

**Better Buildings Neighborhood Program October 2011 Workshop
Summary of Revenue Streams from Breakout Sessions (11/20/11)**

Local Government-Based Revenue Streams

General Considerations:

- Local government-based revenue streams can be dedicated to energy efficiency projects or come from general funds. Under general fund strategies, energy efficiency priorities often need to “compete” with other priorities in annual budgeting and may not be consistent or sustainable over time.
- Some local-government revenue strategies (e.g. enterprise funds) require passage of local ordinances or state-enabling legislation.

Potential Revenue Streams:

- *Dedicate city funds directly to energy efficiency programs from general revenues.* General funds can cover the full cost of the program or can set up programs where there are fees for services that help subsidize program cost.
- *Use energy savings achieved in government operations to fund energy efficiency programs.* Sometimes city energy managers are hired to find energy savings in government operations. Those savings can then be used to help pay for energy efficiency programs and/or staff.
- *Establish an economic development commissions (EDC).* Usually EDCs are paid for in full or part by local government, but they can also be set up to be more independent so that they can attract venture capital.
- *Set up enterprise funds in which customer bills cover services of energy efficiency programs.* Fee-supported programs might include the development of a sustainable utility that focuses on energy efficiency issues, or energy/sustainability services could be rolled into other existing enterprise funds (e.g., energy management).
- *Use Qualified Energy Conservation Bonds (QECCBs).* State budgets have been allocated and approved by statute, but states have to authorize distribution of QECCBs to cities/counties. Unused QECCBs can be leveraged to establish energy efficiency programs.
- *Use tax-increment financing.* Under this (somewhat controversial) strategy, money is borrowed and invested in a certain area with the idea that invested money will increase the property value and thus the tax base
- *Establish bond fund and use reserves to open lending capacity.* Toledo Port Authority has implemented this strategy. Bond funds can be combined with QECCBs to buy down interest rates.