

**Better Buildings Neighborhood Program October 2011 Workshop
Summary of Revenue Streams from Breakout Sessions (11/20/11)**

Utility-Based Revenue Streams

General Considerations:

- Programs will be most successful if they can address key needs of utilities, including:
 - Cost-effective and/or cost-saving strategies;
 - More affordable energy for customers;
 - Reliable and cost-effective strategies to meet demand (especially peak loads) given the difficulty of adding new generation and/or transmission capacity;
 - Return on investment for shareholders;
 - Marketing, brand recognition, and/or customer interaction;
 - Strategies for reaching small customers;
 - Building customer confidence and satisfaction;
 - Assessment, strategy, and improvement of current utility energy efficiency programs; and
 - Effective strategies for changing consumer behaviors.
- Different types of utilities have different needs based on their size, experience with energy efficiency programs and whether they are public, investor-owned, etc. Energy efficiency programs may need different strategies and/or program designs for different types of utilities. It is important for programs to know the specific needs and constraints of potential partner utilities.
- In some cases, programs can establish their role and funding as part of utilities' legal settlements.
- Programs may have a particular niche working with small commercial entities or residential properties that utility programs miss.
- Public utility commissions are important stakeholders for utilities and may need education and other strategies to "buy in" to energy efficiency programs. Many commissions are mainly focused on keeping rates affordable and justifying new investments based on cost-effectiveness.

Potential Revenue Streams:

- *Lead generation fees.* For example, programs can charge a percent of rebates for successful leads.
- *Program administration support fees.* Programs can charge utilities for operating and/or administering programs or aspects of programs (e.g., marketing, contractor management, etc.). Fees can be performance-based.
- *Revenues from utility bills.* Programs can receive donations or "round up" funds on utility bills. In some areas, fees specifically for energy efficiency may be assessed (see "Local Government-Based Revenue Streams" below).