

LA PLATA ELECTRIC ASSOCIATION, INC.

DURANGO, COLORADO

Board of Directors Policy

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|--|-----------------------|------------------------|-----------------------|
| Subject: On Bill Financing for Energy Efficiency and Beneficial Electrification | | | Policy No: 304 |
| Original Issue: 5/18/16 | Last Revised: 4/17/19 | Last Reviewed: 4/17/19 | Page 1 of 2 |

I. OBJECTIVE

To support and encourage energy efficiency by offering an on-bill financing program to La Plata Electric Association Inc.'s (the "Cooperative's") members/customers.

II. POLICY

- A. The Cooperative will collaborate with a bank to establish a program that offers financing for the purchase and installation of eligible energy efficient, demand-side management, and beneficial electrification products and projects to its members/customers.
- B. The bank, in cooperation with the Cooperative, will establish the processes for taking loan applications and approving loans.
- C. The bank will be responsible for setting the interest rate.
- D. The bank will be responsible for drafting all loan documents and overseeing their proper execution.
- E. The debt payment will be included on the member/customer bill and the member/customer shall make the debt payment through the Cooperative.
- F. The Cooperative shall remit the debt payment to the bank for processing.
- G. The bank will be responsible for any and all collections issues that may arise as a result of non-payment by the member/customer.
- H. The Cooperative and the bank will agree that the Cooperative shall not serve as a guarantor on behalf of the member/customer that receives loan funds under this on-bill financing program. The Cooperative's role shall be strictly to facilitate loans that enable members/customers to install energy efficiency and beneficial electrification projects on their businesses or residences.
- I. Examples of items eligible for financing include, but are not limited to, caulking, weather-stripping, heat pump systems, water heaters and other heating and cooling systems which reduce energy consumption or peak demand, insulation, storm or thermal windows, storm or thermal doors, LED lighting, electric vehicle chargers, and costs to install the various eligible items.

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J. Items not eligible for finance would include, but not be limited to, new home construction and distributed generation projects. The Cooperative shall review projects on a case by case basis to determine eligibility.


K. The Cooperative will establish review processes to verify the validity of eligible items.

III. RESPONSIBILITY

The Chief Financial Officer is responsible for the administration of this policy.

4/17/2019

Date


Secretary