

Green Madison Update



Residential Program
Commercial Program
February 16, 2011

Background

City of Madison was awarded a \$2.3 million November 2009 by the Department of Energy's Energy Efficiency Community Block Grant. This grant has served as a transition pilot for the program design and implementation needed to design and implement the BetterBuildings Grant.

This new program is titled "GreenMadison"



Program Introduction

The Department of Energy BetterBuildings Program awarded \$20 million to the City of Madison and its grant partners, WECC, and the Cities of Milwaukee and Racine May 2010. Madison's allocation of the award was \$7.2 million.



Overview of Green Madison Program

1. Program Overview Information
2. About the Green Madison Partners
3. Marketing/Outreach Plan
4. Financials
5. Sustainability/Continuation Plans



Program Outcome Objectives

1. WHO- 4500 City residents and 109 Businesses are the primary beneficiaries
2. WHAT-changes in energy reductions and cost, measureable job creation, reduction in greenhouse gases and sustainable model tested
3. WHEN- 3 years funding period
4. HOW MUCH-measured during funding period
5. HOW MEASURED- Kwh's, Therms, GHG Tons, Number of Jobs created



About the Green Madison Program

1. “0” Financial impact to City budget
2. Program Resources - \$50 Million
3. Focused on City of Madison Only
4. Partners Include WECC/Focus On Energy (FOE), Summit Credit Union, Neighborhood Associations, affinity groups, Trade Allies
5. Program Start Dates
 - March 2011 (1st week) Residential
 - April 2011 (1st week) Commercial



About the Green Madison Program Partners

- WI Energy Conservation Corporation (WECC) - their role and responsibilities are to be the primary administrator of the DOE BetterBuildings Grant, shares in primary program decisions, assisting with DOE reporting, LLR administration, marketing planning and collateral, program development coordination between partner cities, contractors, FOE programs, marketing assistance and other stakeholders

About the Green Madison Program Partners

- Summit Credit Union-their role and responsibilities are to assess applicants financial ability to pay the retrofit loan applied for, provide retrofit project funding, provide loan origination and loan servicing, provide loan data for DOE reporting, share marketing and sales support

Green Madison Program Offerings

1. 5 ½% Interest Rate -15 year Term Loan
2. 4.75% Interest Rate -5 years or less Term Loan
3. On-line application and instant loan approval
4. Use of Energy Advocates and CDD Energy Staff
5. Cash Rebates Retrofit Program Incentives
6. Access to FOE Qualified Energy Auditors and Contractors/Trade Allies
7. Quality Assurance policy for 100% satisfaction
8. Call Center 800 # for program information

Green Madison Program Incentives

First 1000 Retrofits

- \$100 Rebate on Energy Audit
- \$100 Rebate on Low Flow Toilet Purchase
- \$250 Rebate on Asbestos Remediation (1st 100 max)
- Tree Planting Rebate (est. \$65)
- CFL's and Faucet Aerators Installed
- Focus on Energy Rebates (based on measures)
- Smoke and CO2 Detectors Rebates

Contractor and Trade Allies Benefits

4500+ Residential Retrofits

1. Free marketing collateral to drive deals
2. Program to drive 15,000+ touches over 3 years
3. Low interest loans
4. Pre-financial screening
5. Program incentives
6. Energy Advocates assisting project scheduling
7. Green Skills Training for trades employees
8. Loan expansion for high efficient equipment

Marketing/Outreach Plan

1. Green Madison Website under construction (2/24/2011)
2. Provide marketing collateral
3. Use of multiple marketing channels that include Neighborhood Associations, word of mouth advertisement, Affinity Groups, newsletters, list serves, radio, print media, associations, events and contractors
4. Use of WECC/FOE and Energy Advocates for effective high touch sales and process support
5. Use of CDD staff for mass outreach strategies and support
6. Use of Summit Credit Union marketing to Membership
7. Connect Websites for program accessibility education and program sign up with distributed Direct Website Hyperlinks



Marketing/Outreach Plan

1. Use of List Serves and Contacts
 - City of Madison Agencies
 - Affinity Groups
 - Associations
 - Water Utility Customer Base
 - Neighborhood Associations
 - MG&E and Alliant Energy
2. Realtors
3. Building Contractors/Trade Allies/Home Services
4. Financial Institutions



Marketing/Outreach Plan

- Bi-lingual Access (Hmong/Hispanic)
 - Website
 - Customer Call Center 800#
 - On-site Interpreter if requested
 - Marketing Collateral
 - Radio and print promotion material
 - City Channel

Green Madison Program Incentives

- Cash Rebates For:
 - Low Flow Toilets \$100 (up to 2500 request)
 - Energy Audits \$100 (1st 1000 Participants)
 - FOE Qualified Energy Measures
 - Tree Plantings for First 1,000 Retrofit Participants (\$65/tree average)
 - Lower interest rates leveraged by \$1.5million LLR Fund



Green Madison Program Incentives – Continued

- Health and Safety
 - Rebate (\$250) for Asbestos Abatement (1ST 200 Participants)
 - CO2 & Fire Detector Rebates (1,000 homes)
- FOE Project Quality Assurance Guarantee
- Energy education opportunities scheduled for neighborhoods and business groups
- Contractor training opportunities to increase participation in program
- Contractor use of Waste CAP Trace Recycle contract
- Contractor and consultant sales leads



Sign-up Process

1. Access Website for application forms
2. Option-Call 800# Green Madison number for on-line Call Center support and assistance
3. Request Energy Advocate if needed
4. Go on-line to Summit Credit Union and apply for line of credit approval
5. Energy auditor list and scheduling
6. Qualified contractor list





Green Madison City Resources

- CDD Staff (4 FTE)
 - May Lor –Office administration
 - Ronald Cato-Commercial Lead
 - Paul Grimyser-Residential Lead
 - Larry Studesville-Program Lead





Residential Financial Partner

- Summit Credit Union Selected as Financial Partner
- Loan Loss Reserve Fund - \$1.5 Leveraged 20:1 = \$30 million residential portfolio
- Offered 5.5% interest rate -15 year term
- Offered 4.75% interest rate-5 year or less term
- Aggressively market to its membership
- Developing seamless program processes



Green Madison Program Enhancements

1. Make strategic program enhancements as needed
2. Increase number of financial institutions participating in commercial program
3. Help businesses develop energy efficiency value programs for their businesses and employees
4. Increase K-12 energy efficiency education
5. Broaden support for energy efficiency education and jobs creation





Green Madison Program Enhancements – Continued

6. Develop program financial sustainability model to
 - Sustain “0” financial liability impact to City budget beyond 3 years
 - Identify and Implement Fee Structure for Creating Program Revenue to Support Continuation of Program Offerings & Administrative Overhead
 - Contractor Fees
 - Interest Earned
 - Additional Loan Loss Reserve and Revolving Loan Fund Resources
 - Advertising and Promotional Fees

Green Madison Program Enhancements – Continued

7. Continue to Grow City's Energy Retrofit Business Support in Equipment Sales, Retrofit Construction
8. Measureable Economic Stimulation
 - Energy retrofit investments by financial community
 - Job Growth and Retention
 - Promote diversity participation in all program facets
9. Improved Health and Safety in Work and Home Environments



Green Madison Challenges - Residential Market

1. Training and using City's program partners and 120 Neighborhood Associations volunteers to promote program and drive retrofit deals
2. Coordinating and assessing adequate resources required to sign up 4,500 retrofits in 2 ½ Years
3. Impact of local economics relating to retrofits and loan generation
4. Creating financial model to sustain the program

Green Madison Program Commercial Market

1. Commercial Program under development
2. “O” Financial Risk to City of Madison
3. Loan Leveraging Strategy- combine Milwaukee, Madison and Racine’s LLR results in est. \$45 million portfolio
4. Targeted Marketing Strategies
5. Acceptable use of commercial PACE model

