- Primary and secondary research will be conducted to document:
  - Who these investors are?
  - How instruments are developed and investments made?
  - What funding magnitudes and return expectations might be realistic? And to identify
  - Timing requirements and any associated risks

**Timing & Key Deliverables:**

- Work will be completed by the end of 2018
- Deliverables will include
  - Written summary of initial findings issued in memo format by October 15<sup>th</sup>
  - Formal presentation, including guest speaker(s) from relevant investment communities at October 17<sup>th</sup> Working Group Meeting

- Draft and final summary reports, in memo format, issued on December 1<sup>st</sup> (Draft) and December 15<sup>th</sup> (Final)

**Staffing & Budget:**

- Scott Albert (GDS Associates, Inc. Principal and Northeast Region Manager) will lead this research effort at a discounted hourly rate, with input and assistance provided by lower billable rate GDS staff where appropriate
- All work will be billed in two total invoices based on time and expenses actually incurred (the 1st following the 10/17 presentation, and the 2<sup>nd</sup> following submittal of the final memo report on 12/15) with a total not-to-exceed cost of \$20,000
- This work scope could be expanded to include research on targeted grant funding sources, if the Group desired, for an additional not-to-exceed cost