Context: Sustainable Energy Plan

- Criteria
  - Emissions reductions potential
  - Cost effectiveness
  - Economic impacts
  - Social equity – distribution of cost and benefits
  - Persistence

- Strategies include
  - Voluntary and support actions – public education/awareness
  - Local regulatory programs
  - Direct financing
Residential Programs
Energy audits with one-on-one assistance, financial incentives and ongoing customer support.

Residential Energy Action Program
4 years audits energy counseling 2000 homes $7,000 avg investment
ClimateSmart Loan Program
612 households $13,500 avg investment (RE & EE)
Energy Corps
Direct install, homeowner education, 400 homes

Commercial Programs
A three-pronged approach to working with businesses:

1) **Learn It**: promote behavior change through geographically targeted or sector based “energy sweeps”;

2) **Tune It**: work with businesses to make their existing equipment more energy efficient;

3) **Change It**: provide implementation assistance, rebate incentives and access to finance to enhance investments in new energy efficient equipment.
CSLP Program Purpose

- To help residential and commercial property owners reduce their environmental impact and 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, SB 10-100, and 2008 County Ballot Measure 1A ($40 million bond)

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
- Special assessment placed on property
- Some use of general fund dollars for program administration; paid back over time
Eligible Measures List

- Insulation
- Air sealing and ventilation
- Space heating and cooling
- Water heating
- Lighting
- Daylighting
- Windows, doors, and skylights
- Reflective roofs
- Pool equipment upgrades
- Solar hot water
- Solar PV
- Small wind

Program Capacity

- $40 million already approved by voters through Ballot Measure 1A--$13 million used in 2009
- The County apportioned $28 million for residential properties and $12 million for commercial properties
Residential Loan Sizes / Rates

- 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%, 6.8%
  - Income Qualified Loans (funded by private activity bonds or QECBs): $15,000, as per federal law for PABs—5.2%, 5.8%
  - Income Qualified Loans may be combined with Open Loans up to the Open Loan maximum
2,000 people attended workshops

Monitoring and Research

- Participants are required to sign a utility bill release (during loan origination) so we can monitor the impact of the program
- We also monitor the distribution of loans throughout the county
- Information is integrated with GIS layers and information for other related programs
Residential Results

- 603 property owners used $13 million of bond cap in initial pilot
- Average loan size $17-18k, well above estimate of $10k
- 20-25% under $10,000
- EE—two thirds of total dollars
- PV, windows, and insulation are top three measures in dollars
Commercial Loan Program

- Eligible measures list
- Maximum of $210,000 per property
- Advisory group to review nonstandard measures
- Lender consent required
- First bonds issued in October – approx $1.5 million, 29 businesses
- 1.04% for 5 year loans and 2.92% for 10 year loans (used QECBs)
- 20% solar, 80% efficiency

Better Buildings Grant: Finance

- $2.3 Million for micro loans
  - Boulder County only
  - $500-3,000 per property
  - 3 year revolving pool
- $8 Million in credit enhancements
  - Intended largely for PACE programs, but flexible
  - Boulder County, Denver, and Garfield County get priority use
  - Can include private sector partnerships
  - Debt service reserve funds, loan loss reserve funds, and other
Lessons Learned

- Program is enormously popular across political spectrum
- 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
- Can impact local companies between program announcement and loan approval
- Can generate huge interest in EE/RE measures
- Local economic stimulus--creates a ripple effect
- Need to keep working at the state and federal levels

Contact Information

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PACE Today

- FHFA action makes residential highly problematic
- Commercial is currently an option
- Benefits of PACE that should be goals for other finance programs:
  - Tie debt to property
  - Competitive interest/assessment rates
  - Increased access to capital (credit qualifications)
  - Link to technical assistance and educational programs

Unsecured Loan Program

- Similar to credit cards and other debt that is linked to the borrower and not an asset
- Fund a 5-10% percent loan loss reserve (not guarantee)
- Capitalize through lending partner (likely private sector)
- Leverage public funds at least 10:1
- Supports energy efficiency financing through non-governmental organizations
- Flexibility on rates and credit qualifications
Secured Loan Program

- Secured through property
- Fund a 5-10% percent loan loss reserve (not guarantee)
- Capitalize through lending partner (likely private sector)
- Leverage public funds at at least 10-20:1
- Supports energy efficiency financing through non-governmental organizations
- Flexibility on rates, but little flexibility on credit qualifications
- Lower rate than unsecured, but also typically larger minimum loan size

On-Bill Financing

- Repaid through utility bill
- May be capitalized by utility or third party (lending institution, public sector, etc)
- May be “tied to the meter”—debt can transfer to new owner
- Will require utility cooperation and potential guidance from the PUC
- Closest option in terms of meeting all PACE goals