

Environment and Natural Resources Trust Fund 2009 Phase 2 Request for Proposals (RFP)

LCCMR ID: 104-D2

Project Title: Home Energy Made Easy

Total Project Budget: \$ \$424,340

Proposed Project Time Period for the Funding Requested: 2 years. July 2009 to June 2011

Other Non-State Funds: \$ \$1,963,680.00

Priority: D2. Residential Energy Conservation

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Sponsoring Organization: Neighborhood Energy Connection

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Region:

County Name:

City / Township:

Statewide

Summary: Home Energy Made Easy creates thousands of energy-efficient Minnesota homes via a free, expertly staffed statewide hotline, website, and newsletter for homeowners energy questions, plus discounted home energy loans.

Main Proposal: 0908-2-006-proposal-Home Energy Made EZ Main.doc

Project Budget: 0908-2-006-budget-HomeEnergyMadeEasy2009_Project Budget.xls

Qualifications: 0908-2-006-qualifications-Home Energy Made Easy Proj Mgr Qual Final.doc

Map:

Letter of Resolution: 0908-2-006-resolution-NEC Resolution 09 26 08.pdf

MAIN PROPOSAL

PROJECT TITLE: Home Energy Made Easy

I. PROJECT STATEMENT

Home energy conservation and efficiency improvements are the most cost-effective, affordable strategies available to homeowners in order to save money on home energy bills. In fact, by upgrading insulation, and by choosing efficient heating, cooling, and lighting appliances, motivated homeowners can save up to 30% on their utility bills. Many homeowners do not implement energy improvements, however, due to the complexity of home energy systems and their relatively high upfront costs. Homeowners are often confused or overwhelmed by residential energy issues. The process of deciding which improvements to make, how to choose efficient appliances, where to find qualified contractors, how to receive and evaluate contractor bids, and how to pay for equipment and installation can be daunting. Yet thousands of Minnesotans, especially the more than 5,000 who receive utility-sponsored or private home energy audits each year, have learned which energy improvements their homes require and are just one step away from implementing efficiency. The Neighborhood Energy Connection proposes to help Minnesotans follow-through on conservation actions with an innovative statewide energy resource project.

The Neighborhood Energy Connection's **Home Energy Made Easy** project will remove barriers to home energy efficiency improvements, resulting in thousands of newly efficient Minnesota homes. Home Energy Made Easy includes two components:

- The **Minnesota Home Energy Advisor**, a personal, free and easily accessible information resource for Minnesotans with questions about home energy.
- The **Minnesota Energy Loan**, a financing tool available at a reduced interest rate for low- and moderate-income Minnesotans to implement home energy improvements.

Home Energy Made Easy will reduce greenhouse gas emissions, decrease homeowner reliance on expensive energy sources, and improve the comfort, durability, and safety of existing Minnesota housing stock. With energy prices rising and growing environmental concerns related to energy production, Home Energy Made Easy offers a timely and exceedingly effective solution for our state.

II. DESCRIPTION OF PROJECT RESULTS

Result 1: Home Energy Advisor Budget: \$172,029

The Home Energy Advisor is a free, multi-faceted information service that will answer Minnesotans' home energy questions. Drawing from the NEC's 23 years of expertise conducting home energy audits and serving as an energy resource for homeowners and utilities, the Advisor will help homeowners navigate the complex process of improving their homes' energy efficiency. The Home Energy Advisor will answer a free statewide telephone hotline, will reply to inquiries and publish frequently asked energy questions on the NEC Web site, will link to and promote important home energy resources such as utility conservation programs and the Minnesota Department of Commerce, and will publish a quarterly electronic newsletter for mass distribution to municipalities and neighborhood groups, housing organizations, news outlets, and individuals. The Home Energy Advisor will answer simple concerns, such as how to choose an efficient furnace, as well as more complex questions such as how to evaluate insulation bids or site solar thermal systems.

The Home Energy Advisor service will assemble and continuously update a valuable database of home energy contacts and resources across the state, including qualified home energy auditors, heating, ventilation, and cooling contractors, insulation companies, utility conservation programs, and renewable energy site inspectors and installers. The Advisor will also make referrals to

statewide energy financial resources, such as energy assistance programs, energy grants, and other loan opportunities. If the LCCMR-funded demonstration proves successful, the NEC will seek funds to continue the Energy Advisor. It is expected that corporate foundations, corporate sponsors, or even federated groups such as the United Way may be interested in supporting the service.

Deliverable	Completion Date
1. Answer hotline inquiries	July 15, 2009 through June 30, 2011
2. Publish web FAQ	September 1, 2009 through June 30, 2011
3. Publish e-newsletter	September 1, 2009 through June 30, 2011

Result 2: Reduced Interest Minnesota Energy Loan Budget: \$252,311

Homeowners who are ready to implement home energy conservation improvements will receive a very low interest rate if they participate in a home energy audit, implement at least one of their auditors' specific energy recommendations, and allow an energy analyst to inspect the improvements. The Minnesota Energy Loan is funded by Minnesota Housing and is available statewide. Income limits of \$93,100 mean that many low- and moderate-income Minnesotans can qualify for the loan, which can be used for air conditioner or furnace replacement, insulation, weatherization, renewable energy systems, and more. The project target is to serve 200 homeowners over two years. Loans will be discounted 3 percent from the Minnesota Housing base interest rate (6.25% as of 9/26/08).

Deliverable	Completion Date
1. Buy down loan interest rates	Until all buy-down funds are committed, or 6/30/11

III. PROJECT STRATEGY AND TIMELINE

A. Project Partners The MN Housing Finance Agency funds the MN Energy Loan.

B. Project Impact

The Home Energy Made Easy project will increase implementation of energy-conserving improvements and behaviors, resulting in utility bill savings of up to 30% for participants. Through the combination of toll-free telephone hotline, aggressive home energy information outreach (e-newsletter, website, and media releases), and low interest energy improvement financing, Home Energy Made Easy will break down barriers to energy conservation. Home Energy Made Easy will serve thousands of homeowners at all income levels across the entire state of Minnesota.

C. Time

The project will take place from July 1, 2009 through June 30, 2011. The project requires a total budget of \$424,340 to be paid on a reimbursement basis.

D. Long-Term Strategy (if applicable)

The Minnesota Energy Loan is underwritten by the Minnesota Housing Finance Agency, a quasi-public entity whose mission is to advance affordable housing opportunities for low and moderate income Minnesotans to enhance quality of life and foster strong communities. Loan interest rates can be bought down by any external organization, and it is likely that after the demonstration period funded by LCCMR, other entities will step forward to offer buy downs for the Minnesota Energy Loan, such as community banks, utilities, or philanthropic foundations.

Project Budget
Home Energy Made Easy

IV. TOTAL PROJECT REQUEST BUDGET (2 years)

<u>BUDGET ITEM</u>	<u>AMOUNT</u>	<u>% FTE</u>
Personnel:		
Energy Advisor (specialty: bids, financing, statewide resource referrals)	\$ 51,085	40%
Energy Advisor (specialty: technical, e.g. HVAC, insulation, air sealing, solar, geothermal)	\$ 61,665	50%
Administrator (statewide energy resource database maintenance, Home Energy Advisor telephone routing and backup, mailings)	\$ 24,781	30%
Executive Director (database design and upgrades) YEAR 1 ONLY	\$ 4,740	10%
Public Information Officer (fact sheets, web, newsletter, media)	\$ 29,758	25%
Finance Manager (loan disbursements & tracking, payroll)	\$ 27,372	25%
Other: Minnesota Energy Loan Buy-Downs (3%) for approximately 200 loans	\$ 224,939	
TOTAL PROJECT BUDGET REQUEST TO LCCMR	\$ 424,340	

V. OTHER FUNDS

<u>SOURCE OF FUNDS</u>	<u>AMOUNT</u>	<u>Status</u>
Other Non-State \$ Being Leveraged During Project Period:		
Total potential homeowner energy improvement expenditures related to project loans only (funds expended by homeowners who receive discounted energy loans). Homeowner funds must be secured by contract prior to loan disbursement and LCCMR reimbursement request.	\$ 1,950,000	Pending
Homeowner energy improvements leveraged by Home Energy Advisor service, but not financed through discounted Minnesota Energy Loan	Potentially greater than \$3 million	Pending
In-kind Services During Project Period: Space and equipment (NEC)	\$ 13,680	Secured

Home Energy Made Easy

Project Manager Qualifications and Organization Description

The Neighborhood Energy Connection (NEC) is a 23-year-old nonprofit organization whose mission is to reduce pollution, conserve resources, and improve quality of life by offering tools for energy-efficient living. The NEC was founded to provide home energy analyses and conservation recommendations to homeowners, and has since grown to encompass energy improvement lending and energy-efficient/solar car sharing programs. The NEC's residential energy staff has 75 years of combined experience in the field, has managed more than 25,000 home energy audits, and has held a statewide energy audit contract for the state's largest investor-owned utility since 2002. In addition to their work for utilities, NEC energy analysts are skilled in advanced efficiency topics, and are qualified to provide LEED certifications, Energy Star certifications, HERS ratings, and Minnesota Green Star inspections.

The NEC home energy loan program assists homeowners in improving their homes' energy performance. In addition to originating loan and grant agreements, program staff makes regular referrals to energy financing and grant resources around the state.

Key Staff and Qualifications

Chris Duffrin is the Project Manager and NEC Executive Director. Duffrin has more than eight years experience managing residential energy conservation and bill affordability programs. Besides managing the Home Energy Made Easy project, Duffrin will design the project database to identify and easily access statewide information on residential energy contractors and resources. The database will also serve to track program activity, share information between the organization and partners, facilitate work flow, and send newsletters and personalized mail and email to participants.

Jimmie Sparks is the NEC's Residential Energy Program Manager. Sparks will manage a team of three in-house energy analysts to provide technical information to homeowners consulting the Home Energy Advisor service. Sparks has extensive training and experience in home energy systems, and is a frequent invited speaker at local and national energy events. Prior to joining the NEC, Sparks owned a residential insulation company.

LeAnne Karras is the NEC Loan Program Manager and will be a key member of the Home Energy Advisor team. She has 26 years of commercial and nonprofit lending experience. Karras brings to customers deep knowledge of building systems and energy improvements, having herself constructed two homes and rehabilitated five. In her role as a member of the Home Energy Advisor team, Karras will work one-to-one with callers to ensure that their questions about the bid process, contractor selection and management, and financing are answered.

Mary Morse will participate in the project as public information officer. She has more than 22 years of experience as a writer and has served as the primary media contact and outreach specialist for the NEC since 2002. Morse will write the Home Energy Made Easy newsletter, media fact sheets, web updates, and other project materials.

Kay Dawson is the NEC Finance and Human Resources Manager. Dawson will manage the Minnesota Energy Loan buy-down pool, ensuring that funds are expended in a timely and accurate manner. Dawson has 23 years of financial analysis, accounting, and reporting experience in the business, public, and nonprofit sectors. She has managed budgeting, financial, operational and sales reporting for a 750 store national retailer; and developed and continuously improved customized financial reporting and budgeting processes for a \$76M facilities management group at the University of Minnesota. Dawson joined the NEC in 2003.