



R-REP

Regional
Renewable
Energy
Procurement

POWER THROUGH COLLABORATION

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NACo Conference: Renewable Energy Financing Programs

March 22, 2014



In Search of a Creative Solution



In a time of shrinking budgets and scarce staff resources, how do we increase the use of renewable energy at public facilities to save on energy costs and reduce greenhouse gas emissions from government operations?



Regional Renewable Energy Procurement

Agencies across four counties
collaborating on the procurement of
distributed renewable energy
systems for public facilities



Project Team

Lead Agency



Conveners



Participating Agencies

19 Public Agencies

- Cities (11)
- Special Districts (4)
- Counties (3)
- Educational Institutions (1)

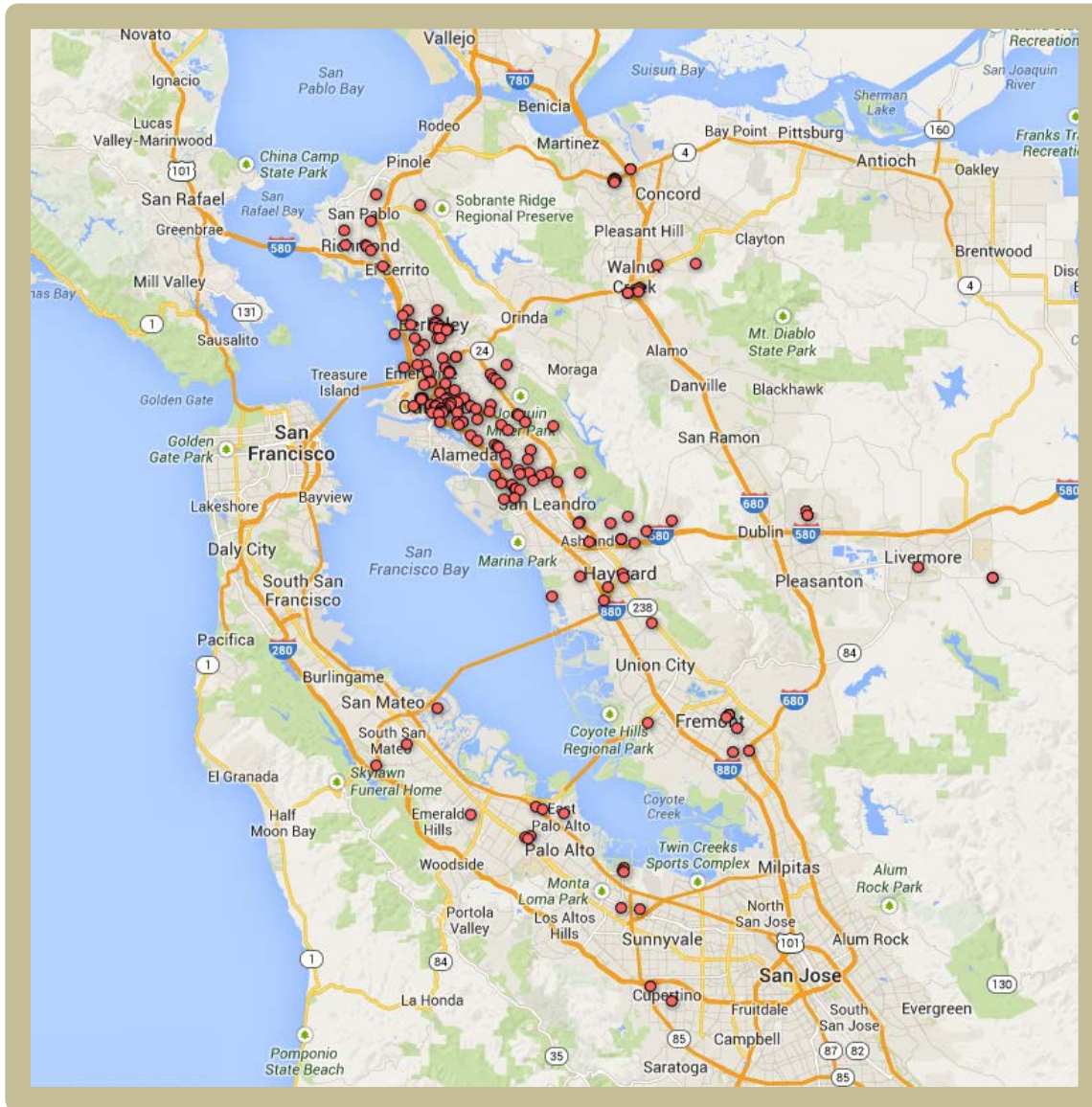
Consultants



R-REP Participating Agencies

Participant	PV Sites by Address	Fuel Cell Sites	Solar Thermal Sites	Total Recommended RE Generation (kW)*
Alameda County Fire Department	7	0	0	172
Castro Valley Sanitary District	1	0	0	19
Central Contra Costa Sanitary District	3	0	0	217
City of Berkeley	13	0	0	637
City of Cupertino	2	0	0	355
City of Emeryville	3	0	0	93
City of Foster City	1	0	0	222
City of Fremont	7	0	0	1,716
City of Menlo Park	5	0	0	497
City of Mountain View	5	0	0	651
City of Oakland	84	0	2	5,640
City of Redwood City	1	0	0	184
City of Richmond	8	0	0	809
City of Walnut Creek	5	0	0	595
Contra Costa County	6	0	0	1,456
County of Alameda	19	1	0	14,276
County of San Mateo	3	0	0	1,256
Hayward Area Recreation and Park District	5	0	0	542
University of California, Berkeley	8	0	0	1,508
Totals	186	1	2	30,843
R-REP Total Recommended RE Generation Included in Solicitation (MW)				30.8 MW

R-REP Sites



- 19 Agencies
- 186 Sites

R-REP Timeline

Outreach phase begins	September 2011
Feasibility studies completed	February 2013
Consultants engaged	March 2013
RFP released	September 2013
Vendors selected	March 2014
Contracts taken to Councils/Boards	Spring – Summer 2014
Site installations/site commissioning activities	Summer – Fall 2014
Project completion	Winter 2014 – Spring 2015

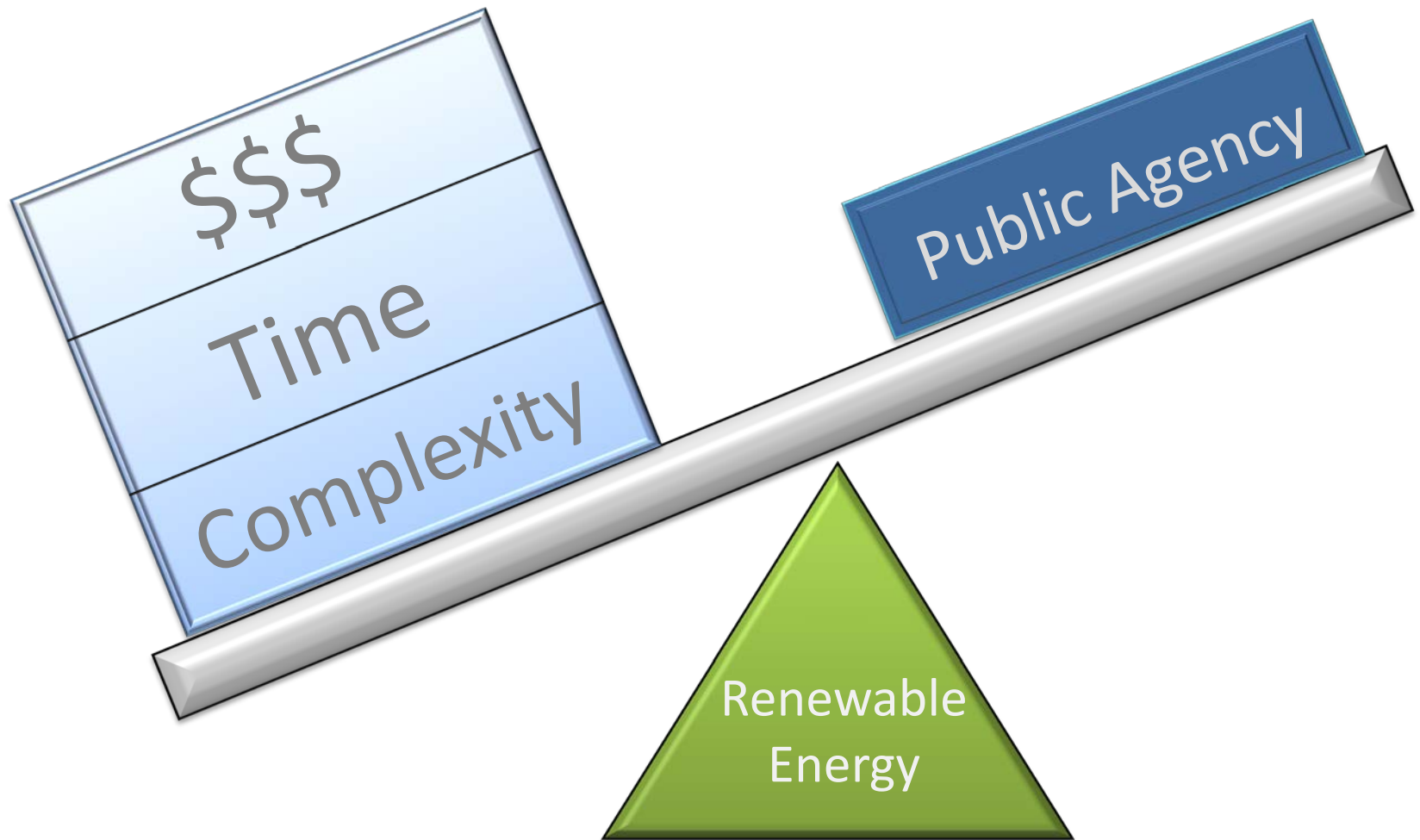


County as Regional Leader

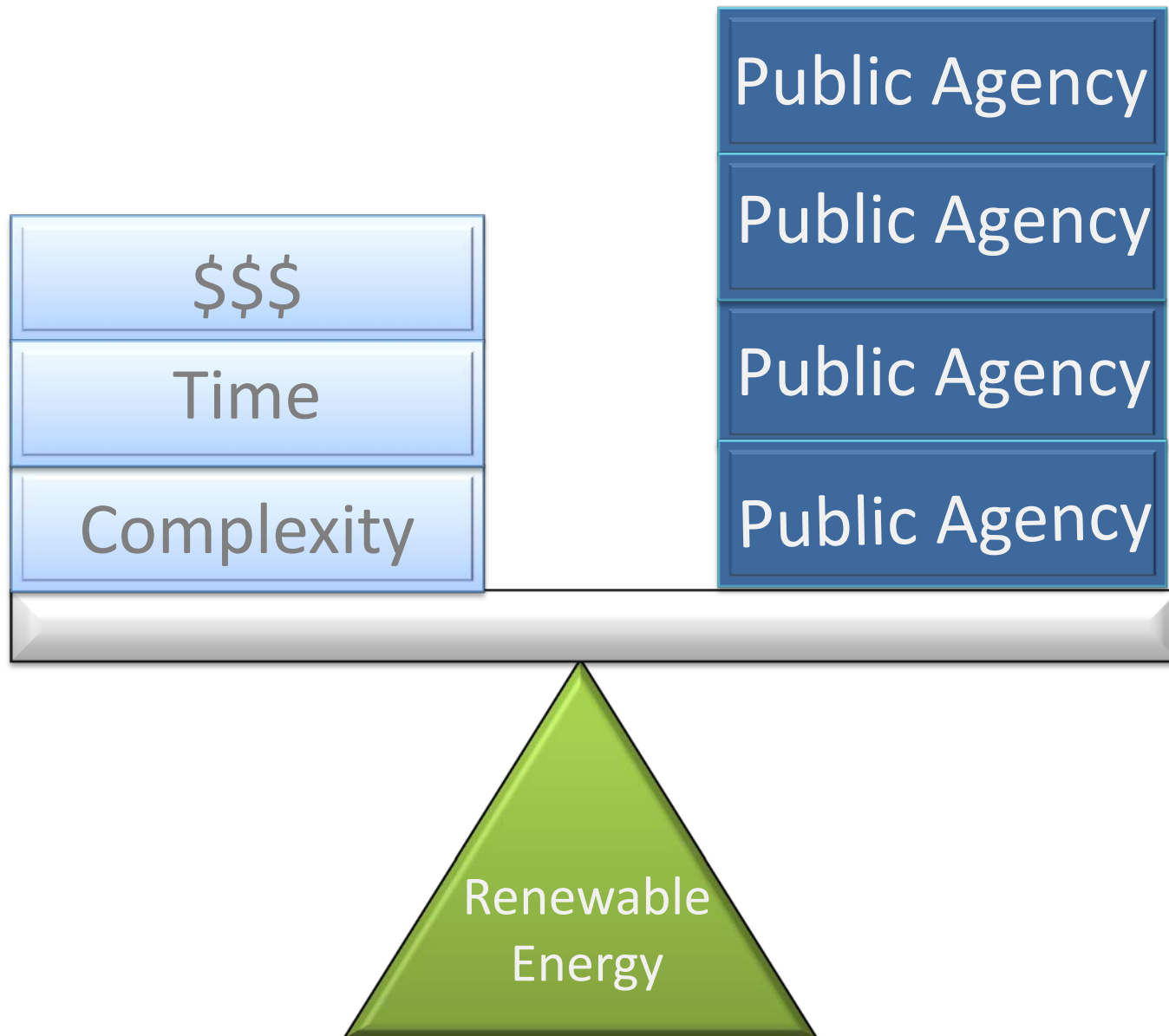
- o Achieving policy objectives
 - o Increasing the use of renewable energy
 - o Reducing greenhouse gas emissions from County operations
 - o Regional leadership
- o Leader in renewable energy adoption – 14 solar projects in operations at its facilities



The challenges of renewable energy adoption
are weighing public agencies down



Collaboration allows public agencies to tip the scales



Leverage Investment of the Lead Agency



- Leverage prior experience of lead agency in renewable energy procurement



- Lead agency invests significant staff resources, participating agencies save valuable staff resources



Leverage Investment of the Lead Agency

Conserve funds and staff resources

County of Alameda Staff Resources (October 2011 – March 2014)

Staff Title	Hours
Associate – Project management	3,640
Associate – Project management	2,080
Senior Staff	840
Executive Staff	840
Purchasing/Contracts Staff	2,905
County Counsel	160
Total	10,137

Leverage Investment of the Lead Agency



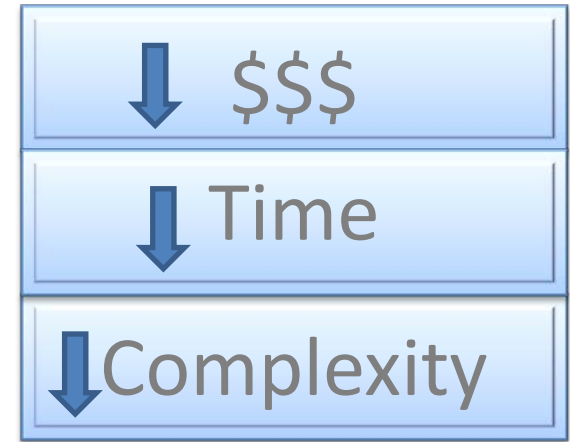
Consulting team funded through County's Designated Energy Fund – incentives from past energy projects and rebates from current projects



Leverage Investment of the Lead Agency

Consultants Play Key Role

- o Economic/technical analysis of sites
- o Assistance in writing RFP
- o Advised on the evaluation of bids
- o Provided analysis of economics on site-by-site basis to the Participating Agencies
- o Bundling strategy



Collaboration Leads to Lower Pricing

- o Economies of scale leads to lower pricing
- o Standardized procurement documents lowers transaction costs
- o Lower pricing translates to higher energy cost savings over the life of the project



Financing Projects



- o Vendor asked to offer pricing under both a PPA and cash purchase
- o Most agencies interested in 3rd party ownership model
- o Workshops hosted for Participating Agencies on financing and renewable energy economics
- o Education is key!



Regional Economic Growth

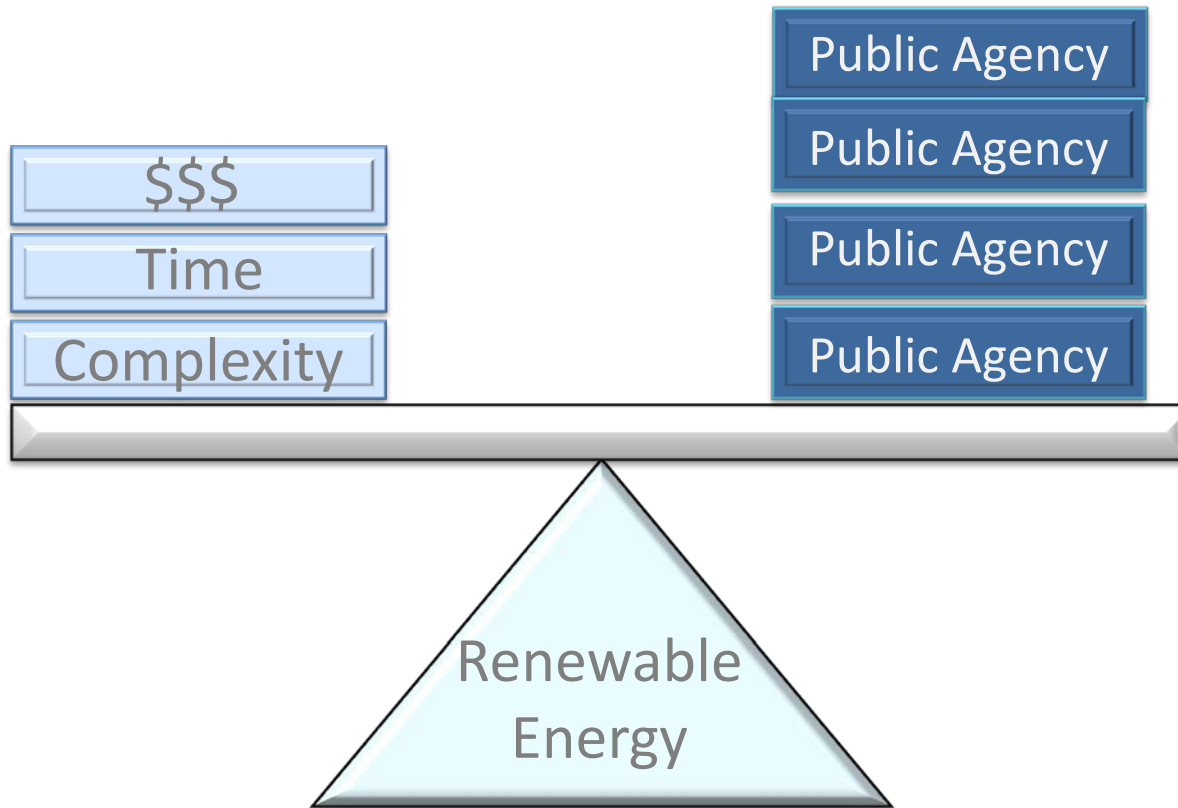
Regional economic growth: If all projects paid for through a cash acquisition, total project costs would be an estimated **\$131.4 million**

Job creation: **839 jobs** created as a result of the initiative if all projects are developed



Collaborative Procurement

A Creative Solution



R-REP

Questions?

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Making Home Energy Upgrades Affordable



Green Government Initiative

March 20 – 22, 2013



emPower
Santa Barbara County

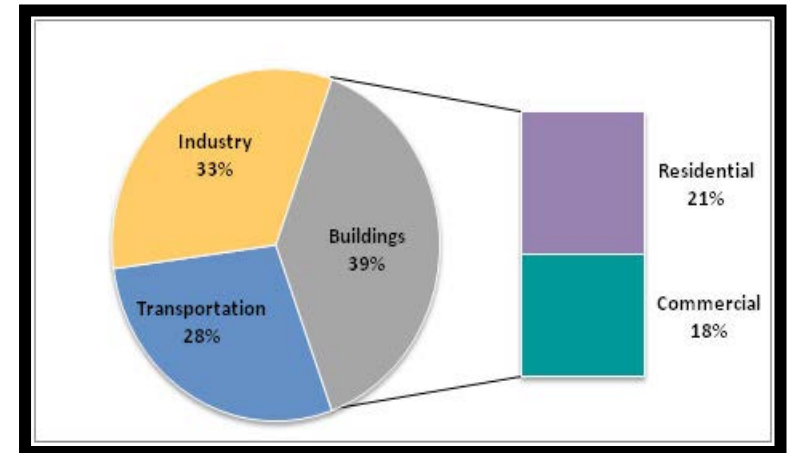
Outline

- Program background
- Progress and outcomes to date
- Upcoming plans
- Opportunities
- Lessons Learned



Program Background: Policy Priorities

- Nationally, homes and businesses account for nearly 40% of energy usage
- In CA, 5.8M homes need substantial energy retrofits = \$60B
- In SB, 43K single family (O.O) homes over 25 yrs old = \$650M
 - Put underemployed local builders back to work
 - ARRA provided funds to design program
 - Meet County Legislative Principles
 - Job growth/economic vitality
 - Community sustainability



U.S. Energy Information Administration



Program Background: Mission

What we do:

Help transform existing inefficient private buildings

Why we do it:

To stimulate the economy and save energy

How we do it:

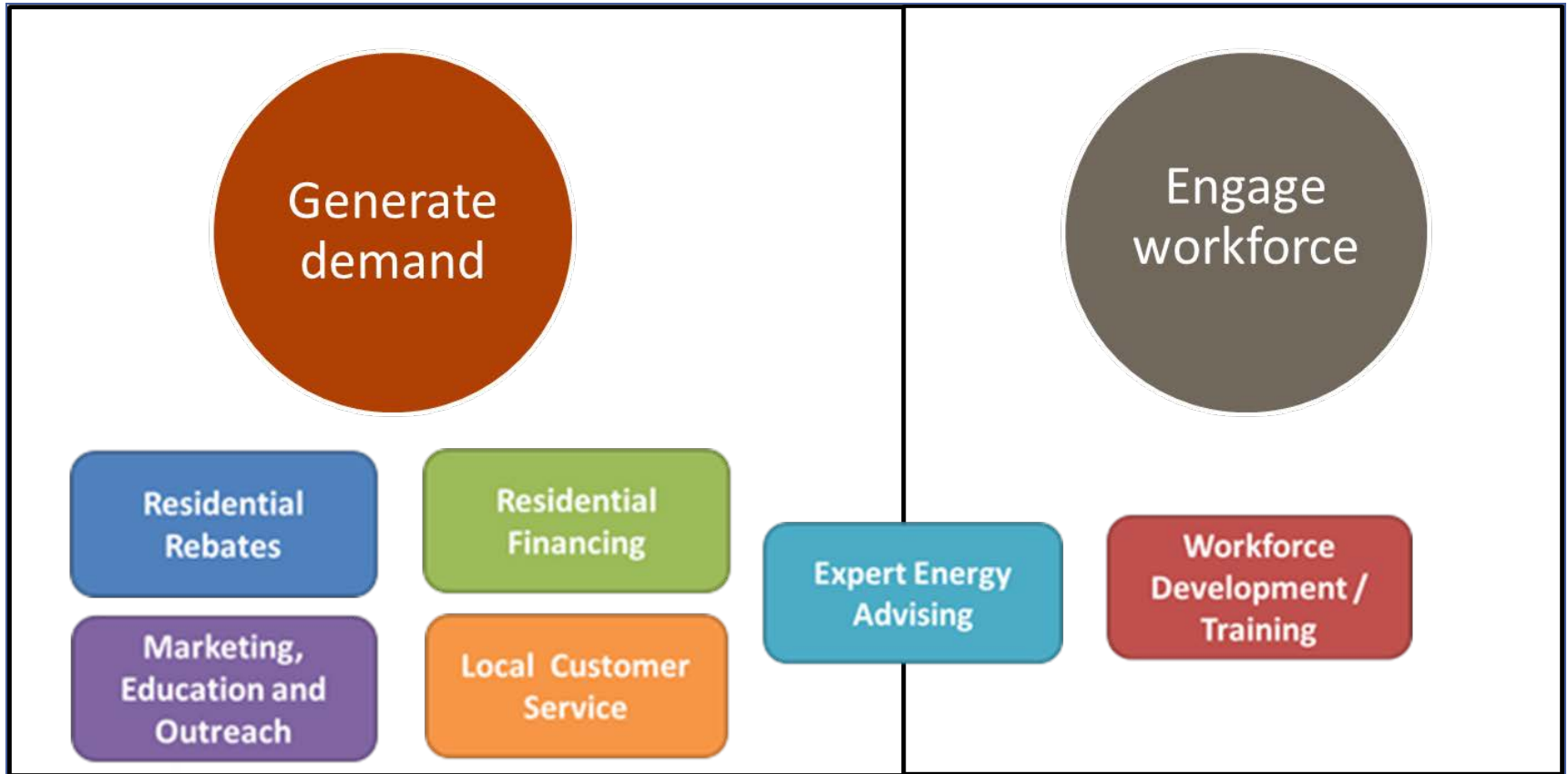
Voluntary market solutions that help property owners and building professionals overcome obstacles to making energy improvements

Our long term vision:

A sustainable building performance market that can support safe and efficient homes throughout the Central Coast region



Program Background: Market Transformation



Program Background: Demand Generation

Residential Rebates

- Up to \$4,500
- Referrals to incentives

Residential Financing

- Up to \$25K
- Low interest
- Unsecured
- Up to 15 yrs

Marketing, Education and Outreach



Local Customer Service



Expert Energy Advising

Ask Jason

Have home energy questions?

emPowerSBC's Energy Coach Jason Scheurer is a free and trusted resource for Santa Barbara County homeowners.

Jason is available to:

- Provide expert advice on home energy efficiency
- Conduct a site visit to evaluate your home and recommend solutions
- Help you take advantage of emPowerSBC incentives

If you are looking to make home energy upgrades, contact Jason today

Call or email Jason at (805) 568-3514 or emPowerSBC@cs.santa-barbara.ca.us



Program Background: Financing Evolution

- Rebates aren't always enough to achieve affordability
- Loans must be affordable, accessible and convenient
- **emPower 1.0:** Property Assessed Clean Energy (PACE) halted (2010)
- **emPower 2.0:** Loan Loss Reserve (LLR) Credit Enhancement (2011)
- **emPower 3.0:** Enhance financing and expand to SLO and Ventura



Program Background: Financing

- Unsecured Home Upgrade Loan provides access to attractive financing to overcome upfront cost
- 15-25% homeowners completing upgrades want financing
- Applicants' income and creditworthiness vary widely

Attributes	emPower loan	HELOC/Refi	Other unsecured
Loan type	Unsecured	Secured	Unsecured
Collateral	None required	Home	None required
Closing costs	No	Yes	No
Equity required	No	Yes	No
Prepayment penalties	No	Maybe	Maybe
Loan maximum	\$25,000	90% Loan to Value	\$5-15,000
Term	15 years	5-30 years	5 or less
Starting rate	5.90%	3-6%	13-30%
Approval time	1 day or less	2 weeks	1 day or less
Minimum FICO	590	varies	varies



Progress and Outcomes to Date

✓ Widespread homeowner awareness and action

- ❖ 4,000 interested individuals
- ❖ 88 workshops/outreach events
- ❖ 50 earned media stories
- ❖ 750 web hits a month, 1,200 on listserv
- ❖ Dozens of active community partners
- ❖ Home energy activity in approx. 320 homes
 - 160 Energy Coach Site Visits
 - 75 projects complete (30% energy savings)
 - 40 in progress, 50 assessments complete



"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



Progress and Outcomes to Date

✓ Lasting impacts on contractors and economy

- ❖ \$3M in project activity = \$6M economic impact
- ❖ \$1M loans app with local lenders
- ❖ Over 500 leads for local contractors
- ❖ 480 attendees at 33 skill building trainings
- ❖ Over 20 participating contractors, reporting growth



"emPower provided a well-timed opportunity to expand our business model. emPower jobs will make up 35% of my business in 2013. Its also allowed me to retain existing employees and hire new ones."

- Joe Halsell, Owner-Halsell Builders



Upcoming Plans: Tri-County Expansion

- **Board directed Tri-County expansion**
- **Same program, bigger boundary**
 - 315,000 single family homes in region
- **Advantages**
 - Attract more participation/local work
 - Shared workforce, media market and lender boundaries
 - Leverage program infrastructure
 - Consistency reduces confusion
 - Position program for future funding



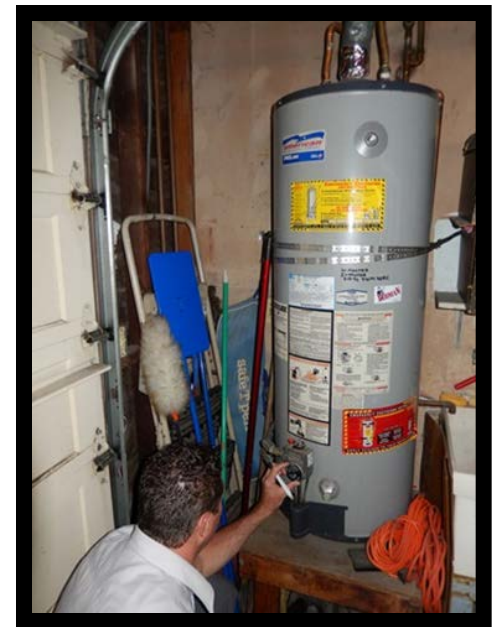
Opportunities

- State recognizes County's leadership and innovative program design
 - PUC Roundtable 4/30
- Opportunities are growing for regional energy programs in CA
- CA PACE Reserve (\$10M) may alleviate federal concerns
- Interdepartmental efforts
 - i.e. sustainability, water efficiency



Lessons Learned

- Market is transforming, but lenders still need subsidy
- Financing is not a silver bullet
- Demand for upgrades vs demand for financing
- Project eligibility is key to volume (i.e. solar only, single measures)
- Credit Unions are a good fit
- Solve don't sell
- Build ongoing relationships with lenders and contractors
- Contractor cash flow and contractor capacity is still a challenge
- Free Energy Coach services provide easy onramp



Contact Us

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