

EFFICIENCY CITIES NETWORK

October 27, 2009

3pm EDT

Using Municipal Bonds to Support Energy Efficiency

Moderators:

Joel Rogers, Director of Center on Wisconsin Strategy (COWS)

Satya Rhodes-Conway, Administrator of Efficiency Cities Network (ECN)

Agenda

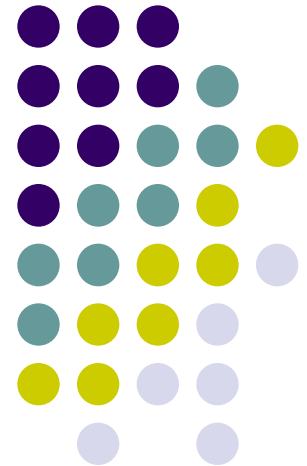
- Welcome and intro (5 min)
- Presenters (35 min)
 - **Trenton Allen**, Director, Municipal Securities Division, Citibank
 - **Ann Livingston**, Boulder County Sustainability Coordinator
- Questions and discussion (45 min)
- Next call and other items (5 min)



ClimateSmartTM
LOAN PROGRAM

Efficiency Cities Network

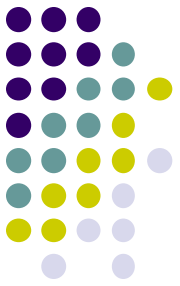
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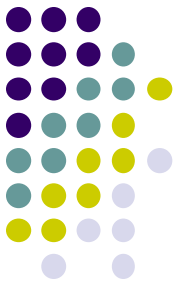


Basic County Information

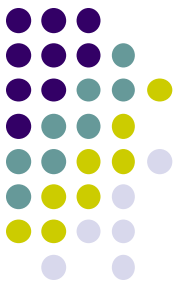
- Population: 300,136
- Land area: 474,320 acres (741.125 mi²)
- 67% of county land area is publicly owned—
nearly 89,000 acres of County Open Space
- Political structure:
 - 3 County Commissioners, no County Manager
 - 10 incorporated municipalities, 6 utilities



Why did Boulder County and partner municipalities create the ClimateSmart Loan Program?

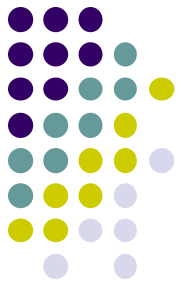


Local Impacts of Climate Change

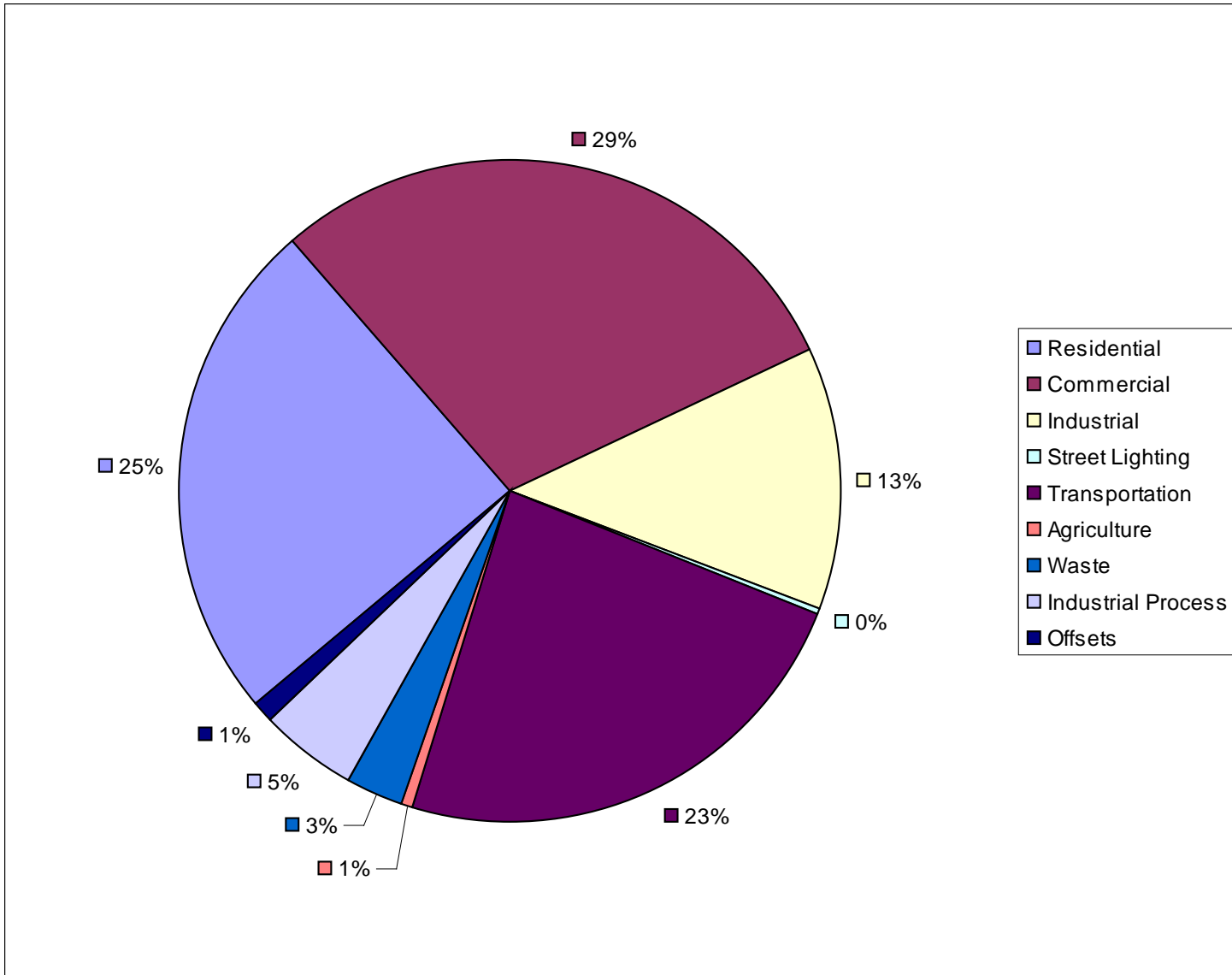


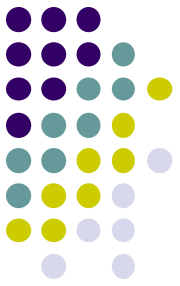
- Earlier snowmelt
- Longer droughts
- Increased flood risk
- More intense forest fires
- Large-scale beetle kill
- Loss of alpine meadows
- Loss of native species
- Visual impact
- Economic impact on tourism, ski industries





Boulder County's Emissions by Sector





Program Basics



Program Purpose

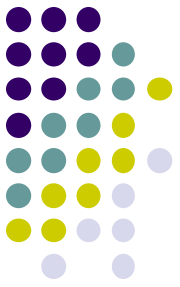
- To help residential and commercial property owners reduce their environmental impact and likely save money by providing full financing for energy efficiency improvements and installation of renewable energy technologies.
- Key strategy in Sustainable Energy Plan
- Authority: HB 08-1350 and County Ballot Measure 1A (1B on ballot now)

Program Basics



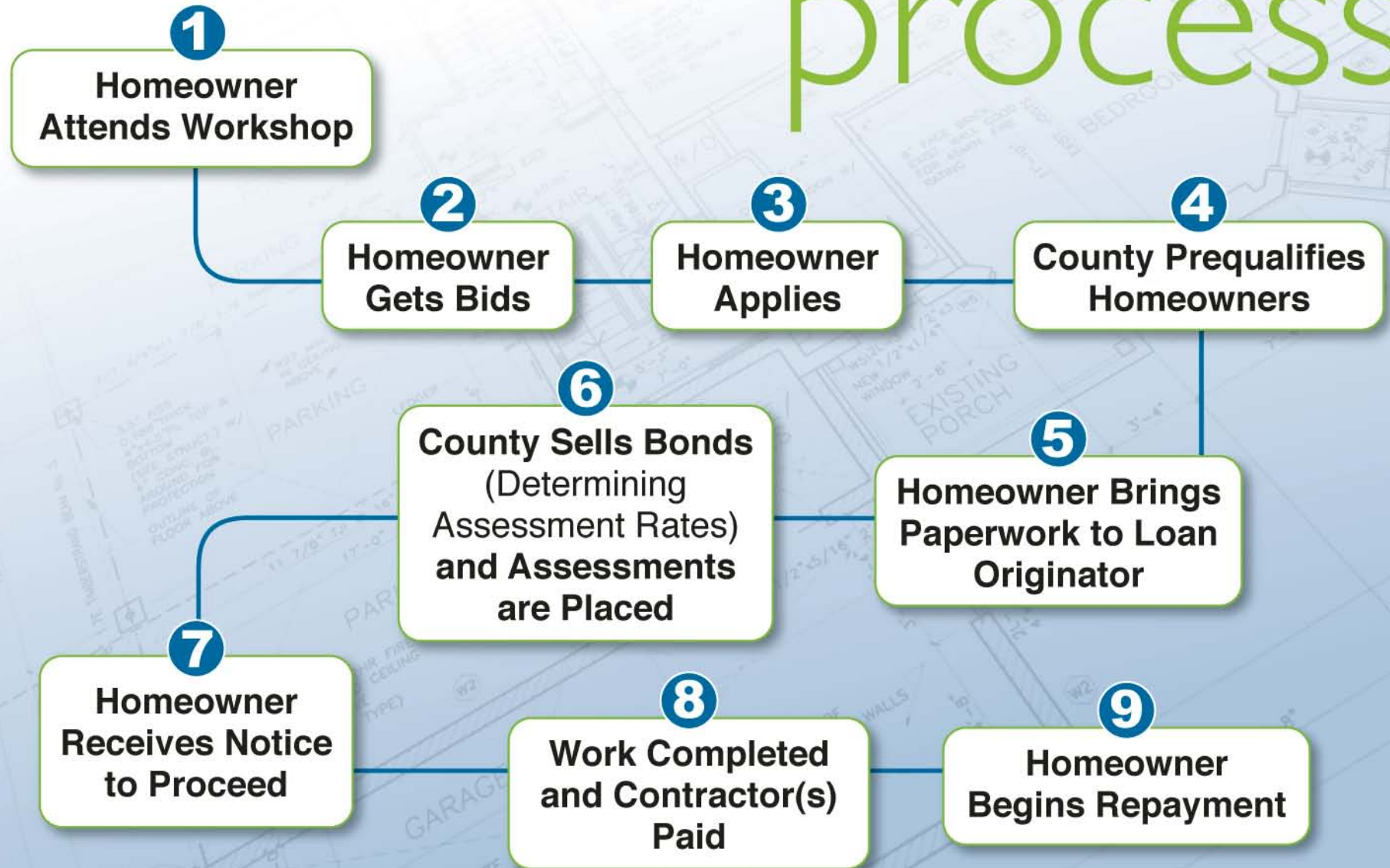
- Energy efficiency and renewable energy (RE/EE) measures
- All properties within Boulder County can participate
- Countywide pool of funds obtained through sale of bonds
- Up to the full upfront cost of improvements is loaned
- Property owners opt in (minimal general fund allocation)
- Special assessment placed on property
- Complements rebate and incentive programs

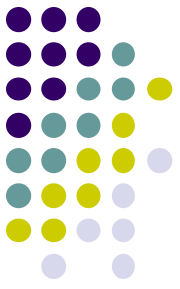
County Level Administration



- Allows us to generate enough in loans to be cost effective (relatively small population county)
- Three elected offices: BOCC, Assessor, and Treasurer
- Opt in by municipalities
- Centralized staffing and messaging
- 6 electricity providers, 1 gas provider, and 11 building divisions (10 municipal and 1 county)

ClimateSmart loan program application & financing process

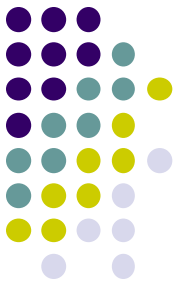




Eligible Measures

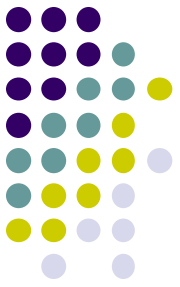
- Fixtures to property
- 40+ measures allowed to meet different needs and desires
- Useful life must average 15 years or more under normal conditions (by traunch, not property)
- Minimum standards (on eligible measures list)
 - Attic example: upgrade to R-38 is the minimum value we will cover--R-50 is ok as well, but R-24 is not
 - Some items must be part of a package or may only be replacements

Eligible Measures: Energy Efficiency



- Air Sealing and Ventilation
- Insulation
- Space Heating and Cooling
- Water Heating
- Lighting
- Daylighting
- Windows, Doors, and Skylights
- Reflective Roof
- Pool equipment and landscaping (open only)

Eligible Measures: Renewable Energy



- Solar Hot Water
- Solar Electric (PV)
- Small Wind
- Wood or Pellet Stoves



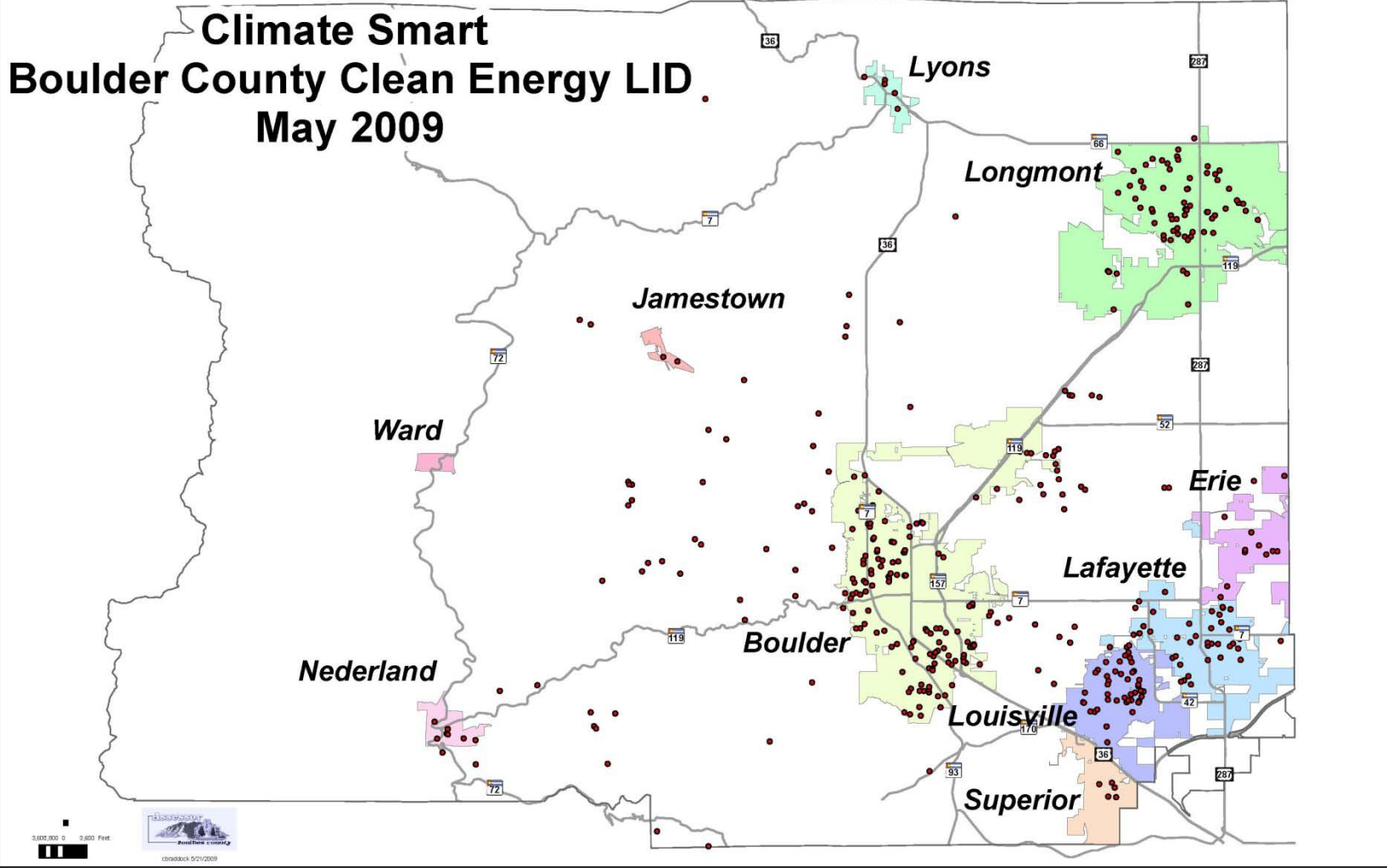
Residential Loan Sizes

- Minimum: \$3,000 per home
- Maximum:
 - Open Loans (funded by taxable bonds): 20% of statutory actual value of property or \$50,000, whichever is less—6.68%
 - Income Qualified Loans (funded by tax-exempt bonds): \$15,000, as per federal law—5.2%
 - Income Qualified Loans may be combined with Open Loans up to the Open Loan maximum

Monitoring and Research



- Participants will be required to sign a utility bill release (during loan origination) so we can monitor the impact of the program
- We will also monitor the distribution of loans throughout the county





Program Capacity

- \$40 million already approved by voters through Ballot Measure 1A
- The County has apportioned \$28 million for residential properties and \$12 million for commercial properties
- Second ballot measure has been referred
 - \$40 million for Boulder County
 - \$45 million for other local governments

Status

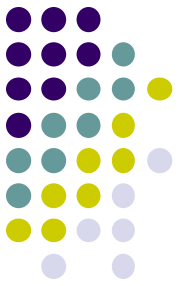


- Rounds one and two
 - \$10 million in projects
 - Vendors indicate significant impact/multiplier
- Stimulus funds were under consideration for marketing and workshops, but are insufficient for meaningful impact on rates
- Commercial program is under development

Commercial Loan Program

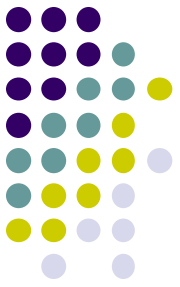


- Eligible measures list out for review
- Performance path
- SOW out for consultant to do market analysis
- Forming advisory group
- Loans early 2010



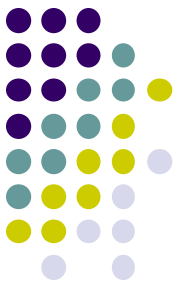
Related Programs

Boulder County Energy Corps



- Utilize existing social networks
- Green jobs training
- Clipboard+ energy assessments
- Direct installs
- Market REAP and CSLP
- Follow-up through group leader and County

Residential Energy Action Program



- Available to all county residents
- County, municipal partnerships
- Focus on implementation assistance and audits



RESIDENTIAL
ENERGY
AUDIT
PROGRAM





Lessons Learned



Lessons Learned

- Lack of ability to guarantee a rate (or exact amount of fees) in advance makes borrowers uneasy
- New types of programs require significant amount of contact with participants and staff time
- Program integration is important
- Can impact local companies between program announcement and loan approval
- Can generate interest in EE measures, harder to manage than RE
- Local economic stimulus--creates a ripple effect
- Need to keep working at the state and federal levels

Contact Information



www.climatesmartloanprogram.org

www.bouldercounty.org/sustain

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Contact Information

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