

Putting All the Pieces Together: The Keys to Attracting MF Building Owner Investment in Energy Efficiency

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Mandatory Existing Building Standards...

...the Path to Significant Energy Reductions

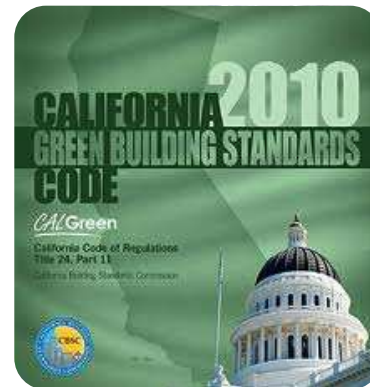
(Significant = 25-40% Energy Savings Potential)

Current Challenges

- No energy efficiency market exists outside of Municipalities, Schools, Hospitals (MUSH)
- Look at NYC EE Ordinance
- Barriers too Strong: Split incentive, Complex ownerships, Financing Inaccessibility

Current Successes

- Vehicle MPG Standards, New Building Codes demonstrate Deep Utility Savings



Mandatory Standards will Require...

...a Decade to Gain Political Consensus

Currently Opposed

- Property Owners,
- Realtors,
- Lenders

Consensus Requires Evidence of Investment Return

- Demonstrated significant savings
- Persistent Savings
- Real Estate Appreciation

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Today: Focus on Occasions when MF Owners Invest in their Buildings

1. At time of purchase, refinancing for major rehab
2. When attractive utility incentives beckon
3. When HVAC equipment fails
4. When Mission-driven NPOs set Green goals
5. When the competitors are doing it
6. When the government demands it



Significant EE Investment Requires Debt

Significant means 20% savings minimum

Existing Programs:

- US DOE Weatherization
- Utility Low Income Programs
- Utility MF/Commercial programs
- State Incentive Programs

Impact

- Collectively less than 1% of annual need served

Anchor is Financing Program

1. Property Assessed Clean Energy (PACE))
2. On Bill Repayment
3. Housing Financing Agency Programs
4. Expanded Opportunities for Energy Performance Contracting

Financing Necessary but Insufficient

1. Strong, Effective Marketing Partners
2. Customized, Multi-Channeled , Segmented Market Strategy
3. Credible, Capable Program Administrator
4. Integration with Utility Incentives, other Revenue Streams
5. Mature Contractor Infrastructure
6. Quality Assurance Provisions
7. Straightforward, Comprehensive IT Platform serving Owners, Lenders, Contractors, Program Administrators

Most of these Elements Required to Gain Significant Owner Uptake

Programs with Most of these Attributes

- Public Service Gas & Electric: NJ
- NYSERDA & NYEEC & Benchmarking: NYC
- Austin Energy: Benchmarking & Disclosure
- Pacific Gas & Electric: 1993 Power Savings Partners
- Pending: Pay for Success: HUD and SAHF/Enterprise

Planning Programs: State Appropriate Level of Focus

- Economies of Scale for Lenders, Contractors
- Utility Footprints compatible
- Affordable Housing umbrella organizations
- State Energy Office, Housing Finance Offices, Public Utility Regulatory Commissions important stakeholders