



Climate + Energy Project  
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January 10, 2022

RE: Pay As You Save (PAYS®)

To the Minnesota Public Service Commission,

My name is Dorothy Barnett, and I am the Executive Director of the Climate + Energy Project (CEP), a fifteen year old nonprofit clean energy advocacy organization. CEP is active at the Kansas state legislature and the Kansas Corporation Commission, regularly intervening in energy efficiency and clean energy dockets. We also create programming to engage Kansans in energy efficiency.

For over twelve years we have been monitoring Midwest Energy's (PAYS®) program How\$mart. Midwest Energy Cooperative serves 29,706 customers in central and western Kansas. They created and continue to manage the longest running inclusive financing program in the United States.

Started in 2008, Midwest Energy, through How\$mart has provided whole house retrofits for 2,475 (8.3% of their customers) residential retrofits valued at \$19,213,082. Midwest Energy does offer customers an opportunity to provide a co-pay for their project to achieve deeper retrofits.

PAYS® allows deeper energy efficiency savings for customers that do not have the disposable income to make expensive energy efficiency investments. Under the PAYS® model, the utility pays the up-front cost of the installed energy efficiency measures. Then, the utility puts a fixed charge on the customer's electric bill that remains significantly less than the estimated energy savings from the upgrades. Through this process, the customer sees immediate savings by paying less for energy while paying a fixed charge that is below the total estimated energy savings. Once the utility recovers its cost, the obligation of the customer to pay ends and the utility transfers ownership of the upgrades to the customer. The PAYS® system requires no credit checks, no liens, no new debt obligations, has no barriers to participation for landlords and tenants, and there is no obligation to pay if the customer is not benefitting.

Evergy, the largest investor-owned utility in Kansas has included a tariffed on bill financing program modeled after Pay As You Save (PAYS®) in their recently filed energy efficiency docket. While initially resistant to PAYS® in Kansas, their experience in Missouri has been positive and they voluntarily included it in their Kansas filing.

If you are interested in learning more about Midwest Energy's How\$mart program I am happy to connect you to the appropriate staff. Please also consider me a resource if you need additional information on PAYS® in Kansas. I can be reached at 785.424.0444 or [barnett@climateandenergy.org](mailto:barnett@climateandenergy.org).

Sincerely,  
Dorothy Barnett