

GJGNY Advisory Council MEETING
November 27, 2017
Notes

In Attendance

GJGNY Advisory Council Members:

Dave Hepinstall (AEA), Stephan Edel (Center for Working Families), Paul Shatsoff (PS Consulting), Kevin Rooney (Oil Heat Institute of Long Island), Pam Hadad-Hurst (NYSDEC), John Pfeiffer (BPCA), Ross Gould (Workforce Development Institute), Tom Carey (NYSHCR), Les Bluestone (Bluestone Construction), Tonya Dugal (DPS), Ellen Redmond (IBEW), Andrew Byrk (OTDA), Hal Smith (Halco), Tony Joseph (NYS DOL), James Barry (SEIU), Samantha (NRDC).

Members of the Public:

Valerie Strauss (AEA), Joseph Sant (Center for NYC), Rachel Stein (CNYCN), Michael Darcy (RUPCO), Kathleen Langton (AHP),

NYSERDA staff:

Alicia Barton (President and CEO), Jeff Pitkin, Karen Hamilton, Kevin Carey, Kelly Tyler, Adele Ferranti, Chris Coll, and other staff

Opening Remarks (Karen Hamilton)

- Annual Report submitted, link sent to Advisory Council members on Oct 4
- Original allocation of \$112M in RGGI funds to GJGNY is nearly fully expended
- While we continue to support the residential loan fund with a combination of RGGI funds and bond issuances, other aspects of GJGNY, such as residential audits, workforce development and community engagement, will now be supported through CEF, to allow us to continue support for the program
- CEF includes much more than these initiatives – we will be implementing numerous pilots to test strategies that we believe will drive more energy efficiency, including in the LMI sector.
- We look forward to sharing information about those pilots and their expected impact, as they get underway.

Community Energy Engagement Program (CEEB) (Kelly Tyler)

- RFP 3588- locally based engagement
- Original issuance resulted in contracts covering 8 of 10 economic developed regions.
- Revised solicitation for remaining two regions with proposals received 10/10/2017.
- Eight original contracts- 7 executed and work underway
- Award notification for additional contracts not issued yet – expect by week's end.
- Will have statewide coverage
- Also have community-based organizations that are part of other contracts

Q: How will the CEEB contractors work with, and who are the other community-based organizations?

A: NYSERDA has community-based organizations working in Cleaner, Greener Communities; REVitalize; Solarize, etc. NYSERDA will work to ensure coordination.

Workforce Development – Hiring Hall Working Group presentation (Adele Ferranti)

Question: Did you look at what percentage of the potential jobs will be union vs non-union?

Answer: DOL will look at data, ONET codes; high skill, middle-skill and low-skill jobs; union vs non-union

Comment: Couldn't all be union jobs? It depends on whether the contractor's employees belong to a union.

Question: Can you combine apprenticeship and hiring hall model? Isn't that a union model?

Answer: The model here is more of a hybrid between a temp agency and a union-style hiring hall. It is based on what the local contractor base can support in terms of hiring. Must work closely with local contractors during development to make it work.

Question: Does this model provide benefits?

Answer: Yes

Workforce Development – Building Operations and Maintenance presentation (Adele Ferranti)

Comment: This has a great return on investment

Low-to-Moderate Income (LMI) Market Characterization (Chris Coll)

- Presentation on the research and the market characterization tool.

Question: Can data be broken down by county?

Answer: Yes

- Energy Burden data

Comment: Energy bill seems low for electric heat.

Answer: Census data shows multifamily units are mostly electric heat, which would result in lower costs due to small size of units.

Question: Does research account for multifuel households?

Answer: Looked at primary fuel, doesn't capture multi fuel. This may be skewing some data, electric heat may be supplemented by pellet stoves, for example.

Question: Does the data include rental units?

Answer: Only if they pay the energy bill

- Shelter Burden data

Question: What is included in shelter burden?

Answer: Rent or mortgage, energy bills, operating costs

- LMI Market Segments and participation in energy efficiency programs

Question: How is "single family" building defined?

Answer: Per census data, one living unit. Small multi is two to four units; large multi is five or more units.

Question: Do we know what the change in energy burden is for homes that have participated in energy efficiency programs?

Answer: No.

- Full data set will be on line, on Open NY.
- Another source of data is the residential baseline study.

Residential Loan Fund update (Karen Hamilton)

- September 1, 2016, interest rates changed; at May 2017 Advisory Council meeting we looked at impact of changes
- Applications by month- big drop off when interest rate changed in September and it has decreased over time
- PV loans dropped more than energy efficiency loans (may reflect greater availability of private sector financing options for PV)
- Recently loans stabilized; expect increase in loan applications with heating season
- Dollar value of loans have dropped
- percentage of loans issued to Tier 2 increasing, reaching the audience we intended to reach

- Most subsidies are now going to going to Tier 2 and low income households
- Change in interest rate achieved the goal of achieving a sustainable loan fund
- OBR loans dropped quite a bit, not all projects qualify for OBR with higher interest rate.
- New residential pilots- may generate more demand for energy efficiency services and loans.
- Data on loan fund will be available on OPEN NY

Question: What is impact on total number of jobs being done?

Answer: Surveyed contractors, some say their business has fallen off overall; need to continue to follow-up with contractors. Many homeowners are using local lenders. We need to make sure business is not falling off due to lack of funding/loan option

Question: Low-moderate income homeowners haven't been impacted by the interest rate change, so the impact on OBR loans is more on market rate households?

Answer: Yes

Question: How are loans working in multifamily market? Any similar analysis in the multifamily program?

Answer: There is little demand for the multifamily loans in GJGNY. Energy efficiency work tends to be bundled with other work taking place in multifamily projects.

Question: Are there multifamily projects that are not getting done due to lack of financing?

Answer: Yes.

Question: Should we look multifamily financing again, especially with Energize NY? (PACE financing)

Answer: It is probably time to talk about the multifamily loan program again; the loan program is very expensive as it stands – the loan subsidy is not sustainable.

Closing Comments and Questions (Alicia Barton)

- First Advisory Council meeting; learning about the work and the organizations represented on the council.
- This is a moment of opportunity for Economic Development with good workforce training

Question: Fuel prices, oil prices have a huge impact on the number of jobs and energy efficiency work. It is hard to drive business on value. Is there a carbon tax proposal on the table? Need to have a true price for fossil fuels in order to drive efficiency.

Comment: Even though prices for oil and natural gas are low, payback is longer and can still convince people to do energy efficiency. You have to change the way you sell energy efficiency and who you are selling to. Need a longer-term outlook; homeowners move on average every seven years. It is harder to sell to seniors- need to sell long payback to millennials.

Answer: Clean Energy Fund is looks at \$/ton carbon as a metric and is fuel neutral. We are pushing to reduce soft costs through pilots.

Comment: Rising insurance costs are impacting contractors

Question: What did you do in MA that we can learn from here in NY?

Answer: NY and MA are among the few states aggressively going after clean energy; there are more similarities than differences. But approaches to energy efficiency are different in NY and MA; the cost of fuels is different and that impacts cost-effectiveness. NY has a 10 year commitment to CEF, which is a long term signal to the market. Businesses can take on longer term projects and try new business models.