



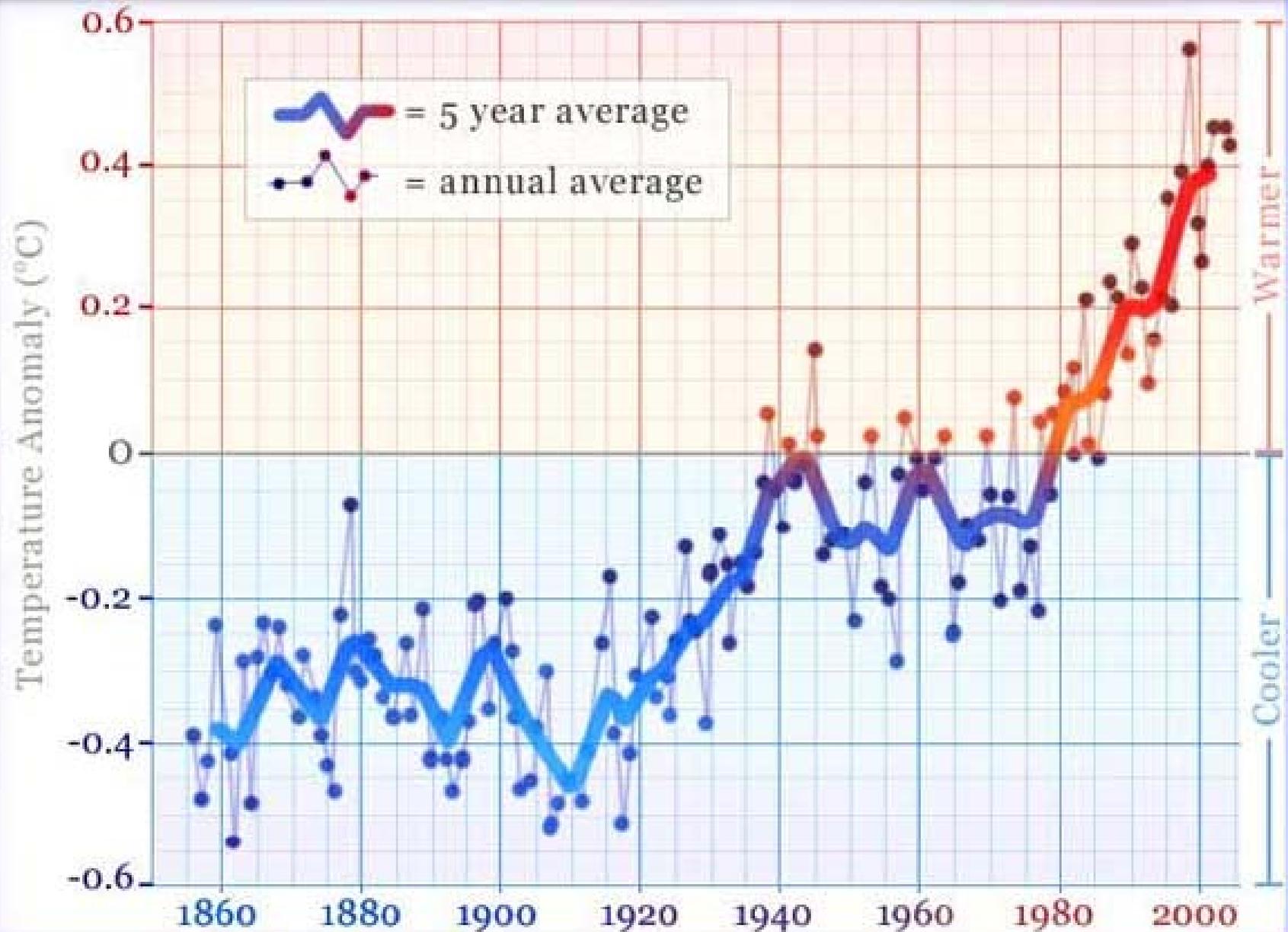
Cisco DeVries

U.S. Dept. of Housing and Urban Development
Energy Efficiency Workshop
Chapman University

June 17, 2009



Global Temperatures









Our Secret Weapon



“Almost 40 percent of abatement [targets for 2030] could be achieved at negative marginal costs.... Unlocking the negative cost options would require overcoming persistent barriers to market efficiency, such as... consumer desire for rapid payback when incremental upfront cost is required.”

-- McKinsey Report

Current Policy Tools



- Easy, Cheap Permits
- Education, Social Marketing
- Step-by-Step Assistance
- Green Building Codes
- Rebates and Incentives
- **Upfront Cost Remains**



Cost Summary

| | |
|--|--------------------|
| Total Cost for Equipment & Installation (Tax included) | \$25,506.68 |
| Upfront Rebate | -\$7,932.71 |
| Quick Pay Discount | -\$396.64 |
| Net After Rebate Cost | \$17,177.34 |
| Federal Tax Credit | -\$2,000.00 |
| Net After Incentives | \$15,177.34 |





Cisco's iPhone Bill

\$119/ month

\$1428/ year

\$28,560/ 20 years



Cisco's PG&E Bill

\$129/ month

\$1548/ year

\$30,960/ 20 years

What's the Hold Up?



- Utility bills:
Simple monthly service



- Solar, Energy Efficiency:
Large upfront cost



CityFIRST

City Financing Initiative for Energy Efficiency, Renewable and Solar Technology

Voluntary Program allows property owners to install solar and energy efficiency projects with little or no upfront cost. Costs repaid on property tax bills over 20 years.



CityFIRST: How it Works



City or county creates type of land-secured financing district



Property owners voluntarily sign-up for financing and install energy projects



Proceeds from Clean Energy Bond provided to property owner to pay for energy project



Property owner repays bond through property tax bill over ~20 years

Benefits to Property Owner



Removes many of the financial hurdles to installing solar systems and energy efficiency upgrades

- No upfront cost to the property owner
- Payments fixed for 20 years
- Customer chooses contractor/installer
- Property tax transfers to the new owner when the property is sold
- Utility bills decrease due to energy savings
- No credit scores required

Benefits to Cities and Counties



Low risk financing tool for cities and counties

- Helps cities and counties meet their climate and energy goals
- Program costs can be paid out of the financing
- No liability or other exposure to a city's general fund
- Financing mechanism well known to local governments and bond market
- Promotes the “green” economy, creates green jobs

Challenges to Implement



- Legal Authority
 - Voluntary program, private property
- Financing
 - On-demand bond financing for small projects
- Administration/ Application Processing
 - Line up expectations, requirements, timelines
 - Cost effective administration
 - Regulatory scheme, quality assurance
 - Low-cost on demand funding for small projects
 - Little or no cost to participating governments

California Legal Authority



- Charter Cities – Community Facilities District (Special Tax Code)
 - Berkeley, San Francisco
 - Already allows private seismic improvements
 - SB 279 Introduced

- All Cities and Counties – Contract Assessment District (AB 811)
 - Palm Desert, Sonoma County

Finance Information



- Repayment Security
 - Senior lien on the property
 - Entire property secures repayment, not just capital improvement
 - No liability to city/county general fund
- Funding Options
 - Municipal Bond Market/ Private Bond Placement
 - City/County/State loans its own money
 - QECSs
 - Commercial Bank

CityFIRST Website

www.berkeleyfirst.renewfund.com

BerkeleyFIRST

Financing Initiative for Renewable and Solar Technology

[Learn More](#)

[Apply Now](#)

[Check Status](#)

[Contact Us](#)



Go Solar with BerkeleyFIRST! Berkeley has launched a new tool to help property owners 'go solar' by financing the cost on property tax bills—no upfront cost, 20 year fixed interest rate, and debt transfers with the property.

Learn More »

Finance your solar installation with the FIRST program.

Apply Now »

Five minutes to complete your application, approval within a week.

Check Status »

Returning applicant? Log in and check your status.

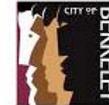
NEWS & UPDATES

- 07.09.08 [5.82% Interest Rate Fixed for 20 Years](#)
- 10.26.07 [Berkeley's Radical Solar Plan, *San Francisco Chronicle* »](#)
- [Receive email updates about the BerkeleyFIRST solar financing program »](#)



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Welcome from the City of Berkeley!

Thank you for visiting Berkeley FIRST. We are very pleased to offer Berkeley property owners this exciting new way to "go solar" without the upfront cost.

In 2006, Berkeley residents overwhelmingly approved Measure G, which called for aggressive local action to reduce greenhouse gas emissions. Berkeley FIRST is one of the new tools we are putting in place to help the community meet our ambitious goals. With energy costs on the rise and the impacts of global warming already being felt, there is no better time for residents and businesses to reduce their utility bills and their carbon footprints. [\[read more \]](#)

Mayor David H. Barron

Real World Experience

- Berkeley
 - \$1.5 Million Pilot
- Palm Desert
 - \$7.5 Million Approved Projects
- Boulder County, CO
 - \$7.7 Million in Approved Projects
- Sonoma County, CA
 - \$7 Million in Approved Projects

CityFIRST Goes National



Programs Launched

Palm Desert, CA

Berkeley, CA

Sonoma County, CA

Boulder, CO

Programs Announced

San Diego, CA

San Francisco, CA

Solana Beach, CA

California Statewide

State Legislation

California (Passed)

Colorado (Passed)

New Mexico (Passed)

Maryland (Passed)

Virginia (Passed)

Nevada (Passed)

Vermont (Passed)

Texas (Gov. Desk)

Oregon (committee)

Arizona (Senate floor)

New York (committee)

Federal Encouragement



- ARRA Support
 - Eliminated IRC prohibition on using “Subsidized Energy Financing” and tax credit
 - Authorized use of Qualified Energy Conservation Bonds (QECCBs)
 - Block grants can be used to set up programs
- Possible Future Support
 - DOE Loan Guarantees
 - Tax Exempt Bonds

Renewable Funding Services



A partner to
provide a turnkey
CityFIRST
program for cities
and property
owners





RENEWABLE  FUNDING

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