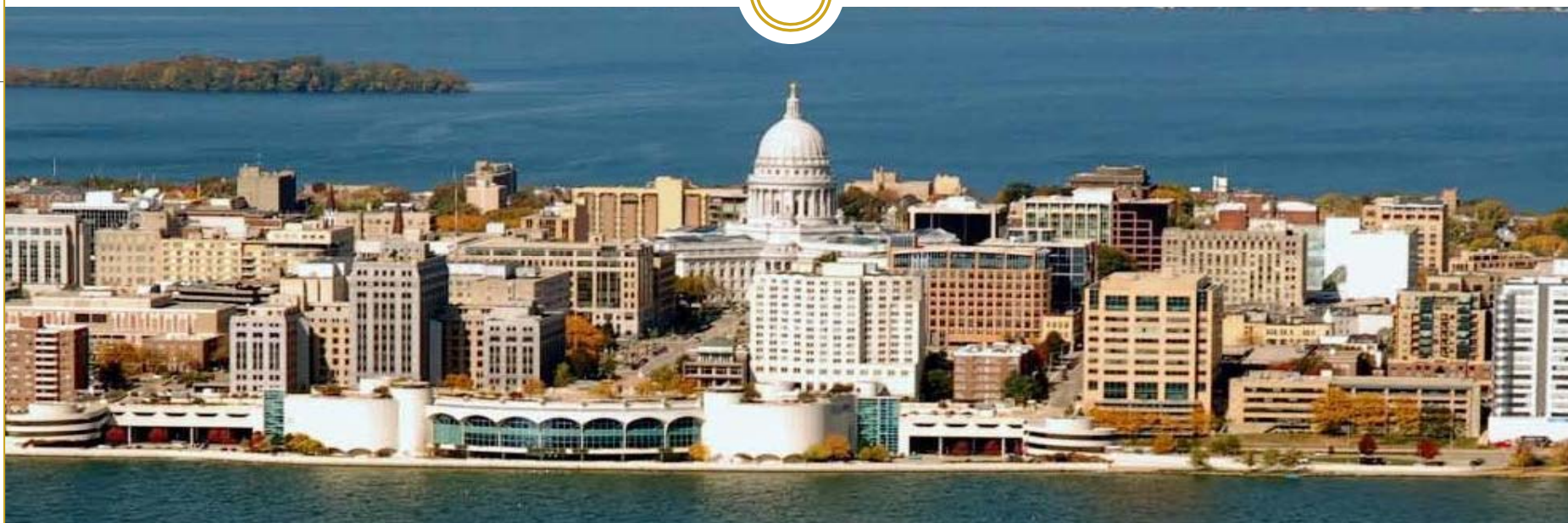


# Community Development Energy Grants

## Progress Report: Energy Efficiency and Conservation Block Grant & Better Buildings Grant Programs



“Make Madison a green capital city, a national leader in energy efficiency and renewable energy that also supports the city’s economic vitality,”



Kally Kahite, Facility Engineer, Boch Water Heater. Taken: October 29, 2010

Mayor Cielewicz  
Energy Taskforce, 2004

# City of Madison Programs

## Energy Efficiency & Conservation Block Grant (EECBG)

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### Project/Allocations

1. LED Street Lights	\$100,000.00
2. Anaerobic Food Waste Digester – Pilot Study	\$ 55,000.00
3. Business Energy Efficiency Incentive Program	\$664,145.00
4. Residential Energy Efficiency Incentive Program	\$249,855.00
5. Weatherization Employment and Training Program	\$470,600.00
6. Interior Energy Efficiency Lighting Retrofits	\$845,000.00
<b>Total</b>	<b>\$2,384,600.00**</b>



\*\* Total Administration Cost for 2 Years: \$238,000.00 (10% of total grant)

11/4/2010

# Program Goals

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- **Transformation of the Madison Market**
  - Create and retain jobs
  - Cultural shift to energy savings
  - No financial risk - City of Madison & WECC
- **Reduce Energy Consumption\***
  - 11,798,117 kWh's
  - 713,256 therms
- **Reduce Carbon Footprint\*\***
  - 12,039 tons of E-CO<sup>2</sup>



\*Estimates of energy and carbon reductions are based on EECBG Activity Worksheets, per project.

\*\* Carbon reduction calculated using EPA Greenhouse Gas Equivalency Calculator:

<http://www.epa.gov/cleanenergy/energy-resources/calculator.html#results>

11/4/2010

# Energy Efficiency & Conservation Block Grant

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- **PERIOD OF PERFORMANCE**

- 11/23/2009 – 11/22/2012

- **FUNDS OBLIGATED**

- \$2,384, 600.00
- No cost share for City



11/4/2010



# Overview

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- EECBG Formula Grant - Six Programs Funded - \$2,348,600
  - ✦ Submitted: May 20, 2009
  - ✦ CDBG Committee: Oct 28, 2009
  - ✦ Board of Estimates: November 4, 2009
  - ✦ Common Council Final Action: November 17, 2009

American  
Recovery &  
Reinvestment Act

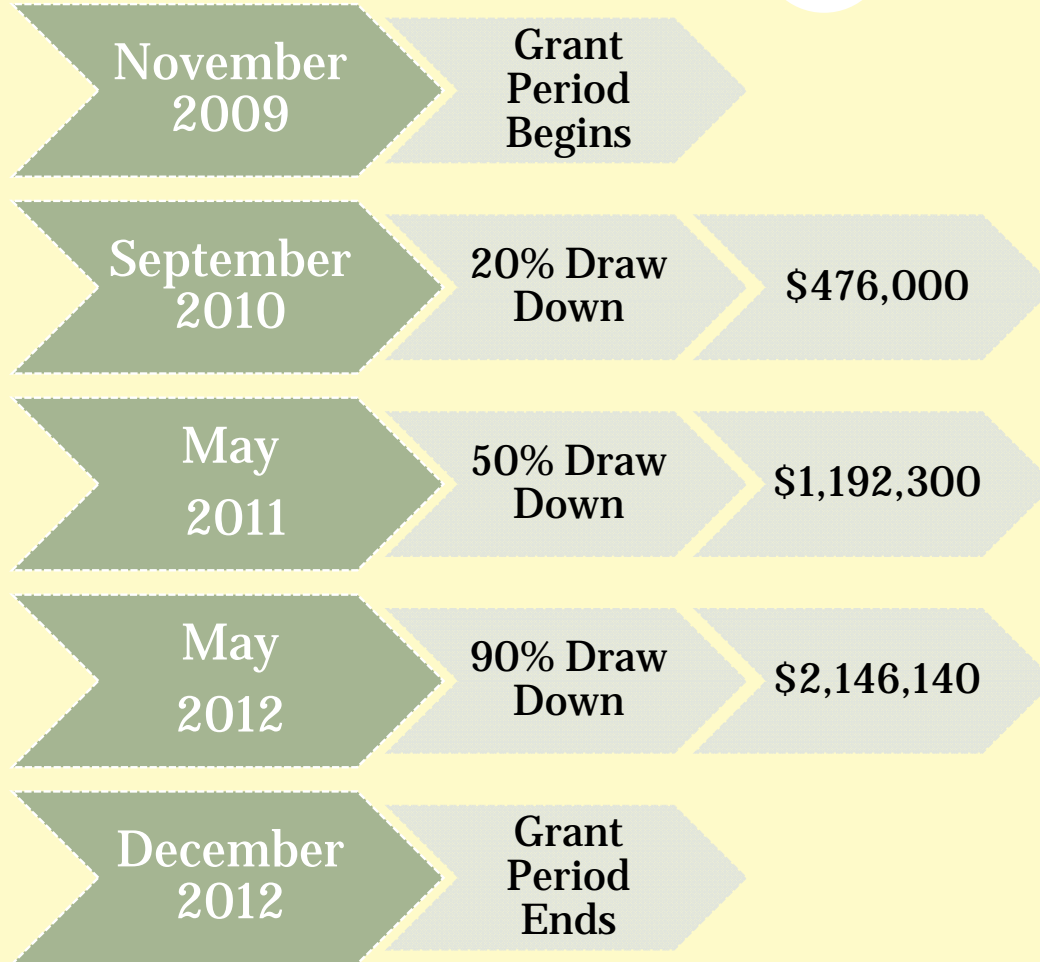
Energy Efficiency  
& Conservation  
Block Grant

\$2.3 million  
(Formula)



# Draw-Down Goals

7



**Note: Funds not drawn down by deadline are subject to forfeiture.**

11/4/2010

# Department of Energy (DOE) Reporting Requirements

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- City of Madison
  - Monthly , quarterly, & annual reporting

Quarterly Program Data		
Program Area	Metric Activity	Metric
Costs	Total Outlays by Subgrantees (\$)	
	Total Obligations by Subgrantees (\$)	
	Disaggregated Program Costs	<a href="#">Grantee - Overhead (\$)</a> <a href="#">Marketing &amp; Outreach (\$)</a> <a href="#">Installation Costs (\$)</a> <a href="#">Labor and materials)</a>
	Outreach Mechanisms (if applicable)	# of program inquiries per outreach mechanism # of completed audits per outreach mechanism # of homes completed retrofit (residential) per outreach mechanism # of commercial buildings (by type) completed retrofit (by sector) per outreach mechanism Total sq. ft. of commercial buildings (by type) completed retrofit per outreach mechanism
Marketing and Outreach	Messaging	Message Messenger (who is delivering message) Market research results (e.g., focus groups, surveys)
Quarterly Program Data (continued)		
Market Transformation	Number of active contractors performing retrofits under B2	
Job Creation / Retention	Total job hours	Total job hours worked under ARBA and leveraged funds
Quarterly Individual Retrofit/Audit Data		
Program Area	Metric Activity	Metric (choose from drop down list)
Completed Building Audits by Sector	Sector Type	residential audits (drop down)
		commercial audits (drop down)
		industrial audits (NAICS code)
		agriculture audits (NAICS code)
Completed Building Audits by Audit Type	Audit type (drop down)	*include audit input file as attachment

Annual Projections Summary											
Year	1	2	3	4	5	6	7	8	9	10	
Beginning Month	Jan-11	Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Jan-17	Jan-18	Jan-19	Jan-20	
Loan Applications Received	304	376	0	0	0	0	0	0	0	0	
Loans Approved	209	260	0	0	0	0	0	0	0	0	
Loans Booked	190	237	0	0	0	0	0	0	0	0	
Loan Loss Reserves Expended	\$ 111,150	\$ 138,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Loan Loss Reserve Fund Balance	\$ 138,650	\$ 205	\$ 205	\$ 205	\$ 205	\$ 205	\$ 205	\$ 205	\$ 205	\$ 205	
Interest Rate Buydown Expended (Monthly)	\$ 185,663	\$ 231,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Interest Rate Buydown Fund Balance	\$ 564,337	\$ 332,747	\$ 332,747	\$ 332,747	\$ 332,747	\$ 332,747	\$ 332,747	\$ 332,747	\$ 332,747	\$ 332,747	
Total Number of Loans Made	190	427	427	427	427	427	427	427	427	427	
Total Dollar Volume of Loans Made	\$ 1,235,000	\$ 2,775,500	\$ 2,775,500	\$ 2,775,500	\$ 2,775,500	\$ 2,775,500	\$ 2,775,500	\$ 2,775,500	\$ 2,775,500	\$ 2,775,500	
LRP Funds Expended (DOE Definition)	\$ 111,150	\$ 249,795	\$ 249,795	\$ 249,795	\$ 249,795	\$ 249,795	\$ 249,795	\$ 249,795	\$ 249,795	\$ 249,795	
IRB Funds Expended (DOE Definition)	\$ 185,663	\$ 417,253	\$ 417,253	\$ 417,253	\$ 417,253	\$ 417,253	\$ 417,253	\$ 417,253	\$ 417,253	\$ 417,253	
Total Funds Expended (DOE Definition)	\$ 296,813	\$ 667,048	\$ 667,048	\$ 667,048	\$ 667,048	\$ 667,048	\$ 667,048	\$ 667,048	\$ 667,048	\$ 667,048	

Finance Program Project Management Tool		Today's Date: 11/3/10	
	Completion Date	Start Date	Completion
			Data
	(Expected)	(Expected)	(Actual)
Define & Design	Owner (Responsibility)	9/23/2010	11/24/2010
Goals		9/23/2010	11/24/2010
Scope		9/23/2010	11/24/2010
Timeline		9/23/2010	11/24/2010
Resources to be Committed		9/23/2010	11/24/2010
Pre-Workshop Plan		9/30/2010	10/8/2010
Program Goals and Design Decs		9/30/2010	10/8/2010
Funds Flow Diagram		9/30/2010	10/8/2010
Begin Filling in Integrated Program Excel Model		9/30/2010	10/8/2010
Begin Filling in Implementation Action Plan		9/30/2010	10/8/2010
Identify and reach out to all stakeholders		9/30/2010	10/8/2010
Brief Procurement Agency on Program Plans		9/30/2010	10/8/2010
Brief Legal Counsel on Program Plans		9/30/2010	10/8/2010
Review current Workforce Plans		9/30/2010	10/8/2010
Review current EMSV and Intelligence Gathering Plans		9/30/2010	10/8/2010
Review current Demand Creation Plans		9/30/2010	10/8/2010
Prepare Laptop to bring to Workshop		10/9/2010	10/8/2010



11/4/2010



# Accomplishments to Date

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- **Job Creation and Retention:**
  - New or retained jobs – 43 jobs
    - ✦ 39 jobs - EECBG activities
    - ✦ 4 jobs - CDEG
  - Future job creation and retention assessed per project
- **Department of Energy (DOE) Requirements**
  - Passed Preliminary Program Audit - DOE Project Manager
  - Met 20% Drawdown Goal – Sept. 2010



11/4/2010

# Accomplishments to Date

continued

10

- **Diverse Business Participants (15 awards)**
  - Business Energy Efficiency Incentive Program (BEEP)
- **Residential Pilot – REEIP**
  - \$234,000
    - ✦ 25 residences
    - ✦ City residents with existing energy audits (2009 forward)
    - ✦ 7 year max term, 2% interest
    - ✦ Internal loan processing – EDD



11/4/2010

# EECBG Formula Grant Programs

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## Business Energy Efficiency Incentive

- **Program Manager:**  
Ronald Cato - CDEG
- **Progress:**  
34% complete
- **Completion:**  
December 2010
- **Est. Energy Saving:**  
9,960,000 kWh's  
664,000 therms
- **Jobs:**  
7.22 jobs retained
- **Drawdown:**  
\$197,432.41

## Residential Energy Efficiency Incentive

- **Program Manager:**  
Paul Grimyser - CDEG
- **Progress:**  
10% complete
- **Completion:**  
March 2011
- **Est. Energy Saving:**  
40,544 kWh's  
21,056 therms
- **Jobs:**  
2.72 jobs retained
- **Drawdown:**  
\$0

## Weatherization Employment & Training

- **Program Manager:**  
Larry Studesville - CDEG
- **Progress:**  
50% complete
- **Completion:**  
June 2011
- **Est. Energy Saving:**  
54,300 kWh's  
28,200 therms
- **Jobs:**  
18 jobs created
- **Drawdown:**  
\$0

# EECBG Formula Grant Programs

(Continued)

12

## LED Streetlight

- **Program Manager:**  
Daniel Dettmann  
Traffic Engineering
- **Progress:**  
Product evaluation
- **Completion:**  
May 2011
- **Est. Energy Saving**  
72,000 kWh's
- **Jobs:**  
10.4 jobs retained
- **Drawdown:**  
\$0

## Anaerobic Digester

- **Program Manager:**  
George Dreckmann  
Street Dept.
- **Progress:**  
20% complete
- **Completion:**  
May 2011
- **Jobs:**  
.60 jobs retained
- **Drawdown**  
\$15,000

## City Lighting Retrofits

- **Program Manager:**  
Kay Schindel  
Engineering Dept.
- **Progress:**  
50% complete
- **Completion:**  
Summer 2011
- **Est. Energy Saving:**  
1,677,273 kWh's
- **Jobs:**  
0 jobs retained
- **Drawdown:**  
\$188,917.36

# Lessons Learned – EECBG Grant

13

- Not every organization wanted a “loan”
- Broad cross section of commercial interest
- City processes
  - Lengthy processes:
    - ✦ Up to 4 months to process a single grant/loan
    - ✦ Contract signatures 4 – 6 weeks
    - ✦ Prevailing wage report - manual entry
    - ✦ Integrating city processes with DOE requirements



11/4/2010



Introducing the program logo for....

14



**the Better Buildings Grant**

11/4/2010

# Better Buildings Grant

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- **PERIOD OF PERFORMANCE**

- May 2010 – May 2013

- **FUNDS OBLIGATED TO THE CITY OF MADISON**

- \$7,153,718.00

- **PARTNERSHIP**

- City of Madison \$ 7,153,718.00
- City of Milwaukee \$12,051,372.00
- City of Racine \$ 794,911.00

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\$20,000,002.00



11/4/2010

# City of Madison Better Buildings Budget

16

○ DOE allocation LLR (Residential)	\$1,500,000
○ DOE allocation LLR (Commercial)	\$1,210,000
○ Administration -10% of total grant*	\$ 715,371
○ Grant funding for:**	
✦ Program design, marketing, equipment, systems, and other program components:	\$3,728,347
<b>Total</b>	<b>\$7,153,718.00</b>

LLR = Loan Loss Reserve

\*Administration allocation for three-year grant period

\*\*Part of MOU and budget process (Nov. 2010)



11/4/2010

# Department of Energy Requirements/Guidelines

17

- **Purpose – Drive private capital into market**
  - Requires a minimum 5:1 financial leverage
  - Ability to meet credit requirements for loans
- **Develop a sustainable energy program**
  - 6 years minimum
  - No income requirements
  - Residual program dollars retained by City
- **Shifting of funds over 10% - requires DOE approval**



# Program Design

18

- **PACE Program Status**
  - Residential Program is off the table
  - Commercial – viable option
- **Define Responsibilities – Nov. 2010**
  - Memorandum of Understanding
    - ✦ Marketing plan and resources
    - ✦ Residential RFP – financial institutions
    - ✦ Commercial RFP – financial institutions
    - ✦ WECC administrative role
      - Federal reporting



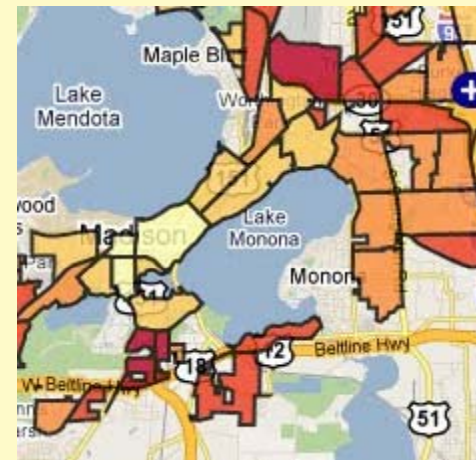
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# Program Components

19

- **Use Neighborhood Indicators to Determine Need**
  - Value per square foot
  - Age of dwellings
  - Owner occupied/Length of ownership
- **Community Outreach**
  - Direct contact
    - ✦ Neighborhood & Business Associations
    - ✦ Affinity Groups
- **Track Energy Savings**
  - DOE Reporting
  - ENERGY STAR® Portfolio Manager



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# Outreach & Marketing

20



# Outreach and Marketing

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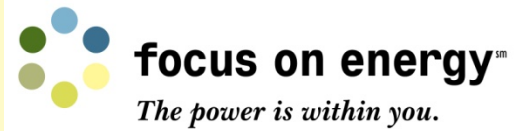
- **Outreach & Educational Materials:**
  - Websites
    - ✦ City of Madison, WECC, & Utilities
  - Media
    - ✦ News, press releases
    - ✦ PSA's - City Channel
  - Printed Materials
    - ✦ Brochures
      - Fliers by e-mail
    - ✦ Billboards
    - ✦ Bucky Book

**THINK  
GREEN**

**REDUCE  
REUSE  
RECYCLE**

# Community Partnerships

22



11/4/2010

# City Staff Support

23

- Sarah Edgerton (Information Technology) – Web Master
- Andrew Statz (Mayor’s Office) - Demographics
- Anne Zellhoeffer (Attorney) - Legal
- Norman Davis (Civil Rights) – Affirmative Action
- Austin Johnson (Civil Rights) – Prevailing Wage
- Mark Weitzel (Comptroller) - Finance
- Amy Scanlon (Planning Unit) – Historic Preservation
- Hardy Garrison (CDBG) - Finance Coordinator
- Pam Rood (CDBG) – Grant Supervisor
- Community Development Energy Grant (CDEG) Office:
  - Larry Studesville, Paul Grimyser, Ronald Cato, & May Lor



11/4/2010



# Program Review

24

- Mayor's Office
- Council Leadership
- CDBG Committee
- Common Council Members
- Tentative launch
  - January 2011 – Residential program
  - February 2011 – Commercial program



# Program Sustainability

25

- **Continue to grow**
  - Revolving loan fund – funding sources
    - ✦ BEEP & REEIP funds (EECBG Grant)
      - Residual greater than \$400,000
    - ✦ Unused formula funding - \$150,000
    - ✦ Interest & loan fees
    - ✦ Additional grants
    - ✦ Increase collaboration & utilization
      - City, State, & Federal programs
- **Improve energy efficiency**
  - Market transformation (social change)



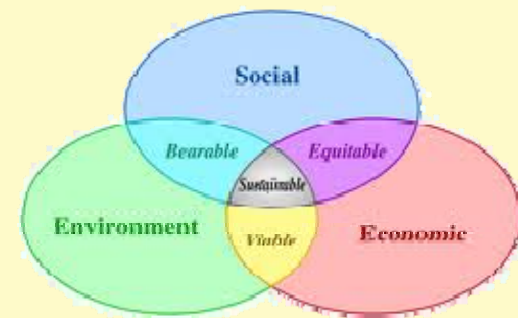
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# Program Sustainability

## Targeted Goals

26

- **Support economic development**
  - Job growth
- **Education**
  - Outreach
- **Reduce Carbon Footprint**
- **Continue to evolve Madison as a Green Leader**
- **Develop of a Community Workforce Agreement**



11/4/2010

# QUESTIONS