The RenOnBill guide to on-bill business models in the EU

INTRODUCTION

On-bill scheme (OBS) refers to a method for financing energy renovations by using the utility bill as a repayment vehicle. On-bill schemes bring the upfront costs of energy efficiency upgrades down to zero by adding a periodical line item to a customer's utility bill, which represents an advantage for end-users willing to renovate their houses.

On-bill schemes[1] also offer advantages for utilities: they usually imply long-term commercial relationships, increasing the level of loyalty of the utility's customers and making energy efficiency part of their services package, contributing to the diversification of the utility's offer. This is especially true for power utilities which can support energy efficiency measured focused on electrification of consumption. In a scenario with a high penetration of renewables for electricity generation, consumption electrification would allow a substantial reduction of fossil fuel consumption.

More than 30 years of successful implementation in the USA amounting to over USD 2 billion in on-bill projects encourage the evaluation of these models in Europe.

1. The value flow charts presented on this document are based on the methodology introduced in Innovation Design: Creating Value For People, Organisations And Society. Den Ouden, Elke, Springer Verlag, 2011. ISBN 978-1-4471-2268-5

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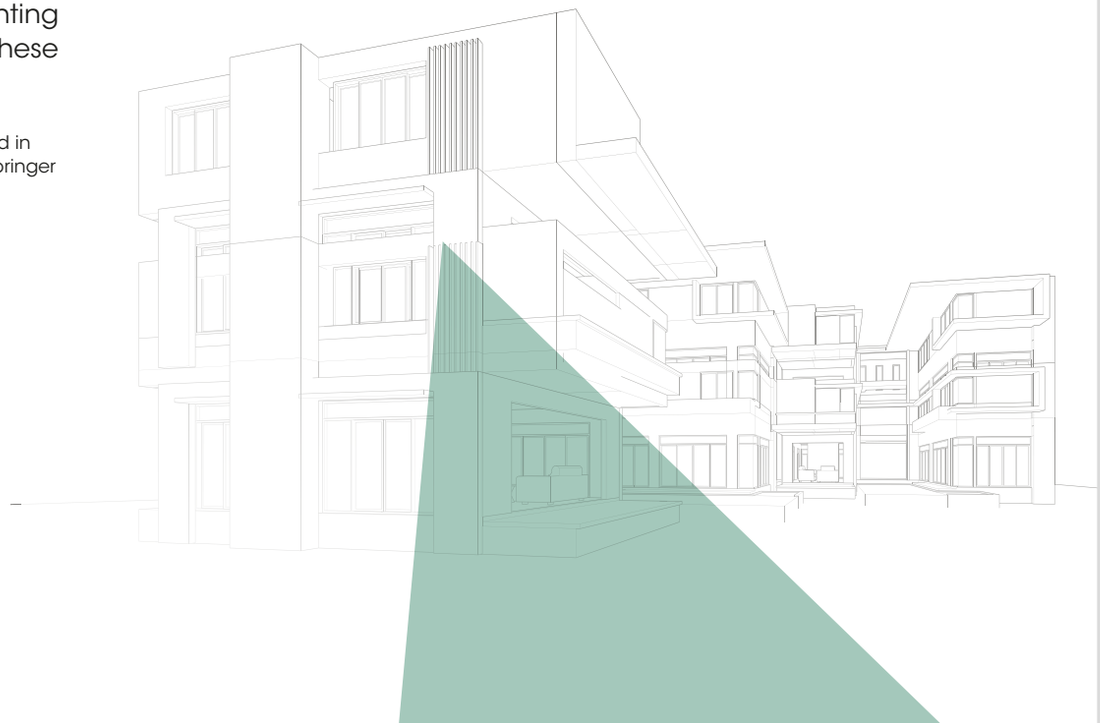

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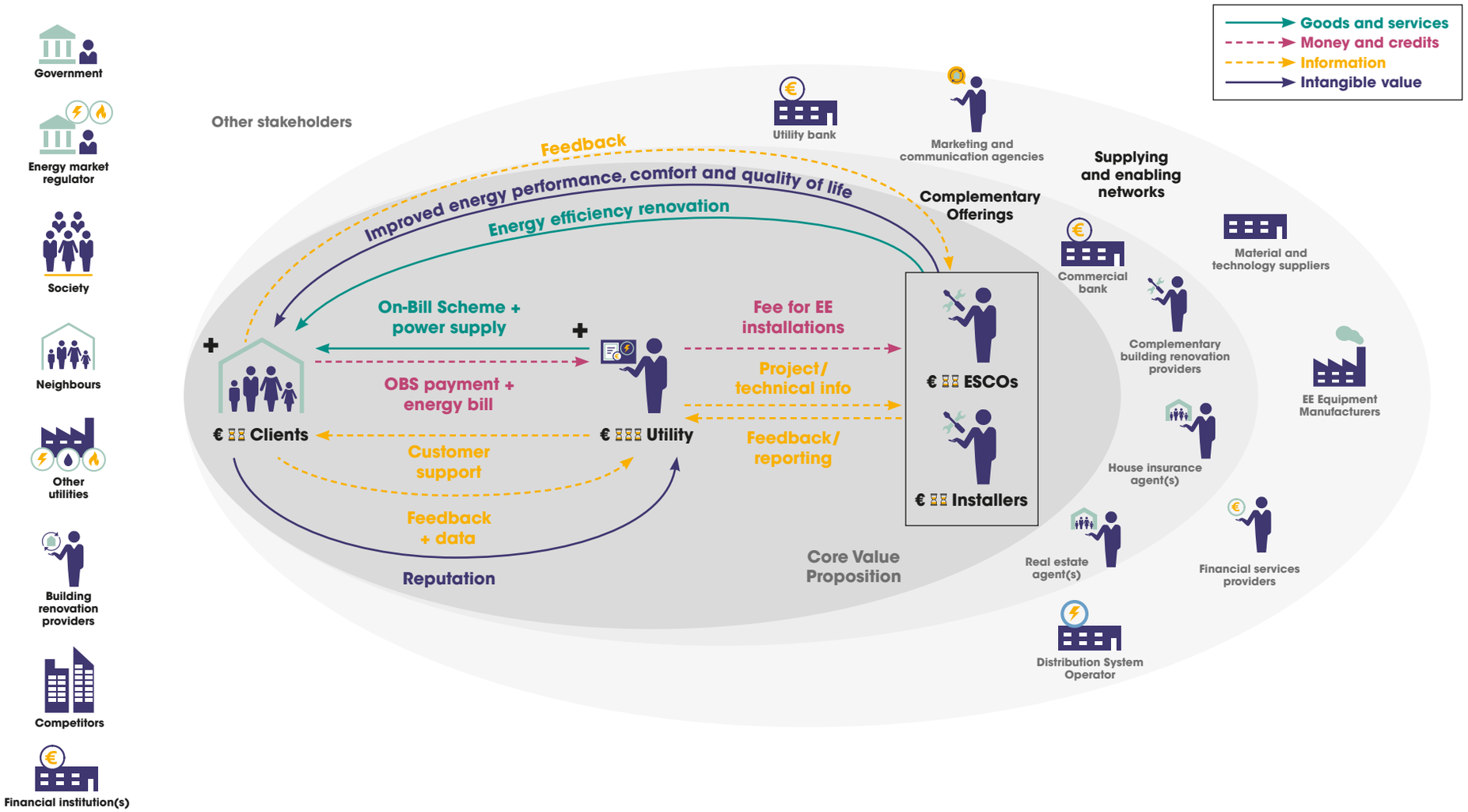
OBF. Standard On-Bill Financing Model



More information on the model

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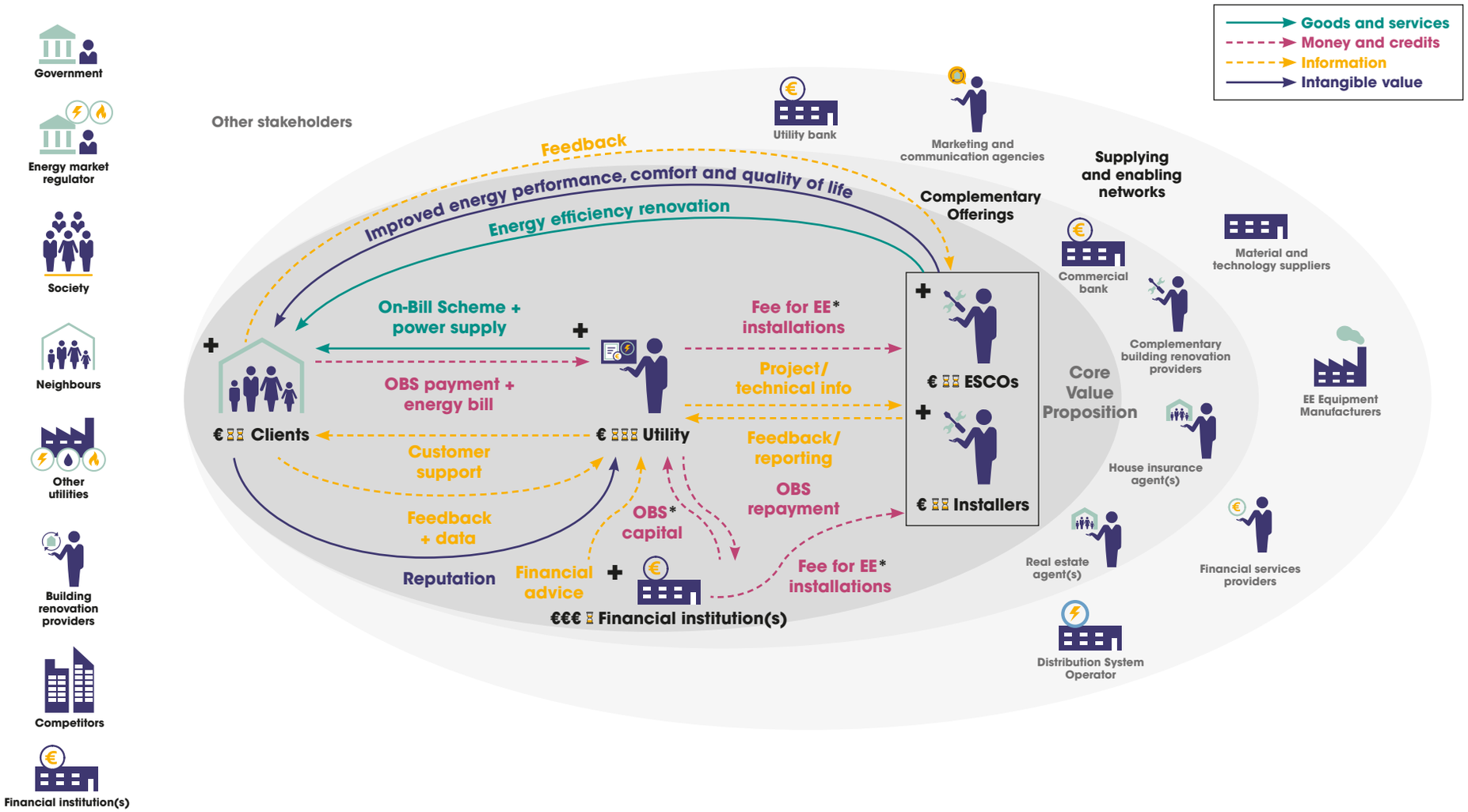
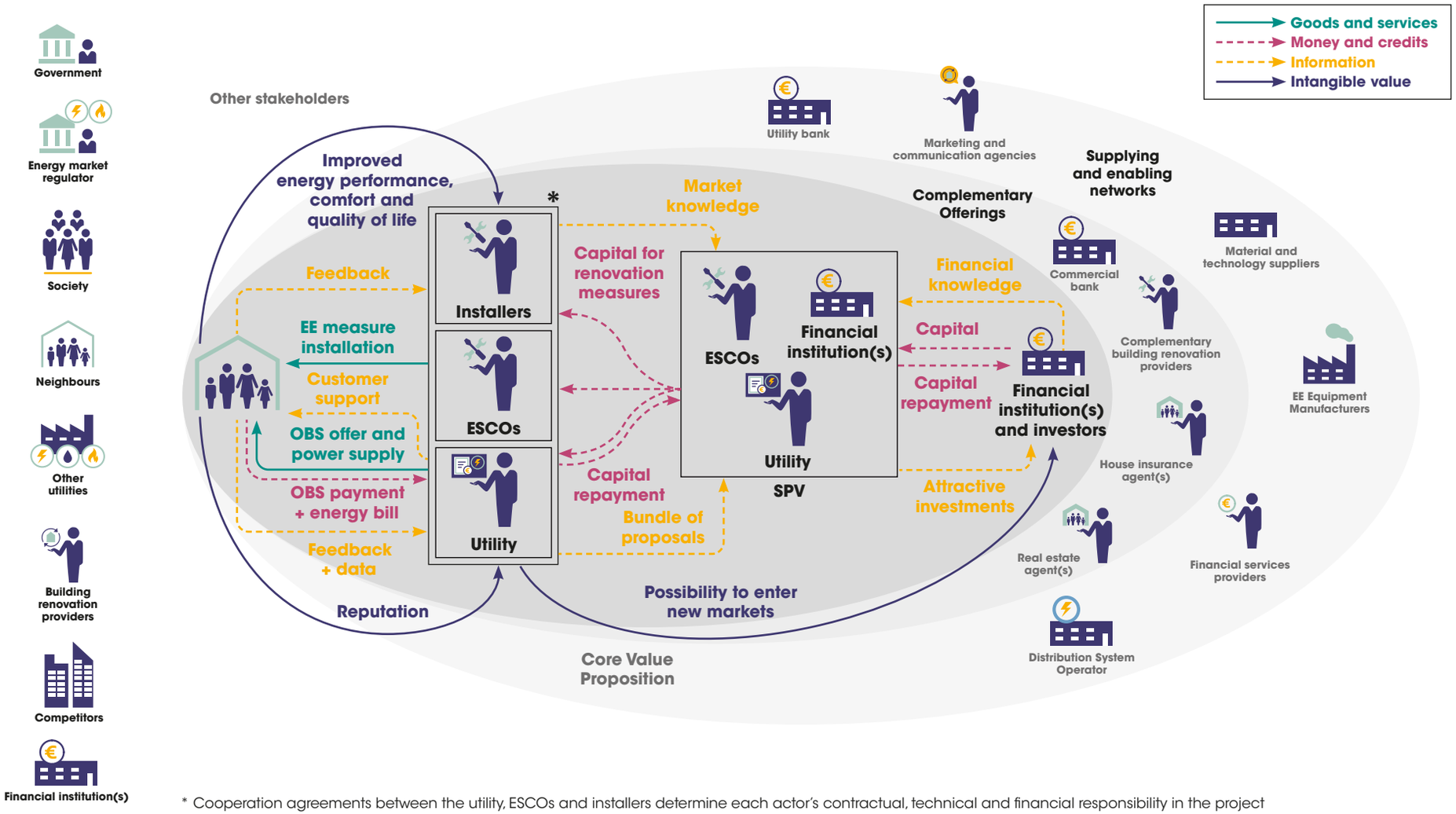
OBR. Standard On-Bill Repayment Model



More information on the model

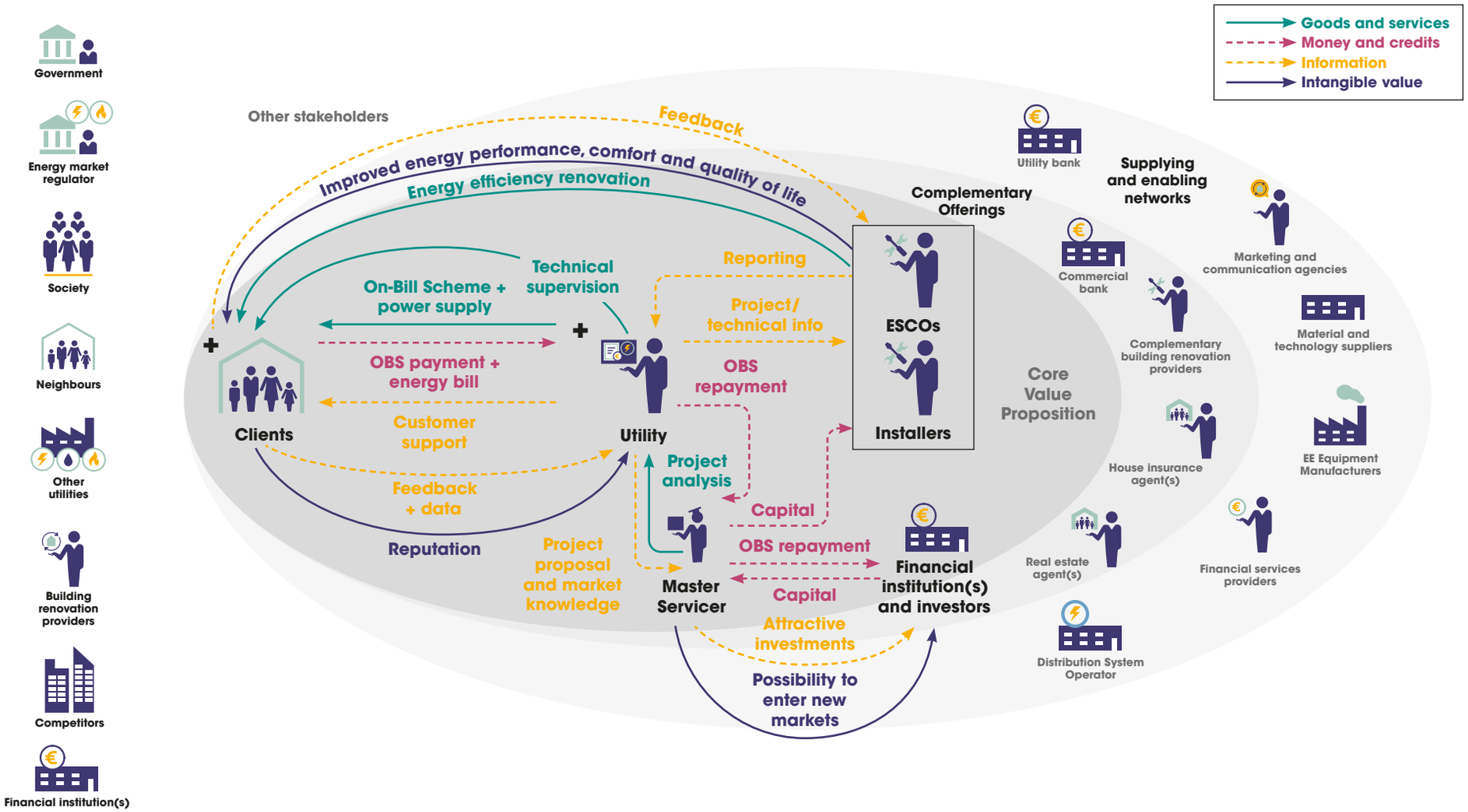
OBRSPV. On-Bill Repayment via a Special Purpose Vehicle



* Cooperation agreements between the utility, ESCOs and installers determine each actor's contractual, technical and financial responsibility in the project

More information on the model

OBRM. On-Bill Repayment operated through a "Master Servicer"



More information on the model

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www.renonbill.eu

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