



Low-Income Forum on Energy

**Welcome to the LIFE Webinar Series.
We will be starting soon.**



Low-Income Forum on Energy

The Low-Income Forum on Energy Presents:

Energy Efficiency Financing for Low- and Moderate-Income Households

Johanna Zetterberg, U.S. Department of Energy
Greg Leventis, Lawrence Berkeley National Lab

February 21, 2018
1:30 p.m. – 2:30 p.m. ET



Working to help low-income New Yorkers address energy issues.

LIFE, the Low-Income Forum on Energy, is a unique statewide dialogue that brings together organizations and individuals committed to addressing the challenges and opportunities facing low-income New Yorkers as they seek safe, affordable and reliable energy.

Supported by the New York State Public Service Commission and the New York State Energy Research and Development Authority (NYSERDA), the LIFE dialogue encourages an interactive exchange of information and collaboration among the programs and resources that assist low-income energy consumers.



Low-Income Forum on Energy

→ Monthly webinars

Wednesday, March 21, 2018 @ 1:30-2:30 p.m. ET

Using Community Block Grant Funding to Support Local Low- to Moderate-Income Solar Participation

→ Monthly email newsletter

Sign up at nyserda.ny.gov/LIFE – “Join the email list.”

→ Social media

LinkedIn: Low-Income Forum on Energy

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**Low-Income
Forum on Energy**

Save the Date

LIFE 2018 Statewide Conference

New York State: Leadership in Advancing Clean Energy Solutions
for Low-Income Residents and Communities

May 22-23, 2018

Albany, New York



Low-Income Forum on Energy

Find more information on the website

nyserderda.ny.gov/LIFE

Join the mailing list

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Newsletter suggestions, webinar ideas, event announcements

LIFE@nyserderda.ny.gov

Contact LIFE

Phone: 866-697-3732 – Request “Low-Income Forum on Energy”

Email: LIFE@nyserderda.ny.gov

Asking and Responding to Questions

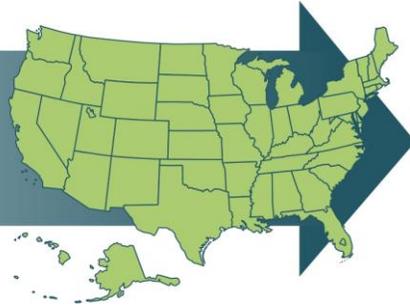
The screenshot displays the Cisco WebEx Event Center interface. The main content area shows a slide with the New York State logo and the text "NEW YORK STATE OF OPPORTUNITY. Low-Income Forum on Energy". Below the slide, it says "Welcome! We will be starting soon." The right-hand sidebar contains a "Participants (1)" section with "NYSERDA Events (Host, me)" listed. Below that is a "Q&A" section, which is circled in red. The Q&A section shows "All (0)" and a text input field with the placeholder text "Select a question, and then type your answer here. There is a 256-character limit." Below the text field are "Send" and "Send Privately..." buttons. Two yellow arrows point to the "Send" button and the text input field. The bottom of the interface shows the Cisco logo and a "Connected" status indicator.

Type into the text field and click “send.”

Technical Difficulties or Contacting the Host

The screenshot shows the Cisco WebEx Event Center interface. The main content area displays a welcome message: "Welcome! We will be starting soon." for the "NEW YORK STATE OF OPPORTUNITY. Low-Income Forum on Energy" event. The interface includes a top navigation bar with "Quick Start", "Event Info", and "CIA LIFE web...". The right sidebar contains various controls: "Participants (1)", "Speaking:", "Panelists: 1", "Attendees: 0 (0 displayed)", "Chat", and "Q&A". The "Chat" icon is circled in red, and a yellow arrow points to it from the right. The "Chat" window is also circled in red, and a yellow arrow points to it from the right. The bottom status bar shows "Connected" and "Speakers: 100%".

Click on the "Chat" icon to activate the chat function.



SEE Action

STATE AND LOCAL ENERGY EFFICIENCY ACTION NETWORK

Energy Efficiency Financing for Low- and Moderate-Income Households

February 21, 2018

Johanna Zetterberg, U.S. Department of Energy

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State and Local Energy Efficiency Action Network

- Research and best practices for energy affordability through cost-effective efficiency
- Led by/state and local governments and stakeholders
- Library of lessons learned and how-to documents, based on state and local experience
- Network of 200+ experts and leaders
- Facilitated by DOE and EPA





SEE Action

STATE & LOCAL ENERGY EFFICIENCY ACTION NETWORK

www.seeaction.energy.gov

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[Technical Assistance](#)

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Energy Efficiency Policy and Program Resources

Explore what's working to advance energy efficiency across the country—based on state and local government experience.

[Behavior-Based Energy Efficiency >](#)

[Combined Heat and Power >](#)

[Commercial and Public Building Energy Efficiency >](#)

[Energy Efficiency Financing >](#)

[Energy Use Data Access >](#)

[Evaluation, Measurement, and Verification >](#)

[Industrial Energy Efficiency >](#)

[Ratepayer-Funded Efficiency through Regulatory Policy >](#)

[Residential Energy Efficiency >](#)

The State and Local Energy Efficiency Action Network (SEE Action) offers [resources](#), discussion forums, and [technical assistance](#) to state and local decision makers as they provide low-cost, reliable energy to their communities through energy efficiency.



Saving Energy in Industrial Companies



Who's In The Network?

Meet our network of state and local leaders and subject matter experts advancing energy efficiency.



[Meet Our Network](#)

Upcoming Events

Webinar | June 22, 2017

2:00 pm to 3:00 pm
EDT

Behavior Programs and Persistence in Illinois

Report Overview

- ◆ Takeaways
- ◆ Low- and moderate-income (LMI) sector overview
- ◆ Consumer protections
- ◆ Financing products
- ◆ Lessons learned

Programs examined

- ◆ Renew Financial (WHEEL, PACE)
- ◆ PosiGen
- ◆ NYSERDA
- ◆ Roanoke REC
- ◆ Ouachita REC
- ◆ NYCHA
- ◆ Fannie Mae (Multifamily Green Financing)
- ◆ Community Preservation Corporation (NY)
- ◆ Community Investment Corporation (Chicago)
- ◆ CT Green Bank
- ◆ PSE&G (NJ)

High-level takeaways

- ◆ Very diverse sector (with implications for using financing to promote efficiency)
- ◆ Program design and coordination with other stakeholders can be valuable for reaching LMI households
- ◆ A number of programs are overcoming some challenges to EE adoption in LMI households
- ◆ Strong consumer protections are needed when offering financing to LMI households

High-level takeaways

So...what works?

- ◆ No ONE approach works for ALL LMI households
 - Must understand markets and their specific barriers to select appropriate financing products
- ◆ However, a set of traditional and specialized products have been used and are gaining momentum
 - Each has strengths and weaknesses
 - Often *accessed* by LMI, not *designed* for LMI
 - In Southeast, great interest in on-bill for LMI households
- ◆ Programs can collect data to help answer this question

LMI sector overview: Wide spectrum of LMI households



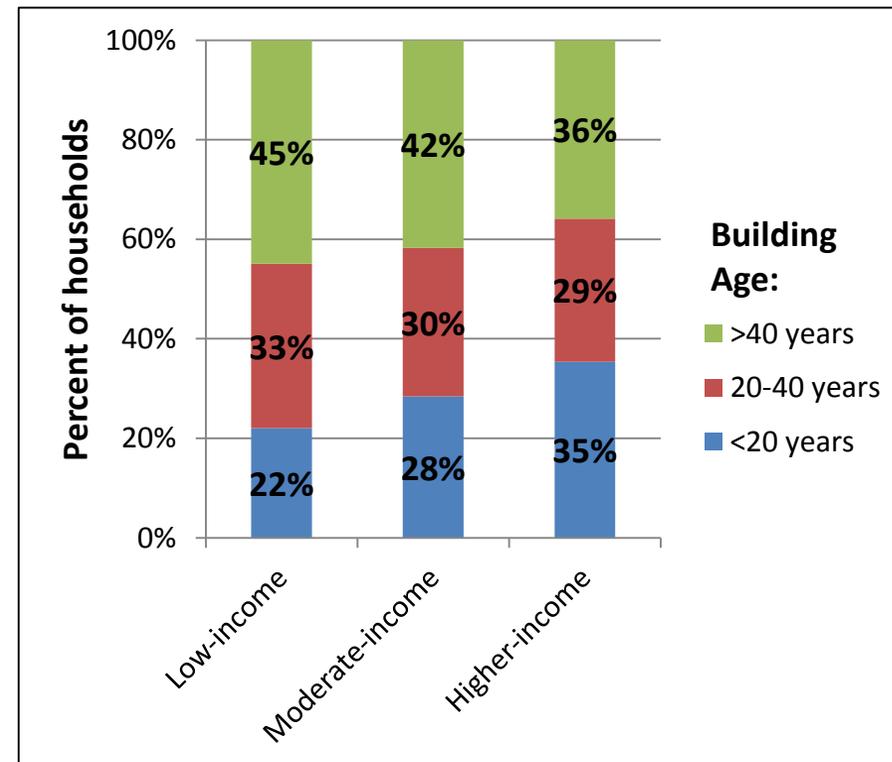
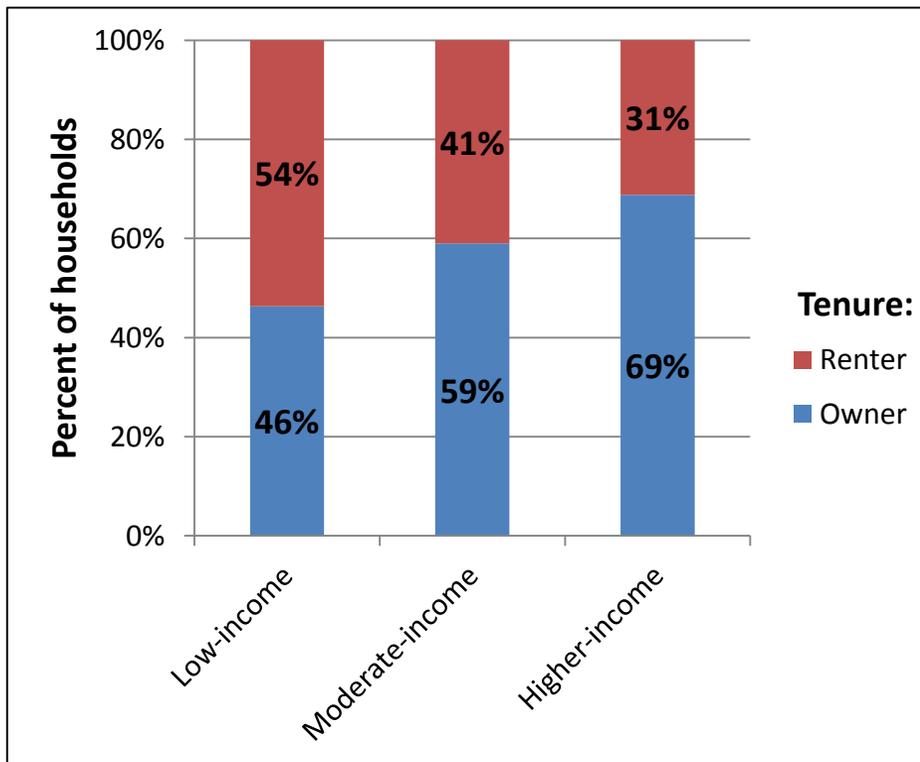
← Urban multifamily renters

Rural single family owners →



LMI sector overview

- ◆ More likely to live in older, less efficient housing
- ◆ Spend larger portion of income on energy (7.8% vs. 3% for all households)
- ◆ Less able to afford energy efficiency improvements
- ◆ Less likely to own their home, but ownership level still significant



Consumer protections

From poor disclosure

- Costs of the loan
- Risks

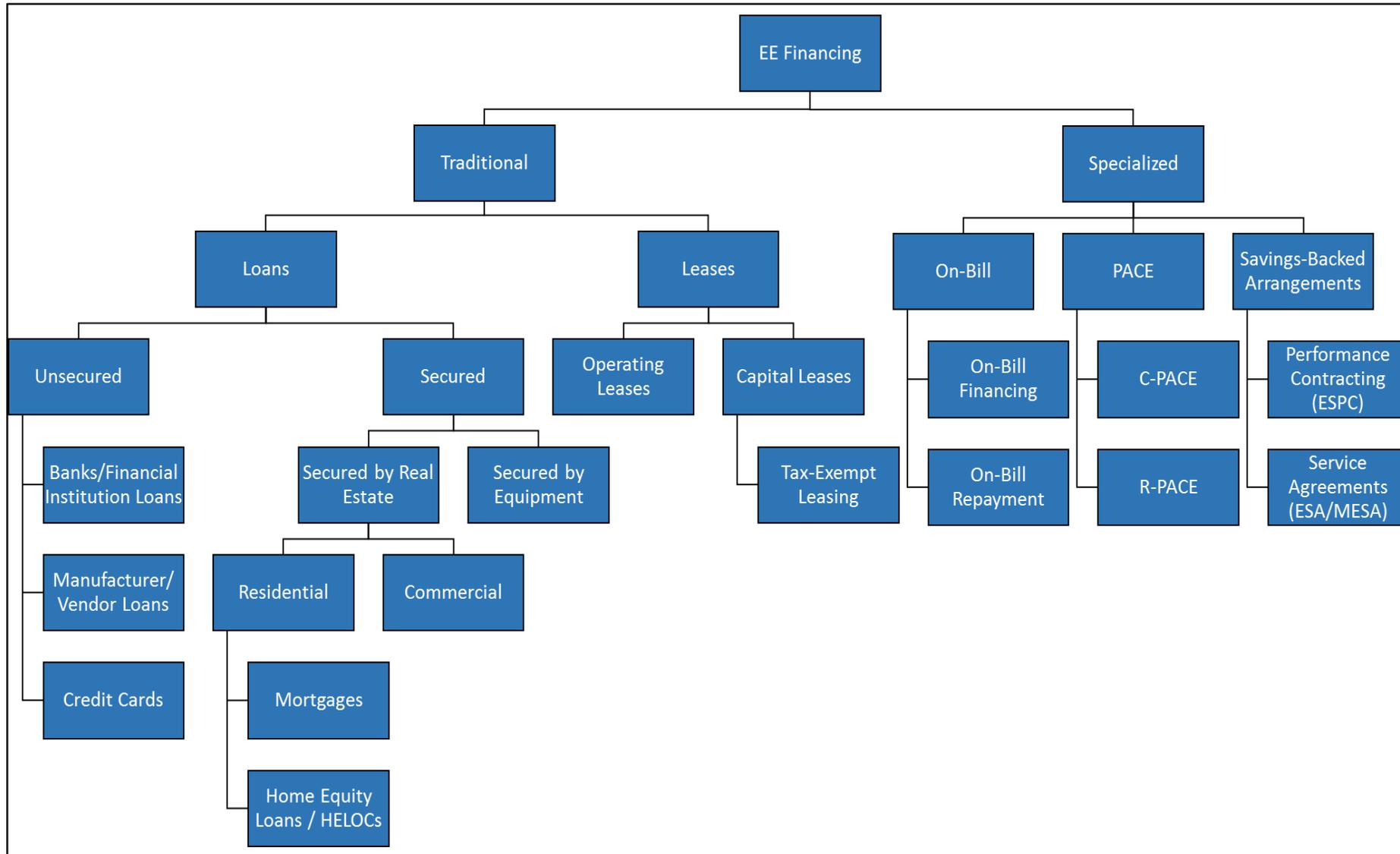
From abuse

- Fraud
- Predatory lending

Verifying ability to pay

- Potential loss of property
- Potential damage to credit
- Potential disconnection

Financing products



Barriers and EE Financing Product Features

Potential advantage

Neutral or other considerations

Potential disadvantage

	Secured (First Mortgage)	Secured (Junior Lien)	Unsecured	OBF/OBR	PACE	Savings-Backed Arrangements
Qualifying for Financing	Standard underwriting	Standard underwriting	Standard underwriting	Alternative underwriting	Alternative underwriting	Alternative underwriting
Debt Issues (restrictions, aversion)	Sr. lien holders may object	Sr. lien holders may object	Debt instrument	May be structured as non-debt	Sr. lien holders may object	Uncertain
Inherent Risks	Potential loss of home or building	Potential loss of home or building	Damaged credit	Power shut-off (some programs)	Potential loss of home or building	Depends on the product
Transaction Costs	High	High	Low	Low	Depends on prog / sector	Depends on prog / sector
Affordability	Long terms, typically lowest rates	Long terms, low rates (but higher than 1 st mortgage)	Shorter terms, lack of security = higher rates	Depends on program terms	Long terms, lower rates than unsecured	Structured as cash flow positive
Financing Cycles (MF)	Leverages fin. Cycles; hard for stand alone projects	Can leverage fin. Cycles; easier for stand alones	Easier for stand alone projects	Easier for stand alone projects	Easier for stand alone projects	Easier for stand alone projects

Lessons learned

- ◆ Financing products and product features
 - Know LMI needs and products that may address them
 - Focus on affordability
 - Consider alternative underwriting (careful about ability to pay)

- ◆ Stakeholder coordination and collaboration
 - Trust and awareness
 - Funding and capital

- ◆ Consumer protections
 - Leverage appropriate legal frameworks
 - Exercise useful industry and program practices

Lessons learned

◆ Collect LMI data

- ❑ Program participation
- ❑ Loan performance
- ❑ Underwriting process
- ❑ Measures implemented
- ❑ Energy savings

◆ Considerations specific to MF borrowers

- ❑ Debt restrictions
- ❑ MF financing cycles

Contacts



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Download report from <https://www4.eere.energy.gov/seeaction/publication/energy-efficiency-financing-low-and-moderate-income-households-current-state-market>



Low-Income Forum on Energy

Join us for upcoming webinars.

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