

On-Bill Financing. On-bill programs allow utility customers to pay off the cost of energy efficiency improvements on their utility bills. There are several variations on this type of program: on-bill financing, in which the utility is the lender; on-bill repayment, in which a third party is the lender; and tariffed on-bill, in which the energy efficiency improvements are financed not through a loan but rather through a new additional tariff on the customer's bill. This has been a priority strategy identified in the draft Montana Climate Solutions Plan in which plan authors recommend the state "...explore voluntary partnerships and legislative options to leverage funding and further incentivize adoption of energy efficiency financing opportunities. In addition to traditional on-bill financing which utilizes a 3rd party intermediary such as a bank, utilities should also pursue on-bill repayment and tariffed on-bill financing in order to ensure renters and low-income customers are able to fully taking advantage of these programs.