

Holland

Energy Fund

Statewide On-Bill Program Stakeholders Meeting

April 24, 2017

Overview

- Why Holland pursued an On-Bill Program
- Goal Setting Process
- Program Goals
- Successes
- Statistics
- Challenges

Why the On-Bill Program for Holland?

- Long-range Community Energy Plan
- To become a world-class leader in energy security, affordability, sustainability and efficiency
- Substantially increase the energy efficiency of Holland's 7,400 single-family homes
- Housing stock older and less efficient than Michigan average

Goal Setting Process - Why

- Many ways to design an on-bill program
- The goals would point to the program design and save us time
- Holland has had good success when involving stakeholders
- Creates buy-in and continued support for the rest of the journey

Goal Setting Process - How

- Identify and Invite Key Community Representatives
- Food and Funding
- Staff and Facilitators

Goal Setting Process – Who

- Realtors
- Contractors
- Lenders
- Title Companies
- Community Foundation (donors)
- Experts
- City Attorney/Utility Staff/City Staff

Program Goals

“Strengthen Community and Neighborhood”

- Encouraging Deep Energy Savings (environment)
- Increasing Access (equity)
- Administratively operating in a cost effective manner (economic)

Successes to date

- Creating Holland Energy Fund
- Finding experts to help
- Pairing and launching On-bill Loan Program and Home Energy Retrofit program
- Hiring a Residential Energy Advisor

Successes to date (continued)

- Using *Michigan Saves* contractors (saved time recruiting, vetting, training)
- Having *Michigan Saves* loans as fallback loan option
- Loan application and loan servicing firms (WECC/Concord)
- \$3 million source of capital
- Annual HEF program budget source

Statistics

- 22 loans approved since November rollout
 \$330,519 total – \$15,024 average loan
- 11 projects completed, loan payments on utility bills
- Interest Rates 4.99% up to 10 years/5.99% 10-15 years
 - 1 5 year term
 - 14 10 year term
 - 7 15 year term

Statistics (continued)

- Home Energy Retrofit Incentives – 20% of project cost. Minimum \$10,000 investment up to \$30,000 cap (\$6,000 maximum incentive)
- FY 2017 budget of \$200,000 expended by May 1 (six months)
- FY 2018 program revised to 5% first \$10,000, then 10% from \$10,001 - \$30,000 with a maximum \$2,500 incentive
- Incentive payments are made to contractors
- Other utility incentives retained by property owner

Challenges

- Managing the critical path – many different players and functions
- Technology – getting systems to talk to each other, identifying what if scenarios and file transfers
- Dedicated resources – staffing and institutional commitment
- Managing timeline – four months later than target
- Being the Michigan pioneer – no path to follow