

Financing Energy Innovation in Affordable Housing

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Financing Challenges

- **First costs**
- **Split incentives**
- **Inadequate information**

Financing Opportunities

- **Committed administration & HUD**
- **Mission oriented partners**
- **Solid early results**

Energy Finance Innovation in Affordable Housing

- **Energy & transit efficient mortgages 2.0**
- **Energy retrofit loans**
- **Utility allowance financing & utility partnerships**
- **Clean energy municipal financing**
- **Community energy services & “micro power”**

Energy Efficient Mortgages 2.0

- **Idea:** home energy savings → better mortgage
- **Challenge:** not consumer friendly
- **Innovation:** Energy Star® Mortgage
- **Energy Programs Consortium**
www.energyprograms.org

Transit Efficient Mortgages 2.0

- **Idea:** “energy audit” for transportation
- **Challenge:** outmoded definition of “affordability”
- **Innovation:** underwrite “location efficiency value”
- **Center for Neighborhood Technology**
www.cnt.org

Energy Retrofit Loans

- **Idea:** fund improvements from future savings
- **Challenge:** underlying debt
- **Innovation:** combine retrofit with mortgage refinancing
- **Community Preservation Corporation**
- www.communityp.com

Utility Allowance Financing

- **Idea:** “unlock” cash flow based on actual costs
- **Challenge:** regulatory barriers
- **Innovation:** Energy Efficiency-Based Utility Allowance Schedule
- **Heschong Mahone Group, Inc.**
www.h-m-g.com

Utility Partnerships

- **Idea: tap resources & capacity of utilities**
- **Challenge: separate energy & housing silos**
- **Innovation: align policies & incentives**
- **SAHF – PGE Partnership**
- **www.sahfenergy.com**

Clean Energy Municipal Financing

- **Idea: simplicity + scale**
- **Challenge: keep repayment simple**
- **Innovation: retrofits = municipal services**
- **Long Island Green Homes**
www.ligreenhomes.com

Community-Based ESCO's

- Idea: ESCOs as one-stop shops
- Challenge: model built for big projects
- Innovation: energy services at community scale
- Vermont Energy Investment Corporation www.veic.org

Micro Power for Low-Income Communities

- Idea: renewables and cogen for affordable
- Challenge: capital costs
- Innovation: blended incentives
- California Multifamily Affordable Solar Housing
- www.pge.com/lowincomesolar

The Next Wave of Innovation

- **Conventional capital markets**
Green Building Underwriting Standards
www.capitalmarketpartnership.com
- **Environmental commodity markets**
The Green Communities Offset Fund™
www.offsetfund.org
- **Energy policy transformation**
The American Clean Energy and Security Act <http://energycommerce.house.gov/>

What Needs to Happen Next

- **Documented results**
- **(Much) greater scale**
- **Increased workforce capacity + job opportunity**
- **Systems and solutions integration**
- **Continued innovation – and leadership**

For More Information

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