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)
Efficiency Cities Network

October 27, 2009
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
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

1. Homeowner Attends Workshop
2. Homeowner Gets Bids
3. Homeowner Applies
4. County Prequalifies Homeowners
5. Homeowner Brings Paperwork to Loan Originator
6. County Sells Bonds (Determining Assessment Rates) and Assessments are Placed
7. Homeowner Receives Notice to Proceed
8. Work Completed and Contractor(s) Paid
9. Homeowner Begins Repayment

save energy save money
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
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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Presenters:

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