



7 Wall Street, Concord, NH 03301
Phone: (603) 224-6669 | Fax: (603) 225-7425
info@communityloanfund.org
www.communityloanfund.org

TO: NH Energy and Climate Collaborative
FROM: Rick Minard, Community Loan Fund
DATE: 29 December 2009
SUBJECT: New Hampshire's "Beacon Communities Project" grant proposal

The State of New Hampshire's Office of Energy and Planning submitted a \$20 million grant proposal to the U.S. Department of Energy on December 14. The "Beacon Communities Project" was developed by a diverse team that grew out of committee formed by the state's Energy Efficiency and Sustainable Energy Board. The project seeks funding from the nationally competitive "Retrofit Ramp-Up" program that the Department of Energy established with ARRA (Stimulus) money.

The attached abstract from the grant proposal gives a brief overview of the project. The state seeks federal funds to spur deep investments in energy efficiency in three communities: Berlin, Plymouth, and Nashua. The federal dollars will leverage approximately \$80 million in private capital over the course of six years. Those funds will come from property owners, utilities, banks, other public sources, and charitable contributions.

The impetus for the Beacon Communities Project was the state's Climate Action Plan, with its ambitious goal of retrofitting 30,000 homes each year in addition to commercial retrofits. The federal funding envisioned in the proposal would catalyze the retrofitting of 4,267 buildings totaling almost 13 million square feet of space in the three communities. The proposal assumes that those retrofits will reduce those buildings' greenhouse gas emissions and energy costs by 30 percent.

The key feature of the proposal would be the creation of a revolving loan fund at the Community Development Finance Authority (CDFA). The fund, focused technical assistance, and strong community leadership will mobilize building owners to invest in energy efficiency. The three Beacon communities will mentor others in the state and the financial resources will eventually reach much broader targets.

We expect DOE to select the grant recipients this spring.

PROJECT SUMMARY/ABSTRACT (from the OEP proposal)

Project Description and Objectives

The NH Beacon Communities Project will empower **three very different communities** to achieve transformative reductions in fossil fuel use and greenhouse gases through deep energy retrofits and

complementary sustainable energy solutions in residential, commercial, municipal and industrial sectors. The program will accomplish this by **“hyper-investing” in proven neighbor-to-neighbor education, technical assistance, and sustainable financing mechanisms to retrofit thousands of homes, businesses, and public buildings.** The selected communities are **Berlin**, an economically depressed former paper mill town that seeks to redefine itself as a leader in the new energy economy; **Plymouth**, a college town with a strong town-grown commitment and track record of community-based renewable energy and energy efficiency outreach and implementation; and **Nashua**, the state's second-largest urban area and an emerging leader in comprehensive municipal clean energy planning and management.

The Project will **partner with local entities to reach out to the community and deliver energy efficient retrofits.** Committed to **rapid replication**, the Phase I Beacon Communities will then serve as demonstration sites and mentors to Phase II Beacon Communities and other New Hampshire towns and cities, creating a multiplier effect across the state.

The NH Beacon Communities Project has **grown out of a larger visionary and coordinated statewide energy and climate strategy** and is a **partnership in which many of the state's major public, private, and nonprofit entities with an interest in energy efficiency will link their capabilities and resources.** These include the NH Office of Energy and Planning, NH Community Development Finance Authority, NH Community Loan Fund, NH Electric Cooperative, Public Service of NH, Jordan Institute, NH Charitable Foundation, City of Berlin, City of Nashua and the Town of Plymouth, .

The Retrofit Ramp-Up Program **start-up grant will be leveraged four times over** during the six-year project period. The financing mechanisms – including a State revolving loan fund, expansion of existing on-bill financing, coordinated development and introduction of PACE programs, and a loan loss reserve fund – will **address barriers to property owner investment** in energy efficiency and **result in a lasting transformation of the market.** To achieve comprehensive leverage, NH will access funding Regional Greenhouse Gas Initiative funds, Forward Capacity Market revenues, system benefits charge funds, significant additional investments by utilities, lending by multiple regional and local banks, and complementary federal funding from multiple programs under the American Recovery and Reinvestment Act, and foundation investments.

Impact, Benefits and Outcomes

In the first three years, the three communities will experience significant measurable reductions in greenhouse gas emissions and gains in jobs and energy independence. As a direct result of our work, we will **retrofit 4,267 of buildings and decrease carbon emissions by 30%** and have the infrastructure and finances in place to continue this work far into the future. In addition, the project will **bring 1,230 of desperately needed jobs and an economic revitalization to our communities.**

Applicant: New Hampshire Office of Energy and Planning

Project Title: New Hampshire Beacon Communities Project

Project Director: Eric Steltzer, Energy Policy Analyst