

# Energy Finance Programs

U.S. DEPARTMENT OF  
**ENERGY**

Energy Efficiency &  
Renewable Energy



The Parker Ranch installation in Hawaii

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**Southeast Peer to Peer  
Meeting**

**March 4, 2011**

# Energy Finance Programs: All Shapes and Sizes

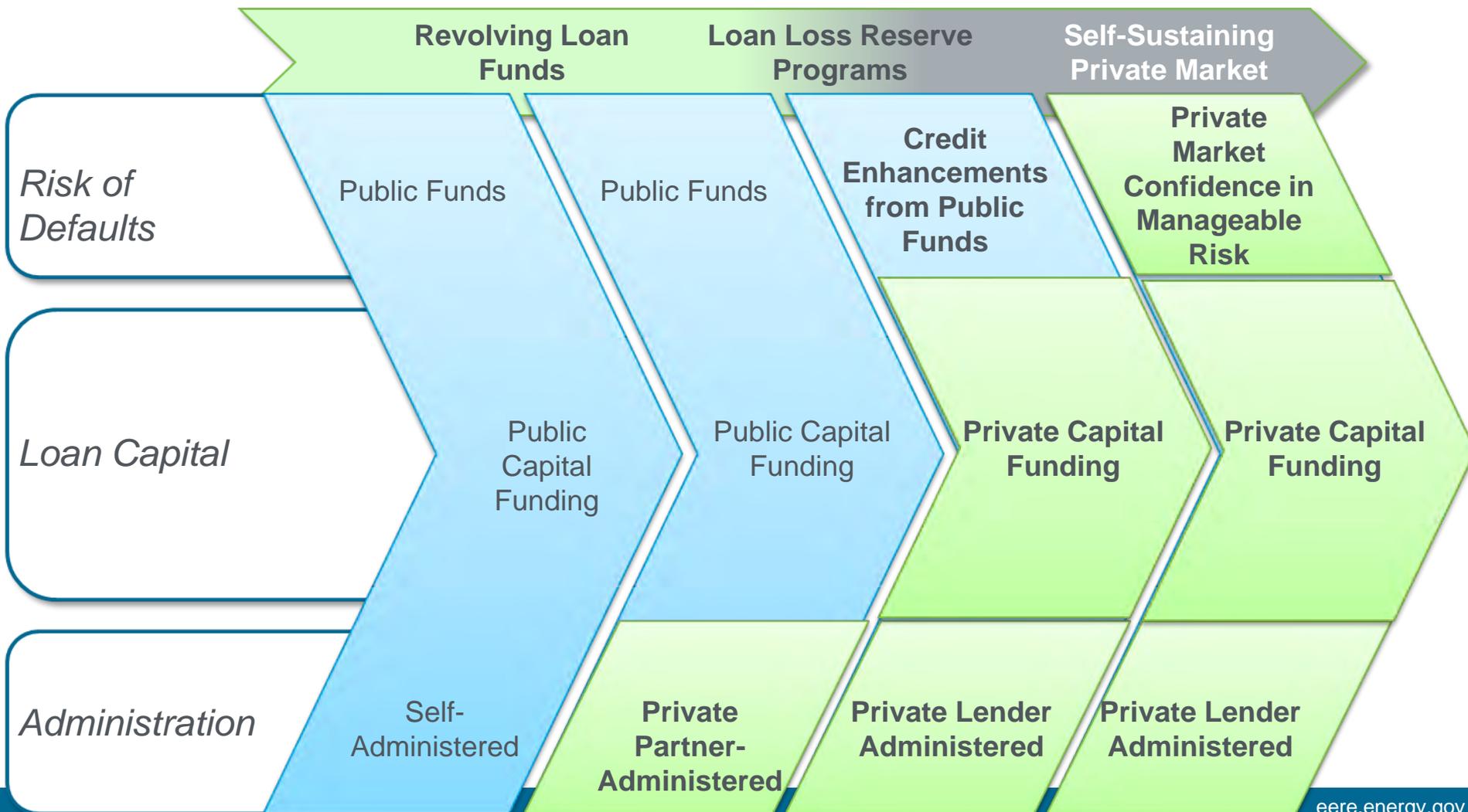
Program Types	Funding Sources	What to Fund	Who Can Borrow
<ul style="list-style-type: none"><li>• Grants / Rebates</li><li>• Loans</li><li>• Revolving loan funds</li><li>• Interest Rate Buy-down</li><li>• Credit Enhancements</li><li>• Assessments</li></ul>	<ul style="list-style-type: none"><li>• ARRA</li><li>• General Fund Appropriations</li><li>• Bonds</li><li>• Violation funds</li><li>• Utility revenues</li><li>• Multi tier</li></ul>	<ul style="list-style-type: none"><li>• Efficiency</li><li>• Renewables</li><li>• Combination</li><li>• Vehicle</li></ul>	<ul style="list-style-type: none"><li>• Residential</li><li>• Government</li><li>• Schools</li><li>• Commercial</li><li>• Industry</li></ul>

**Existing programs vary substantially**

- Way to focus government resources on the community at large
- Increase the impact of limited funds
- Can work in tandem with rebate programs to make energy efficiency more affordable
- Puts responsibility on customers

# Roadmap to a Self-Sustaining Private Market

Grantees currently are building programs at different points along the spectrum, as appropriate to their capabilities and the risk appetite of their financial partners

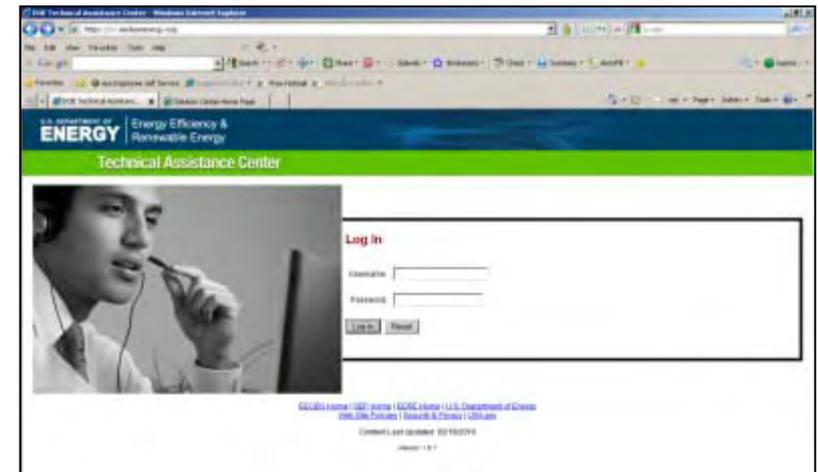


We encourage you to:

1) Explore our online resources  
via the [Solution Center](#)



2) Submit a request via the  
[Technical Assistance Center](#)



3) Ask questions via our call center at  
1-877-337-3827 or email us at  
[solutioncenter@ee.doe.gov](mailto:solutioncenter@ee.doe.gov)

# They are all energy finance programs...

- Two main program elements
  - Finance program design
  - Sources of capital
- Programs around the country mix and match designs and sources of capital

- Public sources like ARRA funding, general fund revenues, public benefits charges, greenhouse gas auctions
- The bond market
- Private sector capital that may include a publicly-funded credit enhancement

- Revolving Loan Fund
  - Examples: Wisconsin (ARRA), Saint Louis County (QECBs)
- Interest Rate Buy-Down
  - Example: Connecticut buy-down of Fannie Mae energy loans
- Credit Enhancements (Loan Loss Reserve model)
  - Examples: Michigan Saves, Madison, Washington state programs
- Property Assessed Clean Energy
  - Example: Boulder County, CO Commercial Program

- Finance programs are complex, so please ask for help
- Remember you will need to pay for the management of your finance program for as long as the program operates, even after ARRA funds run out
- If your program design includes private lenders, meet with them early and often as you set up the finance program

- Your borrowers want a useful, easy finance product with a good rate. They won't care about the back-end design
- Understand the potential market for energy finance, and research existing finance programs in your jurisdiction

- Program design and capitalization decisions
- Financial models of revolving loan funds, loan loss reserves
- Help writing RFPs and contracts
- Legal questions about eligibility of projects
- Program marketing

# **Solar & Energy Loan Fund of St. Lucie Co., Inc.**

A non-profit Solar & Energy Loan Fund of St. Lucie County, Inc. (SELF) is an Emerging CDFI that provides loans to residents and small businesses in St. Lucie County for energy-efficient improvements.

# S.E.L.F. – FOUR PATHS

- ▶ From PACE Program to a Revolving Loan Program
  - Pilot Program – Revolving Loan Program
  - PACE initiative
    - Residents without a mortgages
    - Commercial properties
  - Emerging CDFI
  - LLR as an option with additional funding partners or grants

# KEY PARTNERS

- ▶ St. Lucie County Government
    - Grantee pass through to SELF
  - ▶ SLC School District
    - Sustainability review \$1,000,000 savings
  - ▶ Fire District
    - LEED Certified Stations
  - ▶ City of Fort Pierce
  - ▶ City of Port St. Lucie
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# KEY PARTNERS

- ▶ Economic Development Council
  - ▶ Treasure Coast Regional Planning Council
  - ▶ Local Banks & Business Leaders
    - 4 Banks and letters of support CDFI
  - ▶ Treasure Coast Builders Association
  - ▶ Indiantown Non-Profit Housing Inc.
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# KEY PARTNERS

## ▶ Utility Partners

- Florida Power & Light
- Fort Pierce Utilities Authority

## ▶ Academic Partners

- Indian River State College
- Green Collar Task Force – Apprenticeship program

# RESULTS OF VISION

- TCERDA Treasure Coast Research and Education Authority
  - USDA
  - UF
  - St. Lucie School District
  - IRSC
- Oakridge Laboratories
  - IRSC – 65,000sqft Tech Center
  - Green District
- GE
  - Geo Plasma
  - Smart Grid
  - Lighting Districts – Solar – LED
- Habitat for Humanity
  - LEED Certified Silver
- Community Services
  - Neighborhood Stabilization 11 Green Components to Sustainability



# EECBG Projects: Grant & Loan Programs for Retrofits



## **“Grants To Green Your Nonprofit” G2G**

\$1M Re-Granting Project to 59 Community & Faith Based Organizations

**REEL – “Renovations for Energy-Efficiency Loans”** in partnership with the South Florida Regional Planning Council:

- All local businesses in Miami-Dade County may apply.
- Owner must have a 10 to 20 percent equity stake in the project.
- Must be in business at least 4 years.
- Must contribute to the Miami-Dade County economy.



# EECBG Projects:

## Community-wide Energy Efficiency Campaign

Campaign to engage residents to gain support for energy conservation, renewable energy, recycling and waste reduction, and to serve as a catalyst for long-term behavior changes resulting in reduced energy use.

- Residential and Business Energy Savings Challenges
- CFL Light Bulb Exchange
- Home Energy Savings Workshops

*Partners: Other county agencies, Dream in Green, Radio Disney, the Museum of Science, FPL*



# County Programs: SEAM

## Save Energy and Money Revolving Loan Fund

- To help engage energy management at the department level and create a self-sustaining performance-improvement finance program.
- SEAM works by paying the upfront capital costs for energy and water efficiency retrofits, and then recouping the financial returns (or savings on electricity and water bills) over time. A 2.5% interest rate is applied to help grow the fund.
- The funds are constantly “revolving”; being used, earned back, and reinvested, thus sustaining the program.
- Established a pre-qualified pool of vendors for future pricing competition (GC’s, trades and energy providers)
- First Round: 10 applications: 9 small lighting projects at Parks and 1 solar thermal pool heating project at Fire & Rescue
- \$300k will be lent in the first year of the program; thereafter, \$125k will be lent every 6 months.

# County Program: Property Assessed Clean Energy (PACE) Program

- 2010: Enabling legislation and Board support
- 2011: Market research and procurement for:
  - a full service third party administrator
  - a turnkey program
  - no additional costs to the County
  - no county seed money available

# The Get Energy Smart Retrofit Program:

## Driving Demand for Home Energy Retrofits

March 3, 2011

Lee Hayes Byron

Sarasota County Sustainability Manager



# Energy Efficiency & Conservation Block Grants

- To be received in Sarasota County over 3 years (\$4.2M):
  - Unincorporated County: \$2,524,800
  - City of North Port: \$476,100
  - City of Sarasota: \$598,100
  - City of Venice: \$665,000 (through state subgrant)
- County Programs Focused on Building Energy Retrofits:
  - Facilities energy efficiency improvements and audits: \$643k (26%)
  - Community Education & Professional Training: \$201k (8%)
  - Get Energy Smart Retrofit Program: \$1.6M (67%)



*get*  
**ENERGYsmart**  
RETROFIT PROGRAM

# Get Energy Smart Retrofit Program Overview

- **Collaborative Program among 4 jurisdictions, 4 sources of funding, 1 contracted Program Administrator**
- **\$2.1 million available to homeowners: First-come, first-served by jurisdiction**
  - **Rebates: \$ 1,139,273**
  - **Loans: \$ 547,000 (County and NP only)**
  - **Do It Yourself Kits: \$ 175,000 (value)**
- **Eligibility: Homesteaded and Live in a participating jurisdiction**
- **Must use Participating Contractors**





# Sarasota County Incentives

## What benefits are available?

- Free DIY devices valued at up to **\$150** (CFLs, Smart Power Strips, Caulk & Outlet Insulating Gaskets, Faucet Aerators)
- Rebate of up to **\$750** for home energy audit
- Rebates totaling up to **\$3,000** for eligible home energy improvements
- Loan of up to **\$10,000** for eligible home energy improvements (Income limitations apply)



# Get Energy Smart Retrofit Program

## Eligible Home Energy Improvements

- Comprehensive Home Energy Audit
- Solar or Gas Tankless Water Heater
- Lighting Renovation
- ENERGY STAR Appliances
- ENERGY STAR Ceiling Fan
- ENERGY STAR Windows and Doors \*
- Insulation \*
- Duct Sealing \*
- Air Conditioning/ Heat Pumps \*
- Radiant Roof Barrier \*
- Solar Attic Fan \*

\* **Comprehensive Home Energy Audit Required**



get

ENERGY**smart**

RETROFIT PROGRAM

# Get Energy Smart Retrofit Program Program Status

Launched August 6, 2010

39% of rebate funds are expended



# Get Energy Smart Retrofit Program

## Program Status

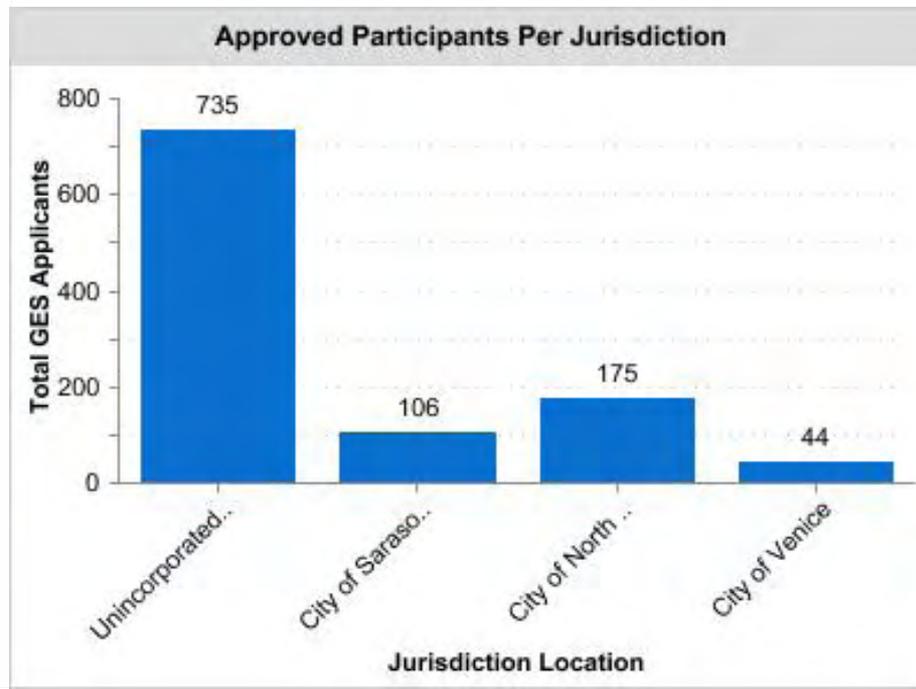
### But Many Are in the Pipeline!

- >1,000 approved applicants

### Rebates not guaranteed or reserved

### For Those Concerned About Rebate Availability:

- Weekly status updates by jurisdiction at [www.getenergysmart.net](http://www.getenergysmart.net) → Funding Status Updates



# Get Energy Smart Retrofit Program Program Status



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RETROFIT PROGRAM

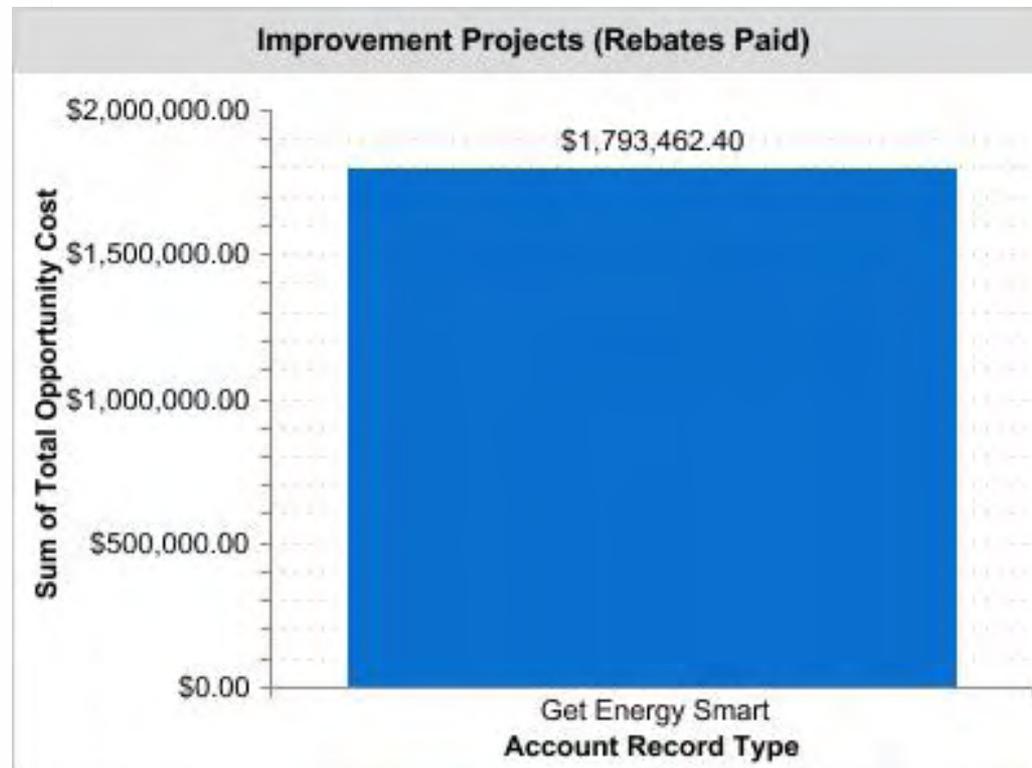
## What are the Rebates Being Used for?

1. HVAC
2. Solar Water Heating
3. Duct Repair
4. Audits
5. Appliances



# Get Energy Smart Retrofit Program Economic Impact

- So far: \$446,179 in Rebates → \$1,793,462 in improvement projects
  - \$1 rebates results in \$4.02 direct economic impact
- Potential: \$1.14M in Rebates → \$4.6M in direct economic impact





# Challenges & Lessons Learned



- Benefit of Collaborating Across Jurisdictions
- Keep It Simple, but...
- Contractors: Assett & Liability
- Customer Service: Online is not enough
- Jobs not captured by PAGE Reporting

# Get Energy Smart Retrofit Program: Driving Demand, Creating Jobs & Saving Energy

## Resources

- Get Energy Smart Retrofit Program

[www.getenergysmart.net](http://www.getenergysmart.net)

- Sarasota County Sustainability

[www.scgov.net/Sustainability](http://www.scgov.net/Sustainability)

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