Integrated Utility Service Model

- What is it?
  - Easy, scalable home and business efficiency and renewable solutions delivered with savings
  - Enhancing our ability to meet customer needs and community goals in an evolving utility landscape
  - Strengthening the utility's financial health

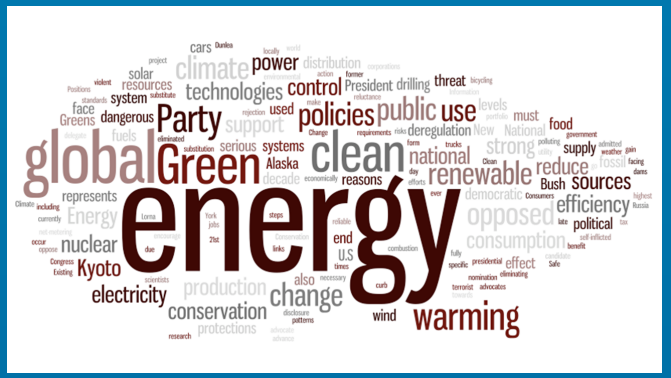
How we developed this approach?

Started with question,
"What if we aim for 100% participation?"

- Engaged national experts through eLab
- Visioned potential utility roles with community leaders at a charrette
- Commissioned two independent analyses of economics
- Conducted focus groups (survey pending)
- Reviewed peer program benchmarks

Why IUS, Why now?

- Customer interest in efficiency, conservation, renewable energy, electric vehicles, smart homes, etc.
- Community policies and goals for climate and energy policy
- Evolving utility landscape, risks to long term utility financial health
- Local investment in our building stock and energy resources
- Ability to equitably serve all customers



What's Different? Part One

	Now	IUS	Means
Scale	300-500 homes annually	Ramp to 2500 – 5000 homes annually	Go large!
Depth	1-2 measures per project	Multiple measures	Bundling, packages
Ease	Many customer decisions	One customer decision	Auto-enrollment
Speed	Months	Weeks	Delivery
Accessibility	Investment by customers who are able	Paid for by savings over time	On-bill repayment
Utility expenditures	Rebates, subsidies	Reduce project costs	Scale without increasing costs, net benefits

What's Different? Part Two

	Means	Implications
Scale	Go large!	Strategic, scaled investment • Now >> $1.5M • IUS >> $20-40M annually* Mobilization • Delivery, procurement, contracting • Now >> lots of contractors, few projects • IUS >> few contractors, lots of projects
Depth	Bundling, packages	
Ease	Auto-enrollment	
Speed	Delivery	
Accessibility	On-bill repayment	
Utility expenditures	Scale without increasing costs, net benefits	

*** Total capital, not Utilities funds**

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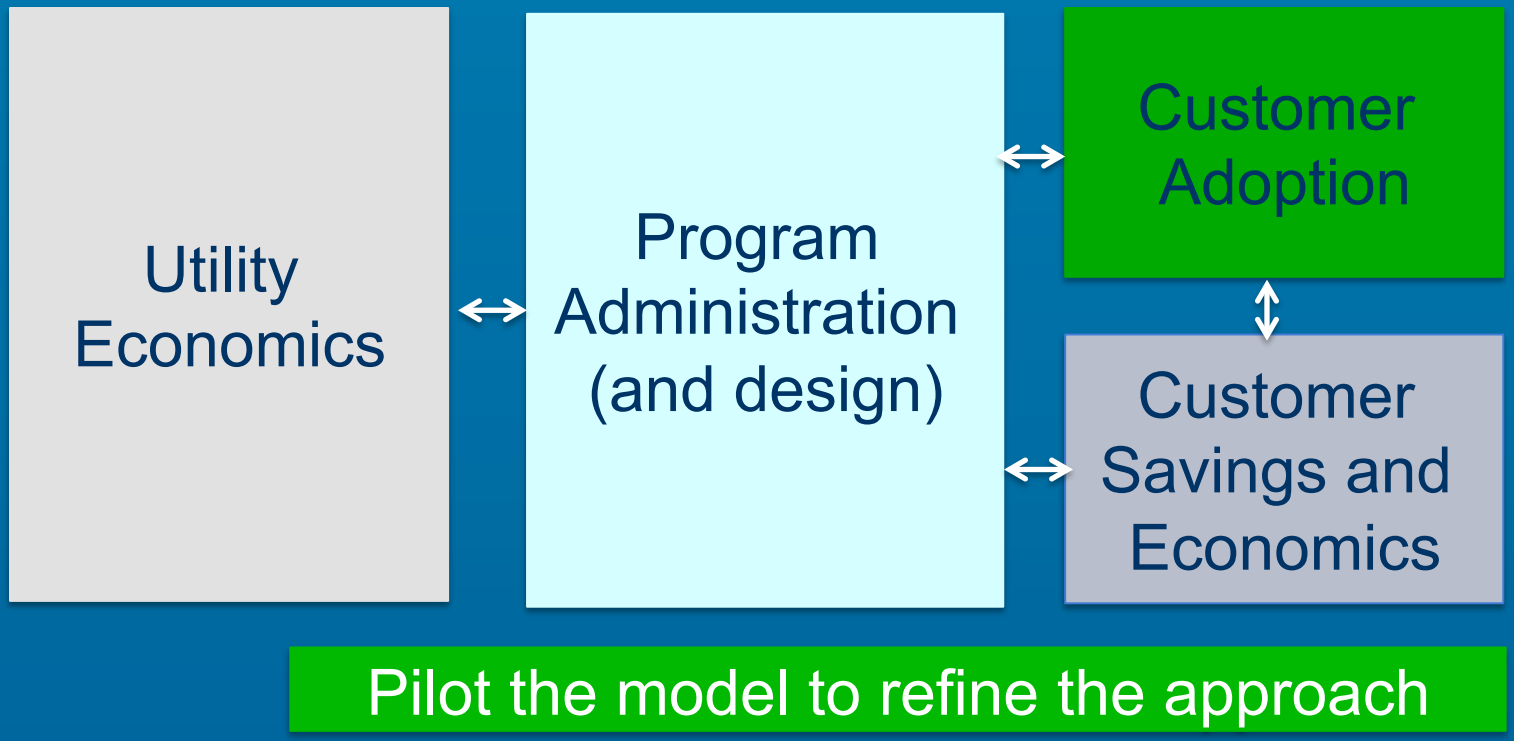
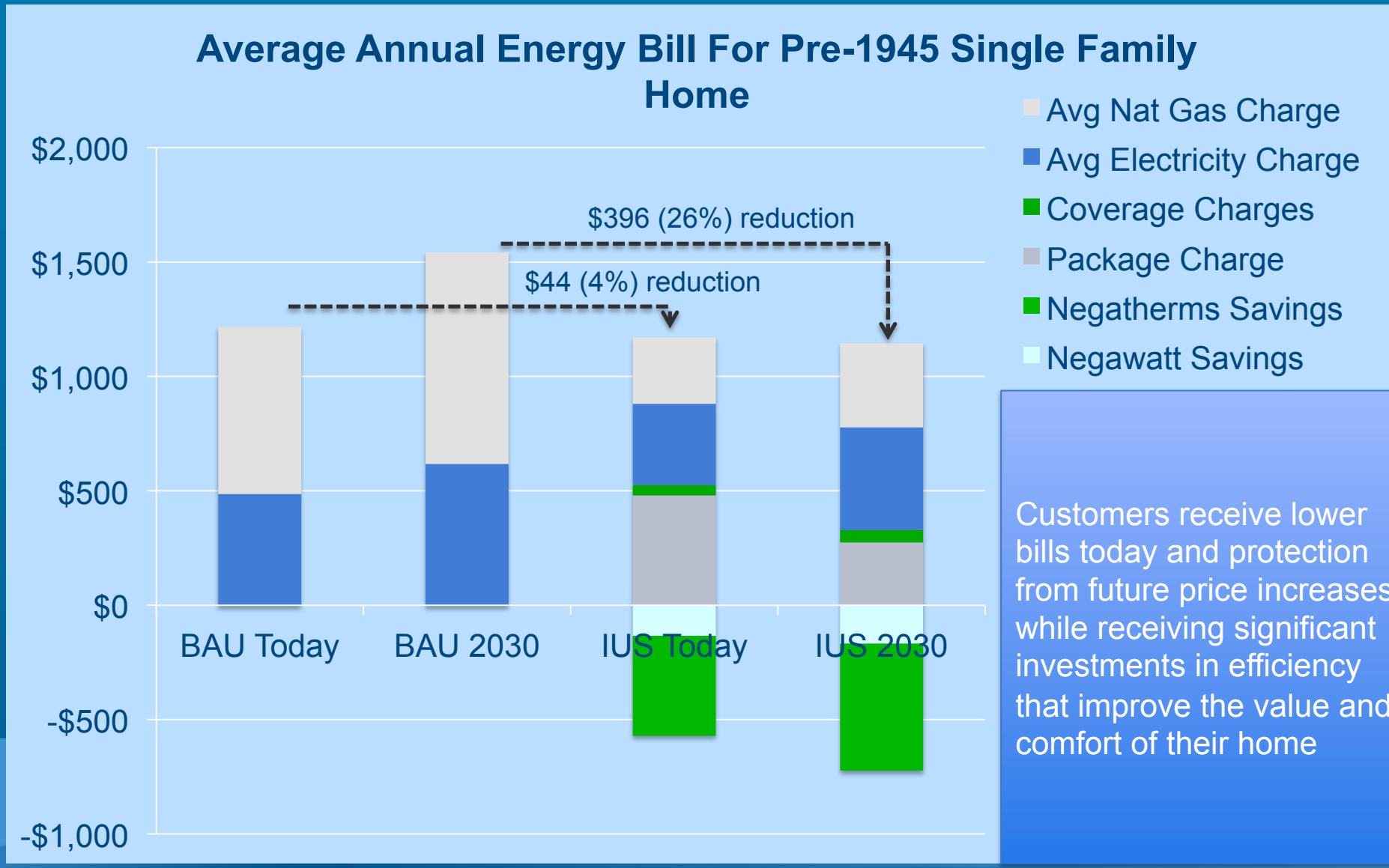
Primary Elements of IUS Model



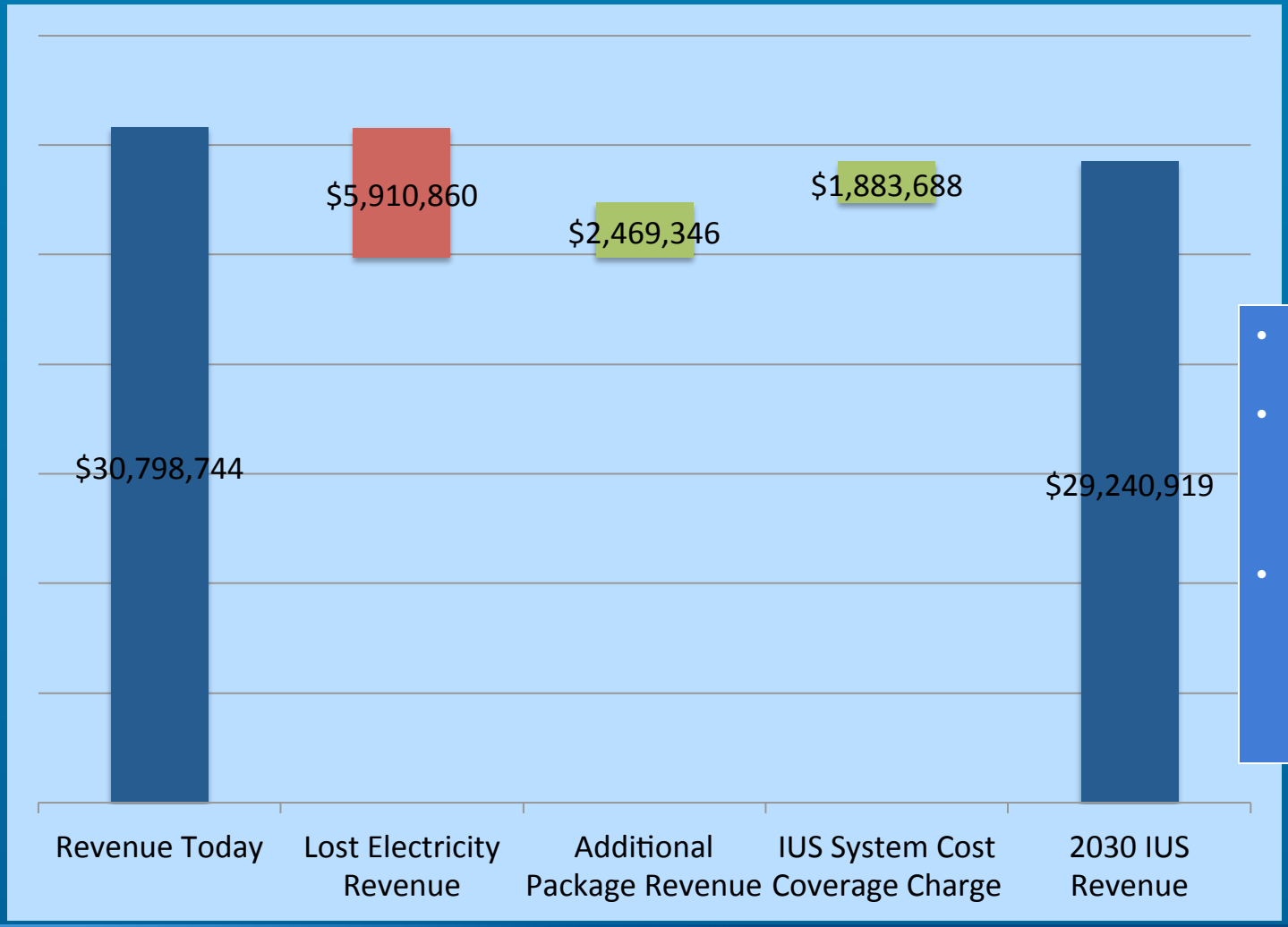
Customer Economics/Benefits



Customers receive lower bills today and protection from future price increases while receiving significant investments in efficiency that improve the value and comfort of their home

Utility Economics

PRELIMINARY RESULTS



- Roughly constant revenue
- Additional ~$1M in system administration costs offset by financing fees
- Ability to contribute to utility distribution system and other costs in lieu of net income

Note: This analysis is for single family homes, efficiency measures only

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Community Economics

Analysis model

- Single family homes and small business
- Fort Collins data
- Efficiency and solar included, 5 year ramp
- Model outputs include
  - Total investment
  - Indirect benefits
    - Business sales
    - Taxes
    - Carbon
    - Reserve margin
    - Jobs

Result	Analysis
Project Size	$221m
IRR	6%
Payback (years)	12

Why Fort Collins Matters?

- Innovative solutions at community scale
- Representative demographics
- Replicable, if it works here…
- Demonstrate leadership
- Community support
- It's a great place

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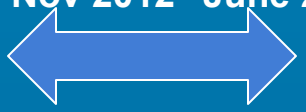
Program Development (building analogy)

Conceptual Design (eLab)

Nov 2012 June 2013



Schematic Design (FC, RMI, BG, Schneider)

June 2013 July 2014

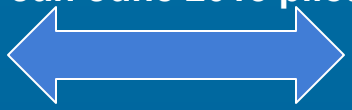
Design Development (FC lead)

Aug – Dec 2014

"Construction"

- Pilot (~150 homes)
- Pro-forma for scale

Jan-June 2015 pilot



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What's in place, What's next?

- Experience with over 2,500 homes using traditional process (installation standards, audits, rebates, etc)
- Efficiency Works for Homes
  - Leading national vendor for audits, advising, contractor management and quality assurance
  - Phase two focus on IUS design elements
- APPA DEED grant for pilot
- On-bill repayment re-design (Council WS Oct 28)

Need your support for pilot development, scale pro-forma and investment strategies