

emPowering a Lasting Energy Improvement Market

With Credit Enhancements and Credit Unions

06/19/2014



Program Background

- County program designed to help **owners** and **builders** overcome obstacles to improving **existing buildings**
- Goal: to lower **energy** use and create **jobs**
- Vision: a sustainable energy improvement market that can support **efficient, safe and comfortable** buildings throughout the **Central Coast region**

Program Background: Homeowner Services



Incentives
up to \$6,500



Low-interest
unsecured
loans



Qualified
contractors



Personalized
customer support



Community
education



Onsite expert
energy advice

Program Background: Contractor Services



**Trainings and
enrollment**



Mentorship



**Tool lending
library**



**Personalized support
and input**



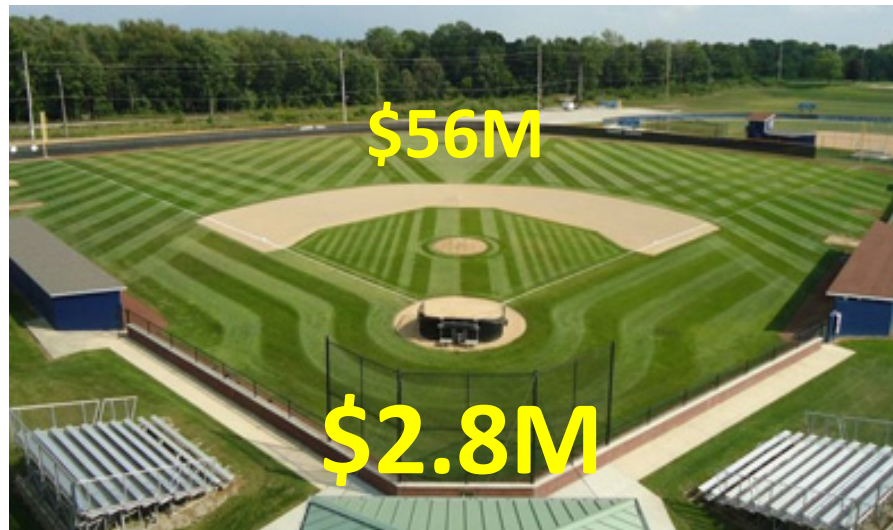
**Exposure and
lead generation**



**Retrofit
rewards**

Program Background: Financing

- Rebates aren't always enough to achieve affordability
- Loans must be affordable, accessible and convenient
- Credit enhancements engage lenders in making home energy loans
 - County offers loan loss reserve and interest rate buy down
 - Selected CoastHills and Ventura County Credit Union (leveraging private capital 20:1)



Program Background: Financing Comparison

Attributes	emPower loan	HELOC/Refi	Other unsecured
Loan Type	Unsecured	Secured	Unsecured
Starting rate	3.90% (fixed)	3-6% variable	13-30%
Loan size	\$1,000 - 25000	90% Loan to Value	\$5-15,000
Term	15 years	5- 30 years	5 or less
Collateral	None required	Home	None required
Equity required	No	Yes	No
Closing costs	No	Maybe	No
Fees	0	Yes	Maybe
Prepayment penalties	No	Maybe	Maybe
Approval time	1 day or less	3+ weeks	1 day or less
Minimum FICO	590	varies	varies

Progress and Outcomes to Date

✓ Widespread homeowner awareness and action

- Media distribution to 300,000, 50 media stories, 700+ webhits/month
- Listserv distribution to thousands
- 99 workshops/outreach events
- 4,500 interested individuals contacted program
- Home energy activity in approx. 375 homes
 - 200 Energy Coach Site Visits
 - 81 projects complete (30% energy savings)
 - 45 in progress, 50+ other assessments complete

Success Story

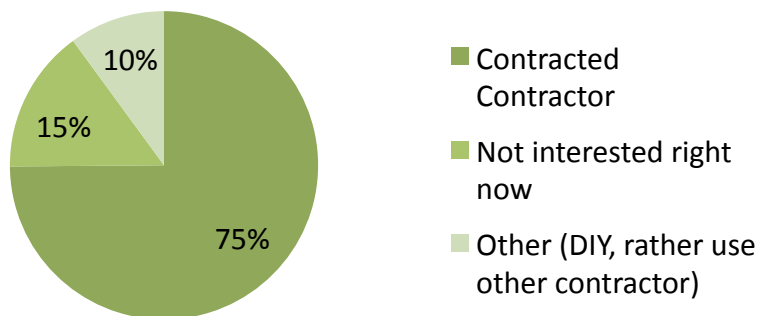


"The emPower program made it possible for us to buy our dream home by providing a way to pay for the needed energy efficiency improvements. It was so easy!"

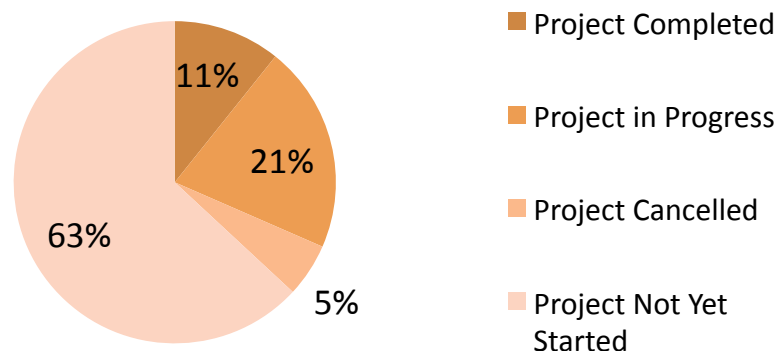
-Kathy Rosenthal, Solvang Homeowner

Energy Coach Spotlight

Homeowner action resulting from 200 Energy Coach visits in 16 mos



Projects resulting from leads generated by Energy Coach



Need Help Making Home Energy Upgrades?
Ask Jason!



Get FREE expert
energy advice from
Santa Barbara County's
emPower Energy Coach.

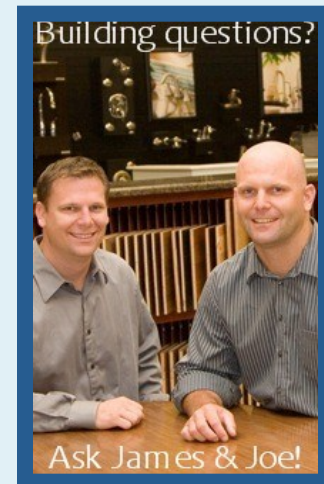


Progress and Outcomes to Date

✓ Lasting impacts for contractors and the economy

- \$3M in project activity = \$6M economic impact
- \$1M+ loan applications with local lenders
 - Average loan size \$19,000
 - Average income of borrowers: \$86K
 - 0 defaults
 - 15-25% of projects need emPower loan
- 500 attendees at 36 skill building trainings
- Trainees using building performance skills in other remodels and new construction
- 22 participating contractors, reporting growth

Success Story



“emPower provided a well-timed opportunity to expand our business model. emPower jobs will make up 35% of my business... Its also allowed me to retain existing employees and hire new ones

- Joe Halsell, Owner-Halsell Builders

Recent Program Enhancements

- **Tri-County expansion (SLO and Ventura) = 315,000 sf homes**
- **Interest buy down to SB County residents (starting at 3.9%)**
- **Progress payment option**
- **Prepayment reamortization option**
- **Eligible Energy Efficiency Measures**



Lessons Learned

- Financing alone is not a silver bullet
- Credit Unions are a good fit
- Market is transforming, but lenders still need subsidy
- Project eligibility is key to volume (i.e. solar only, single measures), but funding constraints limit
- Build ongoing relationships with lenders and contractors
- Contractor cash flow and capacity are still a challenge
- Don't sell loans, solve problems

