

LA PLATA ELECTRIC ASSOCIATION, INC.

DURANGO, COLORADO

**Board of Directors Policy**

Subject: <b>On Bill Financing for Energy Efficiency</b>			Policy No: <b>368</b>
Original Issue: 5/18/16	Last Revised: 5/18/16	Last Reviewed: 5/18/16	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 and demand-side management 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 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, and LED lighting.
- 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.

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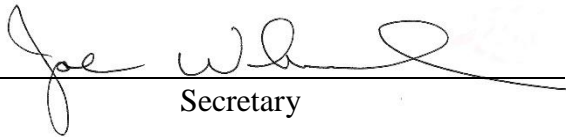
K. The Cooperative will establish review processes to verify the validity of eligible items.

III. RESPONSIBILITY

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

5/18/2016

Date

  
Secretary