New Financing Options and Tools for Consumers

James Tong
VP, Strategy
Clean Power Finance Overview

Solar Providers
Sell, Install and Maintain Systems

Clean Power Finance
Originates Deals, Manages Risk and Assets

Online Marketplace

Financing Providers
Provide Capital, Own Assets

Top Equity Investors

>250 Solar Providers

SUPPLY

DEMAND
Utilities Investing in Rooftop Solar
Financing Structure for IES

Clean Power Finance

Key Attributes
- Unregulated affiliate
- Integrys-branded product
- Integrys is sole asset owner
- Consumers get lower energy prices & more certainty
- Strong risk-adjusted ROI
- New business insight
Targeting Underserved Customer Segments
Hawaii GEMS Structure Diagram

Public-private partnership with the state, taking credit risk in order to provide attractive solar financing to underserved Hawaii non-profits and residents.
Consumer Protection in Solar Contracts
Solar Energy Finance Association (SEFA)

- CA mutual benefit association formed in 2013
  - Work with NREL to administer consumer solar finance agreement templates
- Goal: Promote solar finance best practices, education, networking and innovation
  - Creates standards, transparency, and consumer protection
  - Templates completed for PPA and leases for vertically integrated and disaggregated solar businesses.
  - “Consumer Best Practices Checklist” now publicly available
- Website: http://sefa-finance.org
APPENDIX
PV Economics: Lease vs. Own
Leased Customers Realize Better Outcomes

All PV adopters have similar expectations on returns

Leased customers have higher returns

Leased customers have more accurate payback periods

- ~300 customers (mostly Dallas, Austin)
- TPO customers reported tighter cash flow led them to lease rather than buy
- Differences in expected returns for lease vs. own are possibly a reflection of the greater need for precision for lease products.

Source: Rai and Sigrin, 2013
More Info About SEFA

- Working group started in September 2014
  - Over 30 different solar industry representatives participating
  - Focus on consumer education and regulatory compliance
- Deliverables provided to SEFA members in October 2014
  - Internal Regulatory Compliance Memos
  - Standard contract packet disclosures template
- Information: info@sefa-finance.org
- Membership: membership@sefa-finance.org