

# Sustaining Programs in a Post-ARRA Environment

Craig Diamond  
Clean Energy Finance Center

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# Clean Energy Finance Center – Overview

- **At a glance:**

- 501(c)(3) non-profit
- Mission: dramatically expand investment in energy efficiency and small-scale renewable energy.
- Work with governments, investors and other stakeholders to develop policies and programs at the state/local level

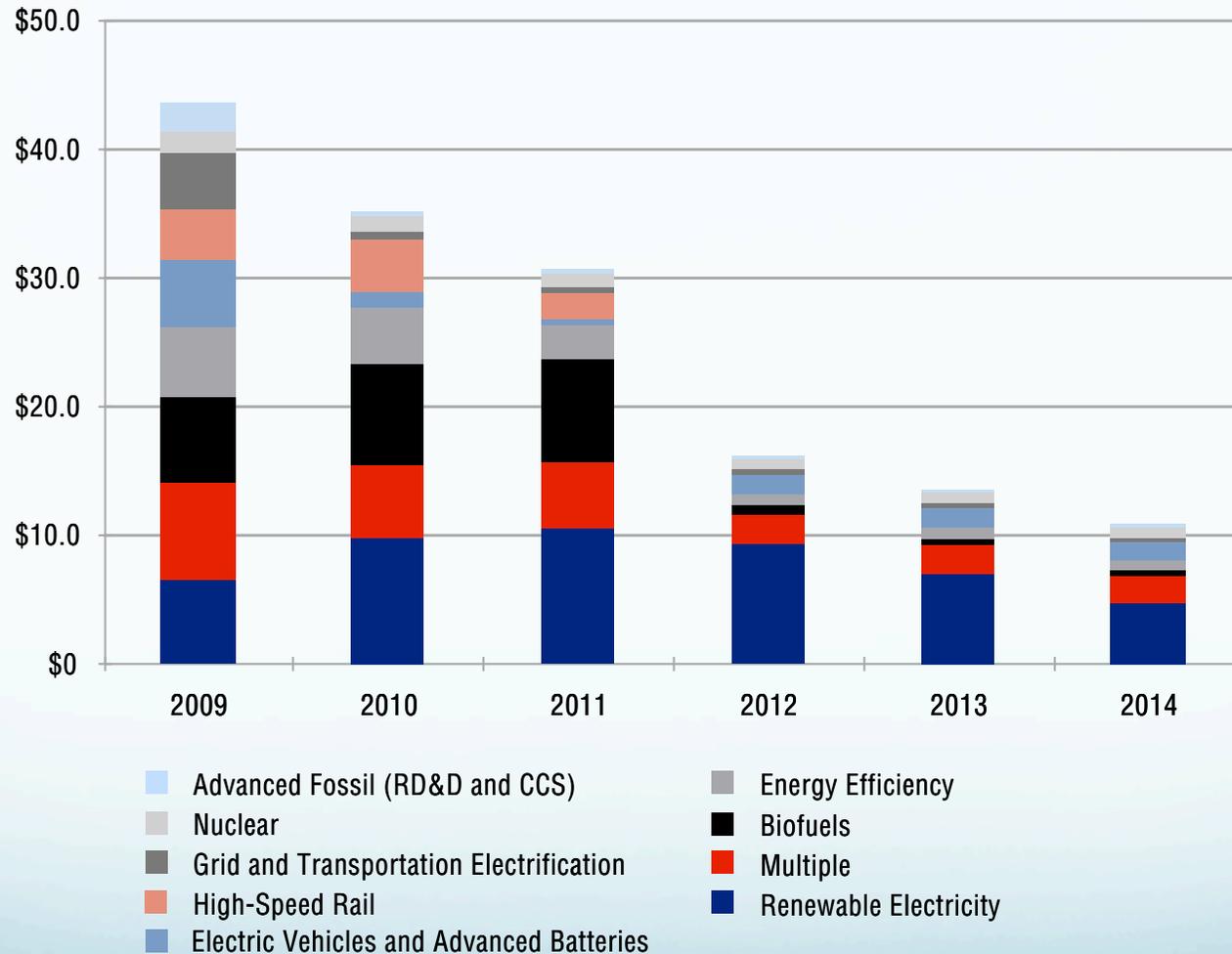
- **Initiatives:**

- Green banks
- Energy use and loan performance data
- News/information (*Clean Energy Finance Source*)
- Education/training
- Energy savings performance contracting
- Solar financing



# Federal Energy Efficiency Funding

Annual Federal Clean Tech Spending 2009-2014 (billions)

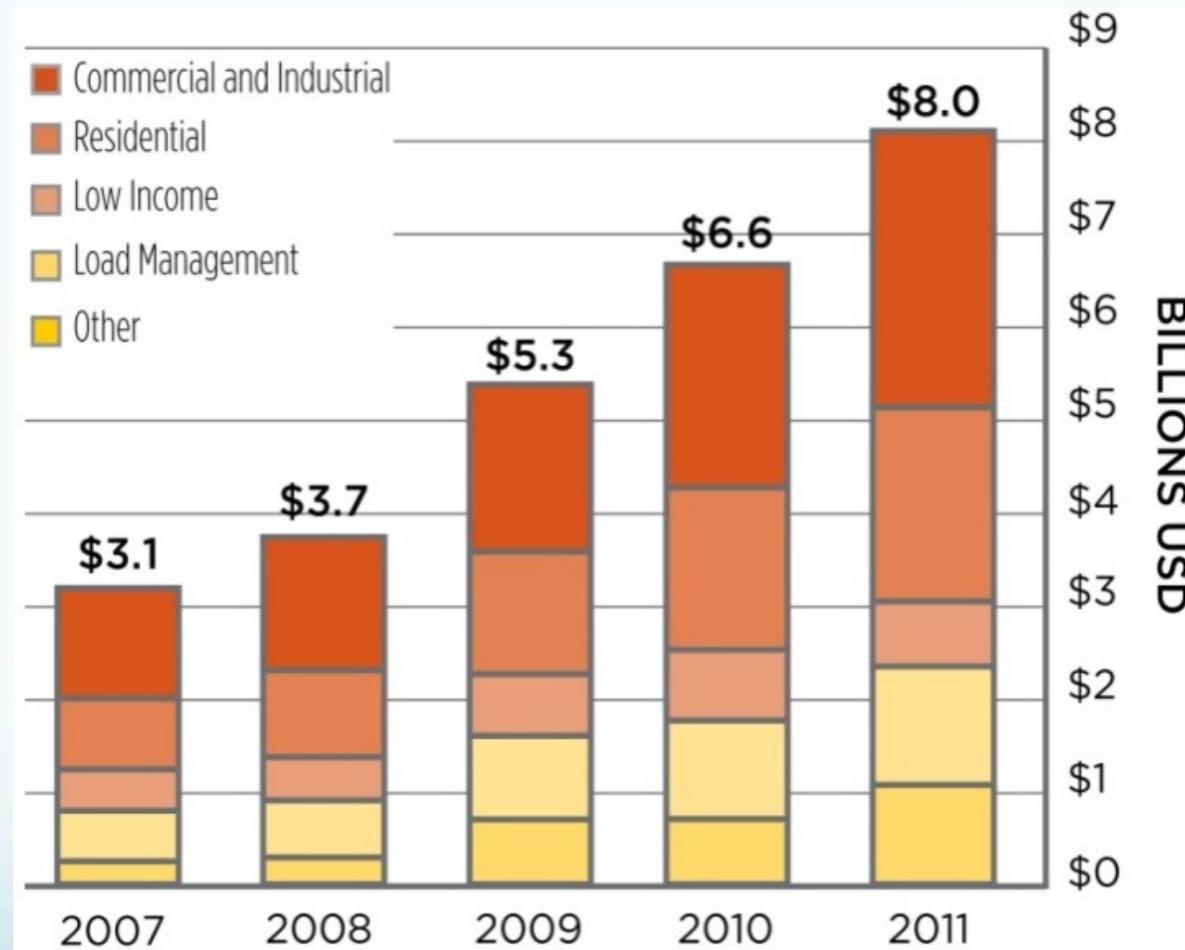


# Post ARRA: Leveraging Public Sector Funds

- Rate-payer funding
  - Could be as high as \$12 billion by 2020
- State Energy Program (SEP) funding
  - 2004 to 2008: ranged from \$33- \$44 million per year
- Other state and federal sources

# Rate-Payer Energy Efficiency Budgets (U.S.) (\$6.8 B Electric / \$1.2 B Gas)

2010 spending:  
\$5.7 billion



# Need Long-Term Policy Shift

Most public funds spent on  
subsidy/rebate



Large portion of public funds used  
to leverage private capital



Most public funds used only  
where private investment not  
feasible



# Many Programs Leverage Public/ Rate-Payer Funds

- Using mostly ARRA funds for interest rate buy-downs and loan-loss reserves to attract private sector capital
- Challenges
  - Large banks still not entering market (limiting scale)
  - Limited uptake of loan products by residential and commercial customers



# Example: Michigan Saves Residential Loan Program

- Started October 2010
- 7% rate, unsecured (no buy-down)
- 9 credit unions
- \$3.4 M ARRA funds as LLR
  - 5% of each loan for LLR
  - 20:1 leverage, total capital \$68 M
- As of May 1, 2012:
  - 1,000 loans (1 default)
  - Volume: \$7.9 million



# Connecticut Green Bank



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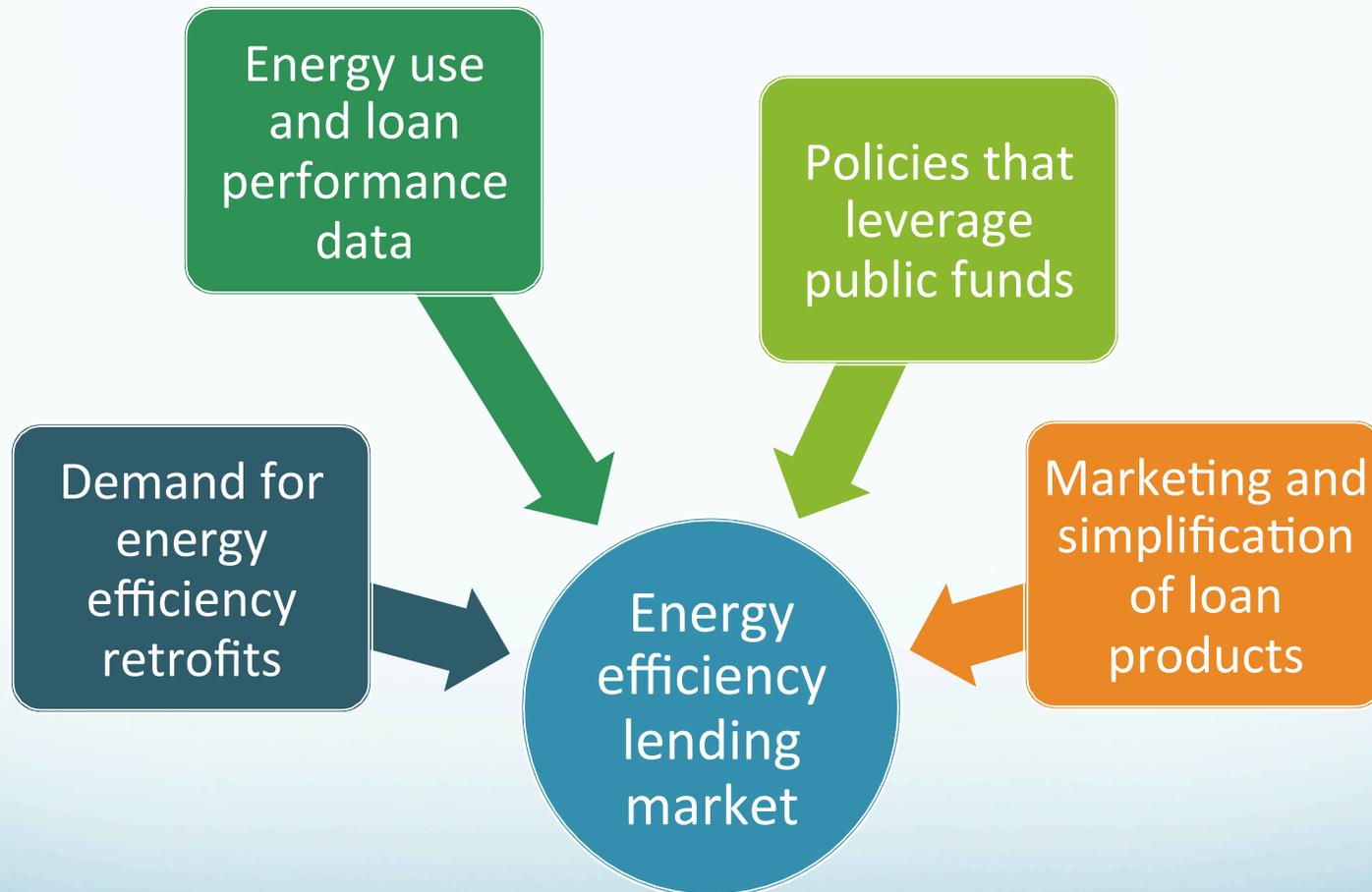
FINANCE AND INVESTMENT AUTHORITY

- Created June 2011
- Broad mandate to scale-up investment in EE/RE using public sector funds to leverage private investment
- Developing residential and commercial loan products
  - Re-purposed \$8 M of SEP funds for residential financing programs
- Existing CT programs:
  - Energy Efficiency Fund (approx. \$100 M/yr)
  - CEFA clean energy funds (approx. \$30 M/yr)
  - Others



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# Sustaining (and Growing) Programs Post-ARRA



# Contact:

Craig Diamond

Executive Director

[Craig@CleanEnergyFinanceCenter.org](mailto:Craig@CleanEnergyFinanceCenter.org)

860-904-2734

[www.CleanEnergyFinanceCenter.org](http://www.CleanEnergyFinanceCenter.org)



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