

Sustaining Programs in a Post-ARRA Environment

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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

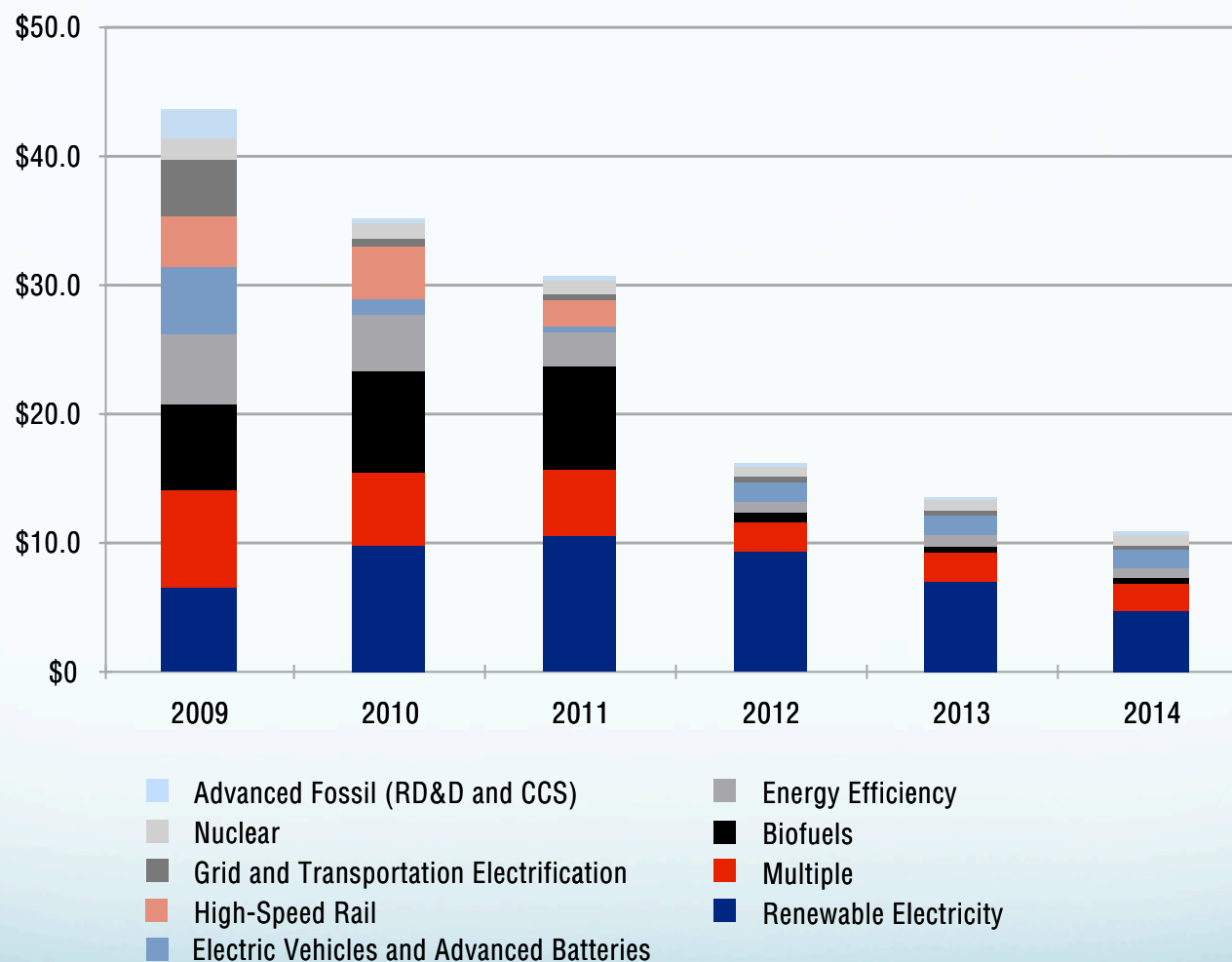
- **Initiatives:**

- 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)



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Source: *Beyond Boom & Bust: Putting Clean Tech on a Path to Energy Independence*. Brookings, Breakthrough Institute, World Resources Institute, April 2012.

Post ARRA: Leveraging Public Sector Funds

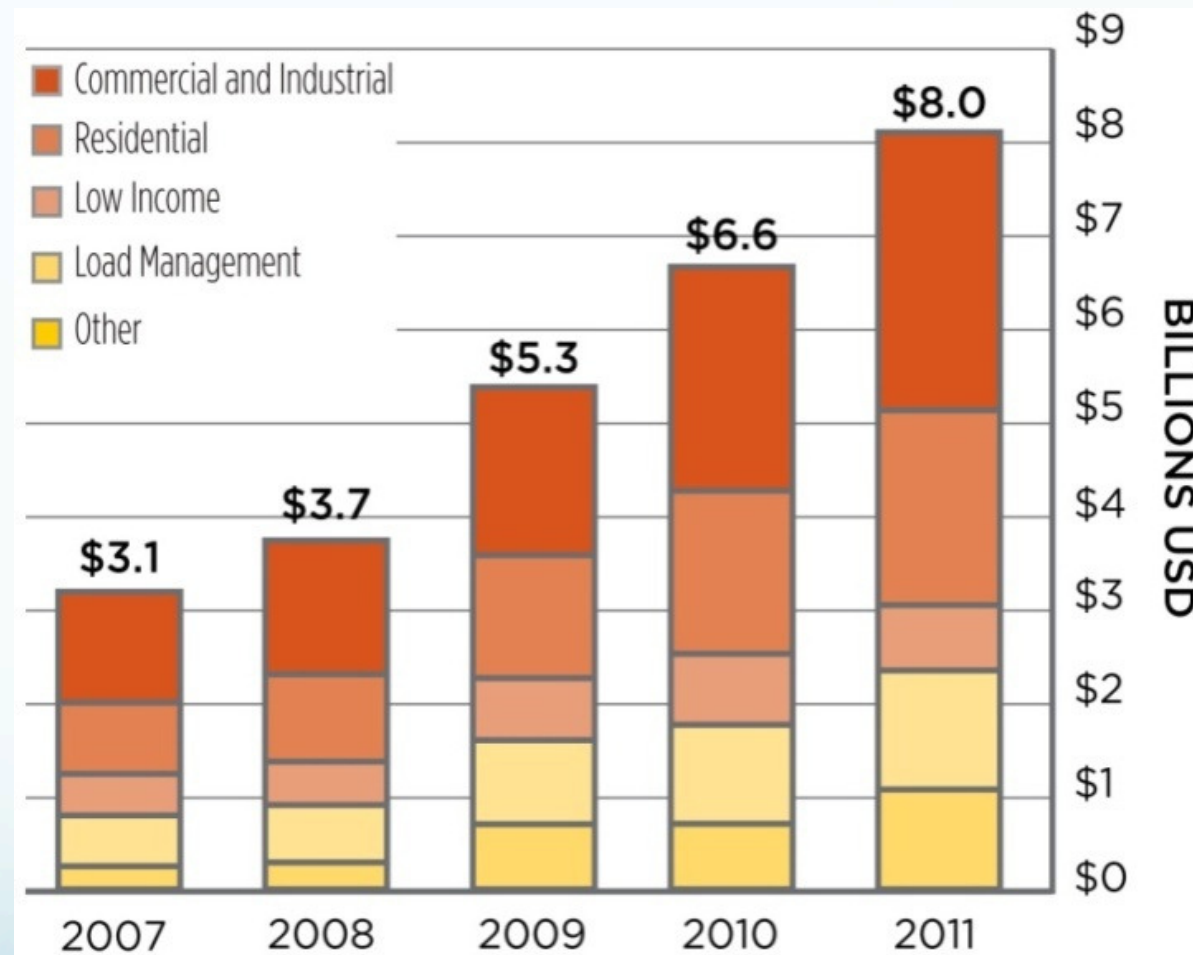
- Rate-payer funding
 - Could be as high as \$12 billion by 2020
- State Energy Program (SEP) funding
 - 2004 to 2008: ranged from \$33- \$44 million per year
- Other state and federal sources



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



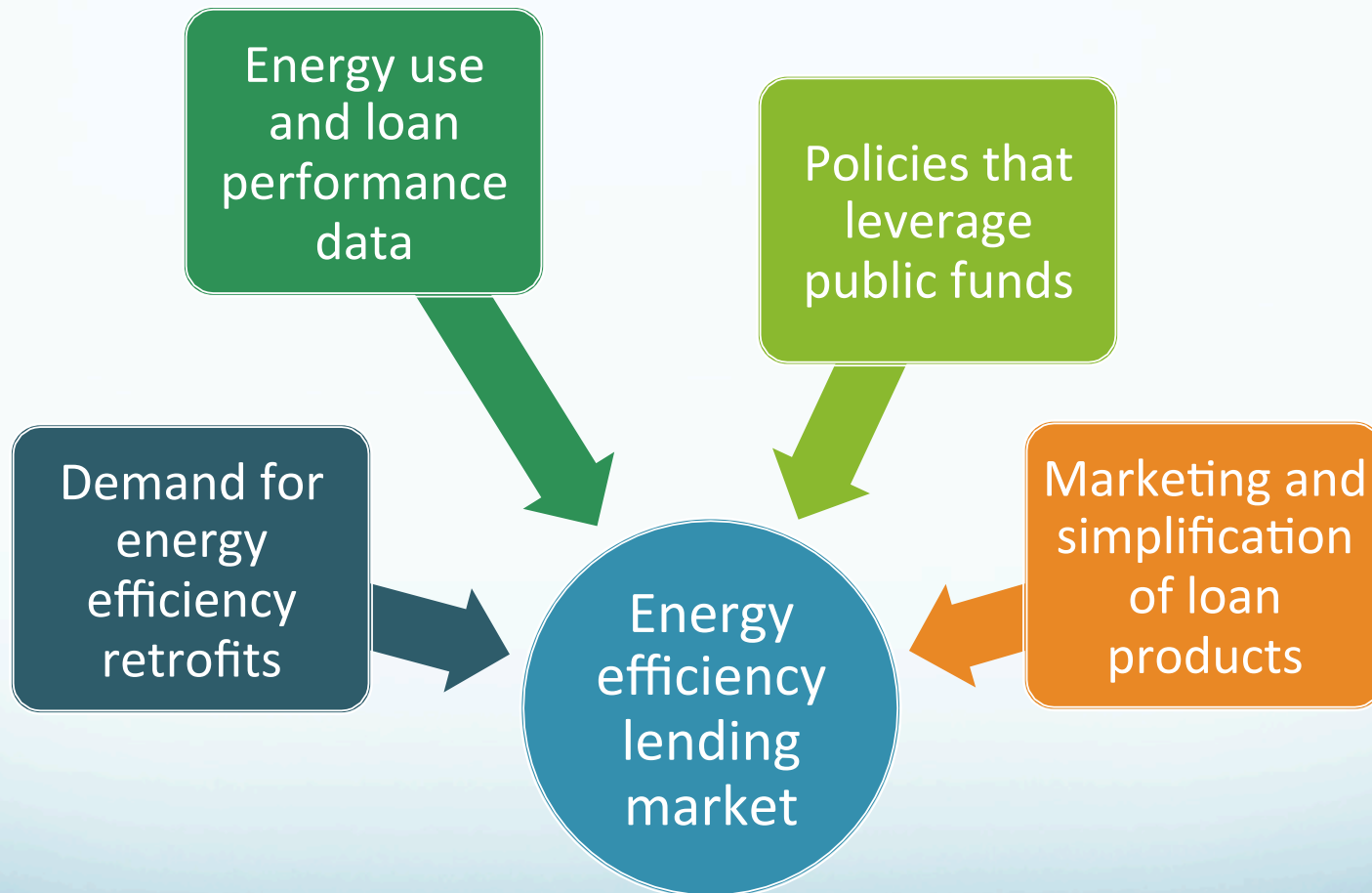
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FINANCE AND INVESTMENT AUTHORITY

- 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)
 - CEFIA clean energy funds (approx. \$30 M/yr)
 - Others



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Sustaining (and Growing) Programs Post-ARRA



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