Questions and Answers About DOE's Better Buildings Neighborhood Program

What is the Better Buildings Neighborhood Program?

The Better Buildings Neighborhood Program is part of a national Better Buildings initiative led by the U.S. Department of Energy (DOE) that is improving comfort, decreasing costs, and supporting U.S. job growth by transforming the marketplace for energy efficiency upgrades in homes and businesses. At the local level, Better Buildings has provided seed funding to more than 40 state and local energy efficiency programs across the country that are helping consumers reduce energy use, save money, and support the development of local jobs. The majority of Better Buildings Neighborhood Program partners are focused on residential single-family and multifamily buildings.

What are the funding sources and statutory authority for this program?

In 2009, the American Recovery and Reinvestment Act provided $3.2 billion in one-time funding for the Energy Efficiency Conservation Block Grants (EECBG) program, $482 million of which was competitively awarded to the Better Buildings Neighborhood Program. EECBG represents a Presidential priority to deploy one of the cheapest, cleanest, and most reliable energy technologies we have—energy efficiency—across the country. States and local communities received grants to help meet the nation's long-term energy independence and climate change goals. In June and August 2010, DOE awarded $482 million to 34 grant recipients with a variety of approaches, and in November 2010, awarded $21 million from annual appropriations to six states through the State Energy Program.

How is this related to the Better Buildings initiative President Obama announced in February 2011?

On February 3, 2011, President Barack Obama challenged the private sector to support energy efficiency improvements by reforming tax and other incentives for commercial building upgrades. The President's Better Buildings Initiative will make commercial buildings 20 percent more energy efficient over the next decade by catalyzing private sector investment through a series of incentives to upgrade offices, schools and other municipal buildings, universities, hospitals, stores, and other commercial buildings.

Why is another energy efficiency program needed—aren't there plenty in existence already?

While many programs focus on promoting the purchase of energy-efficient appliances, electronics, and new homes, it has been difficult to get existing home and business owners to engage in the process of making energy efficiency investments due to a lack information regarding the benefits, access to qualified energy professionals, and financing. The Better Buildings Neighborhood Program is focused on three key areas: 1) increasing demand for whole-building energy upgrades; 2) supporting the development of a qualified, local energy efficiency workforce; and 3) making attractive financing options easy and more accessible to home and building owners.

What will grant recipients do with the money they are receiving from DOE?

Based on the goals set by Better Buildings neighborhoods, the program aims to complete more than 150,000 building energy efficiency upgrades, save consumers about $65 million annually on their energy bills, and create or retain about 30,000 jobs.

Through 2013, state and neighborhood programs will:

- Test innovative marketing tactics to increase demand for energy efficiency upgrades.
- Help build a professional workforce to complete building upgrades now and in the future.
- Evaluate building improvement impacts, including energy savings and environmental benefits.
- Assist in providing cost-effective financing programs for building owners.
- Share key lessons learned and successful strategies with communities across the country.

How will you ensure that the jobs are sustained in the long term?

The Better Buildings Neighborhood Program promotes the benefits of energy-efficient homes and commercial and institutional buildings across the country through local partnerships. By providing seed funding to create sustainable programs that increase demand for energy efficiency upgrades, these local programs will transform the market and continue long after the program's initial funding phase is completed. The jobs created as a result of this program will flourish as Better Buildings neighborhoods continue to support energy efficiency and the trained professionals who have developed the skill sets to provide energy efficiency evaluations and upgrades in their communities over the long term.

What are you asking home and building owners to do?

Residents and building owners are asked to evaluate their building's energy use and to consider having an upgrade performed. Energy efficiency improvements can increase comfort, value, air quality, and efficiency. Specific improvements include:

- Insulating walls and attics, which reduces heat loss and helps regulates temperatures.
- Sealing holes and cracks to reduce drafts, dust, moisture, pollen, and noise.
- Upgrading outdated heating, cooling, and other mechanical systems to more efficient models.
- Choosing energy-efficient appliances, electronics, windows, and lighting options.

How will making these improvements benefit homeowners?

The average American household spends nearly $2,000 per year on home energy, but $200 to $400 of that could be going to waste due to drafts, air leaks around openings, and outdated heating and cooling systems. Energy-efficient improvements increase comfort at home, provide better indoor air quality, and lower energy bills. If you've ever sat under a drafty window or wondered why your home isn't cool in the summer, you may not realize what you're giving up by living in an energy-wasting home. Energy-efficient homes are more comfortable and safe because they reduce drafts, noise, pollen, and air quality problems. No more heavy sweaters or Snuggies® needed!

What about apartment buildings?

Many Better Buildings neighborhoods support energy efficiency upgrades for multifamily building owners. Renovating apartment buildings with more efficient insulation, windows, lighting, appliances, and other energy-efficient technologies can result in immediate return on investment for landlords and apartment occupants. Energy-efficient units reduce operating costs, improve tenant comfort, and offer a "green" edge in today's rental market.

Why should businesses become more energy efficient?

Generally, commercial buildings consume approximately 20 percent of all energy in the U.S. economy. Many businesses are paying for energy they don't need due to inefficient mechanical systems and building leaks. In addition to reducing operating costs, energy-efficient businesses improve the comfort and air quality of their buildings, productivity of employees, and competitiveness in today's energy-conscious market.

What is Better Buildings doing for businesses?

Many BetterBuildings communities are offering financial incentives, technical assistance, and project involvement for businesses that want to make their buildings more energy efficient. In Detroit, for example, BetterBuildings for Michigan is leveraging $10 million in seed funding to help institutional, public, and commercial building owners invest $48 million in energy-efficient projects. A variety of value-added offerings are being provided such as preliminary energy evaluations, rebate assistance, and a revolving loan pool.

What happens when the money is gone—will these programs dry up?

As a market transformation effort, the Better Buildings Neighborhood Program is planting the seeds to help grow the residential and commercial energy efficiency upgrade market across the country and ensuring qualified professionals can meet the need. The financial assistance these successful programs are receiving now will help promote their long-term sustainability as more and more consumers recognize the value of improving buildings, lives, and communities through energy efficiency. Better Buildings is helping to identify business models that will work in the future to help grow the energy improvement industry.