Applied Solutions' holds periodic online collaborative webinars to leverage the expertise of local government staff to support the design, development and implementation of energy, water and transportation public projects. Each webinar is captured in a case study format and shared with all Applied Solutions members at www.appliedsolutions.org.

Applied Solutions Case Study- Charlotte County, FL PACE Program
January 31st 2013

Jason Stoltzfus: Charlotte County Program Liaison (FL)
Dana Fischer: Residential Program Manager for Efficiency Maine (ME)
Barbara Spoonhour: Director of Energy and Environmental Programs, Western Riverside Council of Governments (WRCOG) (CA)
Liz Yager: Manager of the Energy and Sustainability Division of the County of Sonoma (CA)

DISCUSSION QUESTIONS:

1. How did you gauge community interest in a PACE program prior to implementation? If surveys were used, did actual participation rates line up with survey results?
2. What are some of the challenges in getting property owners to take advantage of the program?
3. What are the biggest criticisms of the PACE program?
4. Can you please describe most salient lessons learned to make a program more successful from the start up?
5. Have you been successful in acquiring grant funding for your program?
6. Is your program regional/does it involve multiple government entities? If so, how was the contract initiated and structured with each entity's priorities in mind?
7. Can we please have copies of your third party PACE administration contracts to reference when preparing our contract?
8. What type of PACE program model are you using and what is the repayment mechanism (property tax assessment, utility bill, etc.)?
9. Does your current program include commercial and/or residential components?
10. If a residential component is included, how have the FHFA issues been addressed?
11. How is the program marketed (i.e. do contractors identify the PACE program as a financing option when trying to sell their product or do participants decide on improvements after obtaining an energy audit)?
12. What is the interest rate of your current program?
13. What is the funding source?
14. How much did your government entity invest into the program and what types of financial risk is involved?

RESPONSES TO DISCUSSION QUESTIONS:

1. How did you gauge community interest in a PACE program prior to implementation? If surveys were used, did actual participation rates line up with survey results?

Dana Fischer, Efficiency Maine (ME):

- We built awareness but there wasn't any real looking at whether PACE was going to be viable or not before it launched
- A lot of interest brought to the attention of the legislature- fair amount of advocacy for it at the state level
- There was not a lot of seeking of public input in terms of how many people liked PACE loans
- It was a large task to establish a demand for a loan product
- We received a DOESEP grant for ten million dollars to provide rebate incentives for weatherization prior to PACE unfolding

Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- We didn't do surveys or anything along those lines
- A lot of our individual cities had a real interest in doing their own PACE program but they didn't have the resources
- We based off of everything that Sonoma and Palm Desert did so we felt comfortable once we launched our program that we wouldn't have a problem issuing bonds or financing property owners for their projects

Liz Yager, County of Sonoma (CA):

- The Sonoma County Water Agency did a marketing analysis for the program- which showed that there was a definite niche in the market for residential and commercial as PACE being a good source of funding to get projects done
- There was extensive interest in the county for the political aspect

2. What are some of the challenges in getting property owners to take advantage of the program?

Liz Yager, County of Sonoma (CA):

- The FHFA
- Refinancing can create a delay in the process
- People understanding the concept of building performance
- People on the residential side understanding that PACE can also make homes more comfortable and healthy

Dana Fischer, Efficiency Maine (ME):

- Informing the public about weatherization
- Getting the public to understand energy efficiency and being able to take additional debt on
- Our PACE program requires that people have at least as much equity that they hope to borrow
- Our requirement of a 45% debt to income ratio

Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Our requirement of 10% equity in the home
- Property values dropped significantly and they are now just coming up

3. What are the biggest criticisms of the PACE program?

Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Our equity requirement of 10% equity

Liz Yager, County of Sonoma (CA):

- From the contractors feedback it's the simple interest rate of 7%
- People not appreciating or understand that we are not in the first position mortgage business; it's a different bond market
- We don't have that pool of PACE projects yet to actually establish a better interest rate for these types of bonds in the financing market

Dana Fischer, Efficiency Maine (ME):

- People would like it to be faster, easier, less paperwork. 90% of our applicants fill out an online form to initiate the loan process, and the majority of our loans are closed with the consumers within a month so there are few products that I know of that are really faster than that

4. Can you please describe most salient lessons learned to make a program more successful from the start up?

Dana Fischer, Efficiency Maine (ME):

- Make it easy and avoid battles
- The only true taxes and setting up priority liens is not always what it seems and there may be other ways of thinking outside the box
- Deliver financing to people and collect those funds one way or another
- Achieve your objectives
- Make it fast and simple

Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- The program needs to be easy for the property owner, the contractor, and for any jurisdiction or municipality that is part of your program
- Get the major contractors on board as well as the manufactures-get them familiar with what the paperwork is going to be, what the timeline is for funding, and giving them additional marketing materials to help market the program
- We did a slow launch, which allowed us as only a couple applications were coming in to test our online system, to test our processes, and test doing our bond documents. Slow launch allowed us to make sure everybody's models matched so that when the funding documents the recording documents were being generated they were accurate so we cut down on needing to make any corrections to our documents.

Liz Yager, County of Sonoma (CA):

- *Engage with the contractor community and involving them in your process and even considering and community advisory group to help make sure that as you change and grow your program that you are hearing from the stakeholders in your community.
- How to create all the documents from scratch

- Really put the time in and look at the options around you and get access to the documents to just cut and paste and leverage as much as you can
- Really define programs for your community
- Education
- Work with the contractors
- We have an online component, but we also have a walk-in store front
- Integrate other financing mechanisms into that marketplace
- Engage council as possible in the process to understand your local tax laws or local bond council and depending on who is operating the program- helping with the establishment of the contracts and all that work

<u>5. Have you been successful in acquiring grant funding for your program?</u>

Liz Yager, County of Sonoma (CA):

- We were successful in getting a $5 million grant from the California Energy Commission for the implementation of the program Energy Upgrade California
- Other opportunities we look for are Assembly Bill 32
- We are working with other local utilities as shared services for any kind of an energy efficiency program that they run as their subcontractors

Dana Fischer, Efficiency Maine (ME):

- Efficiency Maine won a competitive $30 million grant from the DOE's Better Buildings program

Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- No- we have funding partners who have been able to relieve over $300 million in warehouse lines of credit to fund our program

<u>6. Is your program regional/does it involve multiple government entities? If so, how was the contract initiated and structured with each entity's priorities in mind?</u>

Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Our program is a regional program we represent the 18 cities and the county
- Each one of our cities and the county needed to adopt a resolution of participation and enter into an implementation agreement for us to offer our HERO program in their jurisdiction
- The underwriting criteria are the same across the board
- We marketed our program to the local jurisdictions as a job retainer/creator program
- Priority is economic development and our PACE and HERO program really fits that model

Liz Yager, County of Sonoma (CA):

- Our program is regional
- All 9 cities and unincorporated part of the county participate through resolutions that allow the members of those municipal entities to participate in the program
- Our Regional Community Climate Forum had conversations for having a common goal of GHG emission reduction

Dana Fischer, Efficiency Maine (ME):

- Efficiency Maine is a quasi state agency that's passed dealing with energy reduction in all sectors of the state in all fuels especially electricity-which is the recipient of benefit charges for electric and gas rate payer bills that are used to lower electricity in the state
- We take a number of different revenues including grant funds and use them for programs
- We were required to partner with municipalities
- Under the law of municipalities we were able to establish and administer programs entirely on their own from whatever source of funding that they wanted but they also had to establish an administrative contract with Efficiency Maine to dictate who would administer which aspects of the program or use our criteria for energy savings and advice
- Every single municipality from large to small- has opted to have Efficiency Maine administer all aspects of their program
- Since the launch of PACE we added Power Saver to the program which is a title 1 HUD pilot project
- Our service provider received authorization from HUD to administer the Power Saver program
- The advantage of having these is that PACE is currently structured under the law and technical rules to cover 1 to 4 unit residential properties

<u>7. Can we please have copies of your third party PACE administration contracts to reference when preparing our contract?</u>

Dana Fischer, Efficiency Maine (ME):

- www.efficiencymaine.com All documentation, all draft documents that are used by municipalities to establish PACE program, and establish contracts are available online on our website.
- All the information about the program including the application are available online at: www.efficiencymaine.com/PACE

Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Contact me- I have 8 different partners and 8 different agreements so let me know what part you are interested in

Liz Yager, County of Sonoma (CA):

- sonomacountyenergy.org under the resources menu is a link to local government is where the replication manual is for any municipality for a step-by-step guide to review and design your local program.
- Contact us at the office through phone or email

<u>8. What type of PACE program model are you using and what is the repayment mechanism (property tax assessment, utility bill, etc.)?</u>

Liz Yager, County of Sonoma (CA):

- The $60 million that we are currently using in our financing warehouse is county, treasury, and water agency reserve funded and is paid back through the property tax system

- We are looking at how to bring other models that provide PACE funding into our program in a financing market place

Dana Fischer, Efficiency Maine (ME):

- Completely separate billing on a monthly basis
- All managed and controlled by our servicing partner
- No upfront cost for consumers to participate in the program
- No restriction in paying off debt early

Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Property tax assessment
- Funding is through private investment dollars-no tax payer dollars associated with the financing

<u>9. Does your current program include commercial and/or residential components?</u>

Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Our residential HERO has been up and running for a little over a year
- Our commercial program just launched in December (2012)

Liz Yager, County of Sonoma (CA):

- Both- Almost $11 million is commercial and about $50 million in residential.
- The only difference in commercial is those projects require an energy audit by the local utility and signing of a lender acknowledgement for anyone with a lean against the commercial property.

Dana Fischer, Efficiency Maine (ME):

- All of our loans are residential; there are provisions for us to expand into commercial

<u>10. If a residential component is included, how have the FHFA issues been addressed?</u>

Dana Fischer, Efficiency Maine (ME):

- After guidance came out from the FHFA we started a dialogue with them
- FHFA reviewed our statutory rules and technical process and they sent us a letter that gave us guidance that would not impact Fannie Mae or Freddie Mac

Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- We used disclosure
- It's listed in our application and our assessment contract to make the property owner aware that they may or may not need to pay off the assessment during sale or refinancing.
- It is a discussion with the title company and getting them to understand what an assessment is because it's something new that they're seeing as they pull the documents

Liz Yager, County of Sonoma (CA):

- We do have disclosures in the application process
- The County of Sonoma and the State Attorney's Generals Office of the State of California are in litigation with the FHFA Fannie Mae and Freddie Mac
- The lenders know property tax laws but they need to learn that this is an assessment, it is not a loan

11. How is the program marketed (i.e. do contractors identify the PACE program as a financing option when trying to sell their product or do participants decide on improvements after obtaining an energy audit)?

Liz Yager, County of Sonoma (CA):

- As a tool in the bag of the contractors
- Contractors are there to answer questions of the community and we do a co-marketing effort
- Support the contractors with collateral material about the program and do companion marketing at local events

Dana Fischer, Efficiency Maine (ME):

- The most powerful tool is maintaining word of mouth
- We try everything; we've used T.V., radio, print. Etc.
- One of our most effective mechanisms has been through our partnership with the municipalities
- The contractors use it as a selling tool

Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- The heart of marketing is thought contractors because they are on the ground meeting with the customers
- We have just started working on press kits to get out to our elected officials and city staff so they can do some additional marketing
- Brochures
- Residential marketing ideas for the website and table and print media

12. What is the interest rate of your current program?

Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Our interest rates are based on the terms we offer 5, 10, 15, and 20 year terms and they go from 5.95% to 8.25%

Liz Yager, County of Sonoma (CA):

- 7% simple interest rate and the terms are either 10 or 20 years

Dana Fischer, Efficiency Maine (ME):

- PACE loans are at 10 and 15 year terms at 4.99 fixed APR. Power Saver loans are at 5, 10, 15, or 20 years depending up to the size of the loan
- If it's up to $7,500 the longest it can go is 10 years and we offer that also at 4.99%
- Power Saver requires at least as much equity as people hope to borrow and those could go 15 years or 20 years if it includes solar equipment or renewables also 4.99%

13. What is the funding source?

Dana Fischer, Efficiency Maine (ME):

- DOE Better Buildings grant with the intention of attracting additional funding from a variety of different sources

Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Private investment dollars

Liz Yager, County of Sonoma (CA):

- $60 million- $45 million comes from the county treasury which a fund separate from the general fund for the county
- $15 million comes from the Sonoma County Water Agency from their reserve fund
- We borrowed money for our first year of operating from a Tobacco Securitization Fund
- Our 7% interest pays the treasury 3%

14. How much did your government entity invest into the program and what types of financial risk is involved?

Liz Yager, County of Sonoma (CA):

- The risk has been minimal to non-existent
- In California property taxes are protected by a system called Peter- which makes the property tax assessment one of the safest investments that you can have from the treasurer's perspective

Dana Fischer, Efficiency Maine (ME):

- All the investment has been from the DOE grant-we have not had any defaults

Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Each one of our partners has put in their own money time and effort to get the program up and running
- We've invested a little over $700,000
- The financial risks are with the bond holders and they don't receive a lot of risk because we have foreclosure that we can act upon if someone does not pay the property tax
- Since we're a new program we only got a small number of assessments on the tax role this past year- all were paid on time

AUDIENCE Q&A:

Q: For Western Riverside: How did/are you getting passed the FHFA hurdle for residential programs?

A: Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Disclosure

Q: For Liz, is 7% interest competitive with other financing options for homeowners and businesses? If not, why do they participate in the program?

A: Liz Yager, County of Sonoma (CA):

- 7% is very much in the ballpark of what other emerging programs are using for their interest rate
- The 7% when you look at first position mortgages which is a very different market it's a higher rate, but when looking at commercial construction or other secondary leans 7% is definitely a viable interest rate

- With the program being attached to the property opposed to the person we do not collect any income information from the borrower
- We're interested in the conditions of the leans on the property and whether or not there has been any bankruptcies that the property may be involved in
- If anyone is interested in the feasibility study- the bond analysis for the secondary market that is available on the website

Q: Current status of Fannie / Freddie litigation on AB 811 and how this relates to CA SB 555 using the Mello Rous assessment district process?

A: Liz Yager, County of Sonoma (CA):

- We operate our program under AB 811
- The property tax code for public works the State of California and Sonoma County and some others have filed suits with FHFA Fannie Mae and Freddie Mac based on their letter being treated like a rule making-although they didn't follow the rulemaking process and that they are disputing and calling this a loan when property tax has been in place for over 100 years
- Currently we are working through the litigation process
- FHFA most recently has asked for an extension on their drafting of their rule based on the fact that they received so much data and input and comment that they had to use their time to go through all that data and comment before putting their rule out
- HR2599 is because it's a new year and a new session would need to be reinstituted
- As far as the Mello Rous 555 versus AB811 the guidance I received from our council they don't perceive the 555 offers any better cover from the FHFA than AB811

Q: If a regional approach frees smaller units of local government from the startup and ongoing admin costs, what are the views of the panelists on a standardized statewide PACE facility?

A: Dana Fischer, Efficiency Maine (ME):

- I don't think it would be possible for any municipalities in the state to really operate any sort of PACE program that would have sufficient volume and activity to make it sustainable
- In a certain regard the only mechanism for a rural state is to have it be centralized probably with some small exceptions in order to get the economy of scale

A: Liz Yager, County of Sonoma (CA):

- A statewide program wasn't an option when we started
- There are parts of the state program that we are looking at adding to our financial marketplace so we do see the value in Sonoma County of having a local storefront and a local advocate for the outreach in the community and working with the local contractors to be a local resource

- The secondary market-those transactions happen in the hundreds of millions of dollars so until you have a hundred million dollars in bonds to work in the secondary bonding market it's hard to get into the game
- With the secondary market emerging it's going to be harder for a smaller entity to amass the money needed to participate in the market

A: Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Our executive committee has given us the direction to take our program statewide which is called California HERO
- We are working with a number of cities and counties right now to get their resolution of participation passed hopefully with the next 60 to 90 days so that we can start judicial validation process within that county and in June July have our first property owner outside our region participate in our program
- I think state programs are great, I don't know if California is a great example of using the state mechanism to run the program but there are probably some states in the rest of the county that would probably do a good job at it

<u>Q: Could she share the survey? (Market Survey)</u>

A: Liz Yager, County of Sonoma (CA):

- Absolutely. It may be on the site already- but you can also contact the office.

<u>Q: It appears some of the CA programs fund mostly PV projects. Is there a renewable portfolio standard and/or net metering programs in place in CA to aid in cost effectiveness of these projects?</u>

A: Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Our utilities do have a 33% renewable portfolio to obtain for us
- Energy efficiency projects are actually more than what we do in solar

A: Liz Yager, County of Sonoma (CA):

- There is the California Solar initiative- which provides good rebates for solar PV projects and solar thermal projects

<u>Q: Many programs appear to have far more projects approved than completed. What causes the lag?</u>

A: Liz Yager, County of Sonoma (CA):

- Turnaround time can be 3-4 days but the average is 2
- The actual funding time between the time it's approved and the contracts are signed and the completion of the project depends on the contractor and the work that's being done
- Average project completion time is about 2 months

A: Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Once the financing documents go out and they go out to the property owner and the contractor gets those signed and gets those sent back in, depending on what the project is it could take a couple days for or a day to do a HVAC system but if they are doing solar it could take a little while

- Sometimes if the property owner is the one initiating the application they haven't selected their contractor yet
- While the application is approved they are in the process of selecting their contractor or determining what kind of project they are going to do
- Once we have the completion certificate from contractor and sign off from the property owner we have been able to fund or cut our checks or wires to the contractor within 2 weeks of completion so we have fast turnaround for payment

A: Dana Fischer, Efficiency Maine (ME):

- Every project is different and every homeowner is different and every contractor deals with their business in a different way
- There are so many human variables involved and complexity in the decision making
- The project scopes change- make it simple as it can be

<u>Q: Can folks talk about how PACE filled a need in the market? For example, if Maine is a second position and underwriting is on the owner (ex.45% DTI) how is it different than a standard home equity loan product?</u>

A: Dana Fischer, Efficiency Maine (ME):

- One difference is we lend to 100% of loan to value and we will accept the assessment from a property tax bill as to what the property value is, so people don't have to get an assessment to know whether or not they have equity in their house
- State law and our technical rule allow the PACE loan product to transfer from one owner to the next owner over the course of the house transaction.
- Even though it is not required in probably 99% of the cases the PACE loan will get paid off at the time of sale
- People say they can get a rate lower than 4.99% with their home equity loan they currently have- and we say that's great- Use our contractor database and best practices that we have sketched out, that helps us reach our goal of weatherizing 100% of the houses
- Not a lot of people have equity they are in this fine line of fixed interest rate
- 4.99% is competitive
- Not having such a rigid standard of equity helps us so that's where we fit in there
- We're not for everybody

A: Liz Yager, County of Sonoma (CA):

- We are not right for everybody
- Following the property tax law and the fact that its property qualified and not owner qualified is really the niche we're helping when we are helping people get the projects done
- Not being for profit, it is about getting the efficiency work done and getting the solar installed and getting these homes healthy and comfortable
- We are coming for a different place with the customers

Q: Are these structured as cash-flow positive to the borrower?

A: Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- We don't have a cash flow positive requirement
- We allow our property owners to choose what kind of improvement they want to do
- We have a lot of partnering between contractors

A: Liz Yager, County of Sonoma (CA):

- We do not have a requirement for it
- Many of the commercial projects have a much better tools available to quantify for them on their balance sheet how this process is going to work for them
- A number of people in the community and everything that's on our eligible improvements list has been qualified for its energy efficiency and an energy star rated or a part of some other kind of state or federal rebate program
- The pieces of the puzzle are evaluated from an engineering perspective
- Some businesses will choose to do this for the value for them from a marketing perspective
- On the residential side, building performance in a home is much more complex.
- The health benefits- and people being comfortable are difficult to measure.

A: Dana Fischer, Efficiency Maine (ME):

- We have a cost effectiveness test, but people don't necessarily have to demonstrate their cash positive
- The average project we are seeing savings projected on energy models to be in the 36-40% range. That can translate into $1400 a year savings and that can be within a 6-8 year payback. Meanwhile we are lending over a 15 year term
- Most of the projects that are occurring are cash positive to the homeowner
- The circumstances where it wouldn't be cash positive we are addressing significant moisture mitigation issues in their basement, where they are spending a great potion of their PACE loan on air quality preventing mold, which the homeowner recognizes as a great benefit to their home
- We sell on 2 points- one is savings and the other is comfort

Q: Has Maine's lack of primary lien status and lack of payment through property assessment affected the interest rate? Those are often used as the reasoning for why the model allows lower interest rates.

A: Dana Fischer, Efficiency Maine (ME):

- We set the interest rate based on what we anticipated on what we needed for revenues and what we anticipated for default rate

Q: Does the PowerSaver and/or PACE loans in Maine include buydown or subsidy to get to 4.99%; and capital was Better Building grant dollars, not AFC First?

A: Dana Fischer, Efficiency Maine (ME):

- All the funding is coming from our better building grant dollars from that original pool
- AFC First is our service provider, they get paid on a loan by loan basis for the services that they provide and then they receive an interest rate fraction of the 4.99% to pick up the monthly billing and servicing
- We have a liquid fund that they are able to take the loan out of and then we recoup that and it all travels through and that's the case with essentially both PACE and PowerSaver
- AFC First was the chosen entity to provide PowerSaver loans in the state of Maine and we became a government entity lender for HUD with enabled us to purchase those loans from AFC First immediately as soon as we make them so we are not a direct HUD/PowerSaver lender, but we're using our funds to leverage them and enable PowerSaver loans to go out.

Q: What happens when the grant funding runs out? What is the impact on the sustainability of the program?

A: Dana Fischer, Efficiency Maine (ME):

- We would need to procure additional revenue sources
- We have every intention as preserving them as much as feasible, but also understand strategically we would be able to use those as a backstop against any losses that we would have in the private market place which may enable us a lower rate and continue to grow the fund.
- So they may be able to act as a loan loss reserve and perpetuate the program.

Q: Even though our state has passed enabling legislation for PACE, how confident are you that a PACE program could be developed? OR is a more 'general' program advised... on bill financing, e.g.

A: Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- You need your elected officials behind you and understanding the program and giving you the go-ahead and the support and with that support behind you, you can get a program developed

A: Liz Yager, County of Sonoma (CA):

- It really depends on how you are defining your program. Are you just providing a lending mechanism? Or do you have a broader need?

Q: Once a contractor is selected, under an established PACE program, does the administrative entity have to insure that the contractors are paying Davis-Bacon wages to employees?

A: Dana Fischer, Efficiency Maine (ME):

- Thankfully residential is exempt from Davis-Bacon as long as the resident is selecting and purchasing the services of the weatherization agent Davis-Bacon doesn't come into play
- If you were to get into commercial lending then you would have to go through Davis-Bacon associated with the Better Buildings grant

A: Liz Yager, County of Sonoma (CA):

- Our program doesn't operate with any federal funds in play at all, so Davis-Bacon does not apply

A: Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Same for Western Riverside

Q: What energy efficiency services and appliances are most commonly financed by PACE lending in your location? Have you used PACE programs to finance cool, reflective roofs and green roofs?

A: Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Doors, windows, and HVAC systems are our highest energy efficiency and we have financed a couple cool roofs.

A: Liz Yager, County of Sonoma (CA):

- Refer to slide we provided- we provided all numbers there in the bar chart.

A: Dana Fischer, Efficiency Maine (ME):

- 95% projects involve air sealing and insulation. 80% insulation and 10% upgrade to heating or water heating. 4-5% solar PV

Q: Have any of you considered a community or neighborhood approach similar to what Clean Energy Works Portland is trying?

A: Liz Yager, County of Sonoma (CA):

- During the California Energy Commission grant the county did receive money to attempt a whole neighborhood approach project and working with utilities. Neighborhoods were selected and targeted a significant market analysis was done and contractors were selected for that project. There were door-to-door campaigns and special outreach and not a single project happened in the neighborhood selected.

A: Dana Fischer, Efficiency Maine (ME):

- A component of our project was to engage with an entity to investigate what is required to get a high percentage of weatherization in 8 municipalities. And they went on to work for a number of months at high costs before we shut it down. We have since those funds for incentives
- You cannot insert influence into a community hub
- If you are going to have contact with community groups they have to be already invested

- You are much better off to case wide seeds and they will develop energy hubs within their networks and work directly with their contractors- the contractors know exactly who their clients are
- Focus on the self interest of the parties who are involved and it will grow from there

Q: have the bonds issued by Riverside received a rating?

A: Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- The Commercial portion just received a Single A Rating from Kroll

Q: To what extent are programs aimed at having (and tracking) measurable savings on energy bills?

A: Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- We ask that people complete a utility release form but it is very difficult to get back
- We mainly use metrics on what was installed
- Most times the behavior will change after the installation and the savings could be smaller than initially thought

A: Liz Yager, County of Sonoma (CA):

- Sonoma has an eligible improvements list which is validated through other programs such as Energy Star and State and Federal incentives and tax incentives
- We work diligently with our local utilities on visibility to actual utility data but have limited access due to privacy policies
- Calculations for generation (solar) are straightforward
- The DEER database provides information for our conservative energy savings calculations using a very conservative methodology developed by the program

A: Dana Fischer, Efficiency Maine (ME):

- The majority of homes in Maine are heated with #2 oil- which is unregulated and difficult to track
- We are conducting third party evaluation of prior project completions to establish the relationship between measures, projects and savings

Q: Do jurisdictions have any kind of loan loss reserve to protect them from having to dip into reserves if there are any delinquencies?

A: Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- We collect a reserve fund of .27%

A: Liz Yager, County of Sonoma (CA):

- Sonoma participates in the Statewide Teeter Plan
- As these are property tax assessments, they are part of the process

A: Dana Fischer, Efficiency Maine (ME):

- If we had a loan loss reserve it would be difficult to demonstrate the value of having it

- While not specifically treated as a loan loss reserve, revenue streams from the federal grant funds we have to establish the RLF will serve as a loan loss reserve for future funding sources

Q: Are they measuring with actual bills not just simulations?

A: Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Our measurements are based what equipment was removed and what it was replaced with

A: Liz Yager, County of Sonoma (CA):

- Sonoma asks participants for an authorization to energy data from the local utility for the year prior and 2 years following a project
- Access to the data from the utility has not been reliable and we are working with the utility to see if there is a streamlined way to access the green button data for each applicant
- We do not require any kind of modeled energy analysis for the Program at this time

A: Dana Fischer, Efficiency Maine (ME):

- Modeling has been deemed to be within 10% of actual, Maine is seeking actual energy data to demonstrate savings comparisons to original projections

Q: Do people have quantified date on money spent on marketing?

A: Barbara Spoonhour, Western Riverside Council of Governments (WRCOG) (CA):

- Still gathering this information
- We developed our own website, so please let me know if you want that included in the costs

A: Liz Yager, County of Sonoma (CA):

- Sonoma has an internal annual budget for marketing of $50k this year
- During the 3rd and 4th quarter of 2012, we received money through an allocation from the California Public Utilities Commission for $162,000 to market Energy Upgrade California through the program
- SCEIP received $250,000 in marketing, education and outreach dollars from the California Energy Commission between March 2011 and March 2012

A: Dana Fischer, Efficiency Maine (ME):

- In the past 2.5 years, the Maine program has spent approximately $500K in marketing activities although the cost of marketing varies significantly with the market region particularly with mass media like TV, Radio and print