

Finance Tech Team Notes
April 6th, 2010

City strategy updates

- Program development on both the residential and commercial side has focused on developing new methods to provide access to info and services.
- The residential Two Techs and a Truck pilot is in development. Cadmus Group and Energy Logic are the consultants working on this program development.
- On the Commercial side, City staff is working with the County to develop the new suite of commercial programs. These programs will focus on education, tuning up existing equipment, and changing out inefficient equipment.
- **Community Climate Action Summit—scheduled April 16th, 9am – 4:30pm**

2010 Program Funding

- CAP Program Funding: **\$700,000** (Approximately) for program funding
- ARRA Funding: **\$220,000** (\$145,000 for direct install/installation assistance and \$75,000 for rebates/incentives)
- GEO Main Street Efficiency: **\$75,000** for rebates/incentives
- DOE Grant: ???????

Total: \$995,000 + ????

Current Tech Teams work to date

Commercial and Residential: Working on program and strategy development

Decarbonization: Focusing on the Franchise Agreement between the City and Xcel Energy

Social Mobilization: Issuing Request for Proposals for a social mobilization contractor and marketing contractor soon.

Boulder Chamber initiated finance discussions

- Preliminary discussion on issues, barriers and potential solutions.
- One potential solution that stood out is utilizing an Energy Service Company (ESCO) hybrid to provide 3rd party retrofitting/financing.

How will the Finance Tech Team interact with the other tech teams?

- Many of the members of the Finance Tech team are on the other tech teams and can provide updates.
- This is a good role for City staff. Staff can provide updates to the tech team on what is happening and what might be needed from the Finance Tech Team.
- Summary or key points from each tech team on City website—bulleted list of key points rather than minutes from each.

General Discussion

- This team will develop the skeleton for projects/programs. Work with experts in the community to “flesh” out the details.
- ROI is the key for businesses.
- There is a large space between the low hanging fruit efficiency measures and renewables. Need to focus on these opportunities and work to get cheap financing here. Need for the cost of capital to be low.
- A key will be incentivizing the multitude of smaller buildings to participate...beyond the Tebos, WW Reynolds etc.
- Natural Capitalism estimates it will take \$250 million to make the changes in the building sector to meet the Kyoto goal.
- There is a question as to whether potential tenant businesses would be willing to pay higher rental rates for greener buildings. If they won't, then it becomes more important for the landlords to have a cost effective solution to efficiency.
- Avoid saying it's the right thing to do...need to communicate the value.
- There is a risk that it will be hard to finance plug load equipment ie large restaurant appliances.
- Another risk is the potential loan devaluation of commercial real estate that could happen over the next few years.
- It would be good to have sample buildings to use as case studies.
- Need to create urgency for change. The CECO could help provide this urgency.
- Could the city waive permitting fees for energy efficiency projects?

- Can we grandfather in buildings that have made changes to the CECO?
- We must be careful not to let the programs cannibalize each other ie a potential new loan program and ClimateSmart loan program.
- Key for banks to participate or lend is to make it profitable and risk “free”

Next Steps

- City will provide an update on the city’s water conservation loan program...are there any lessons we could learn?
- Eric Rutherford will develop a list of potential buildings for a case study
- Additional financial expertise is needed on this tech team: banks, venture capitalists etc. If members have suggestions, please let City staff know.