



Better Buildings Neighborhood Program Peer Exchange Call: *Structuring Rebate and Incentive Programs for Sustainable Demand*

Call Slides and Discussion Summary

August 18, 2011

Agenda

- Call Logistics and Attendance
- Program Experience and Lessons:
 - Nathalie Gonzalez, County of Los Angeles, Office of Sustainability
- Discussion:
 - What are strategies for structuring a rebate/incentive program to generate sustainable demand?

Participating Grant Programs



- Austin, TX
- Chicago, IL
- Los Angeles County
- Maryland
- Nashville, TN
- New Hampshire
- North Carolina
- Phoenix, AZ

Energy Upgrade California In Los Angeles County

Nathalie Gonzalez
August 16, 2011



Welcome to Energy Upgrade California™

The Big Picture



Energy Upgrade California in LA County

- An Alliance Among:
 - Los Angeles County
 - Southern California Edison
 - Southern California Gas Company
- Additional Partners:
 - City of Los Angeles (Department of Water and Power)
 - Other municipally owned utilities (MOUs)
 - Cities and COGs Countywide
 - WIBs and Community Colleges



Program Participation Options

**Two entry paths
for participation**

Basic
(\$1,000 rebate)



Advanced
(\$1,250 to \$4,500 rebate)

LA County Additional Incentive

>20%

 2000!

Homes that achieve greater than or equal to 20% energy reduction under the advanced path within LA County will receive an additional \$2000 incentive between now and Labor Day!

Adjusting the Incentive for LA County Homes*

Calculation Method	Utility only	Utility +LAC
Basic Package	\$1,000	\$1,000
Advanced Package 10% Savings	\$1,250	\$1,250
Advanced Package 15% Savings	\$1,500	\$1,500
Advanced Package 20% Savings	\$2,000	\$4,000
Advanced Package 25% Savings	\$2,500	\$4,500
Advanced Package 30% Savings	\$3,000	\$5,000
Advanced Package 35% Savings	\$3,500	\$5,500
Advanced Package 40% Savings	\$4,000	\$6,000

* Hybrid programs currently in design for municipal utility programs.

Welcome to Energy Upgrade California™ Better Buildings Program Pilots:

HVAC Contractor Outreach

Energy Champions

Home Makeover Contest

Multi-family

Green Building Labeling

Whole Neighborhood Approach

energy  champion

Energy Champions

Champion organizations:

- Schools
- Non-profits
- Faith-based

Will homeowners be more
Motivated to take action to
benefit their organization

Champions apply, attend
training, then market the
opportunity to their network

ENERGY CHAMPION upgrade update
Energy Upgrade California: Tips and Tools for Energy Champions

February 2011
In this issue...

- Toolkits
- Talking Points
- Press Releases

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About Energy Upgrade California

Energy Upgrade California is an innovative program for homeowners to improve their home's energy efficiency, save water, lower utility bills and create a healthier and more comfortable home. Energy Upgrade California connects homeowners with participating contractors who can help plan and complete their projects—and with rebates and incentives to help pay for them.

Community Group Signs Up 25 Homeowners

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Energy Champions

REBATES

Completed
Basic
Upgrade

• \$100 to
Champion

Completed
Advanced Upgrade

• \$500 to
Champion

- Champions receive training and ongoing support – you don't have to be an energy expert
- Champions have access to an online resource library filled with customizable marketing materials
- Grassroots approach to compliment top down media

Updates on the “Local Info” page of
www.energyupgradeCA.org/LACounty

Multifamily

Multifamily Program

EnergyUpgradeCA.org



www.multifamilygreen.org



Program Eligibility

- Existing Multifamily Building in LA County
- Must have at least 5 units
- Energy audit and verifications must be completed by an Approved Rater with CA Existing Building Multifamily Upgrade Training
- Eligibility further defined through project review process
 - Pre-Qualification Application
 - Technical Assistance
 - Audit

Incentives

- Range from \$6,500 to \$110,000
- Cannot exceed 60% of total project cost
- Assessment Incentive

Number of Units in Building	Incentive / per building
5- 20 units	\$5,000
21 - 50 units	\$10,000
51 + units (incremental increase)	\$20/unit

- Improvement Incentive

Improvement in Building Performance	Incentive / per Unit
10% improvement	\$200
15% improvement	\$400
20% improvement	\$700
25% improvement	\$950
>30% improvement	\$1200

Green Building Labeling Incentives

- Similar to GBL Single-Family Process
- GBL must be verified prior to additional incentive being issued

GreenPoint Rated Label	Incentive / per Unit
Elements Label	10% of Improvement Incentive
Whole House Label	20% of Improvement Incentive

- LEED NC rating available for 20%
- LEED EBO&M for 10% incentive/unit

Green Building Labeling



ENERGY UPGRADE CALIFORNIA 
go for the greenlabel!
REBATE PROGRAM

www.energyupgradegreenlabel.org



Green Building Labels – Existing Homes

- GreenPoint Rated Single-family
 - Elements
 - Whole Home
- GreenPoint Rated Multifamily
- LEED
 - Homes
 - New Construction (MF)
 - EBOM (MF)



Incentives to Homeowners

- **\$500** GreenPoint Rated Elements Label
 - Advanced Package
 - Few Additional Points (6)
- **\$1000** GreenPoint Rated Whole Home Label
 - Comprehensive green upgrade
 - Minimum Points needed in additional Categories
- Waiver of Processing Fees (**\$400** value)
 - Fast-track for projects
- **\$200** Referral Incentive
 - Contractors & Real Estate Professionals

Questions?



- Do multifamily property owners receive the incentives before or after actually implementing the Energy Conservation Measures?
 - 1st incentive received after completion of the audit and submittal of scope of work (this is intended to determine the commitment to doing something)
 - 2nd incentive received upon completion of the work
 - 3rd incentive received upon achieving a green label
- What is the profile of the multifamily applicants?
 - 32 initial applicants had an average of 41 units/building (likely “mom and pop” type)

- Are additional loan funds or grants being made available to property owners?
 - LA County rebate is available through an EECGB block grants and utility funds
 - LA County also received funds from other sources (e.g. state energy grants to pay for trainings , outreach activities, and marketing)
- Are the rebates wholly sourced by ARRA funds or are the utilities also leveraging ratepayer funds to support them?
 - Utility portion of the tiered rebate structure is all ratepayer funds, as mandated by the CA Public Utilities Commission
 - Utilities are also tasked with creating a utility multifamily rebate incentive in the future
- What's the driver for sustainability for the LA County rebate program as opposed to a loan model?
 - Incentives are being used at the beginning to kick-start the conversation and raise the knowledge level of the constituents.
 - LA County also has loans available (PACE, loan loss reserves, partnerships with local credit unions) that are expected to contribute to sustainability

Discussion: Tiered Rebates

- LA County
 - Tiered requirements
 - Basic package offered without assessment/audit requirement since there is no standardization to what these terms mean
 - Advanced package requires test-in/test-out and audit
 - Contractors qualify for basic by attending 3-day training; for advanced, need BPI certification
 - Greater uptake of the advanced package than the basic:
 - The 5 requirements to the basic package are not broadly applicable (e.g. coastal homes without AC ducts to wrap)
 - Advanced improvements include window options
 - Contractors prefer advanced package
 - Advanced package specific to needs of house, basic package is generic
 - Basic package means significant paperwork for small jobs
 - Utilities were responsible for naming the packages and designing the content
- Midwest Energy Alliance considering a tiered approach
 - IL Home Performance: Basic “silver” package = 15% modeled energy savings, advanced “gold” package more comprehensive (includes list of performance measures that need to be met)

Discussion: Contractors and Rebates

- Incentives for contractors
 - Referral incentives
 - NH started in August to encourage contractors to promote their program
 - Structured as a pilot project: in three communities, contractors receive a \$300 referral incentive for every project they bring in that gets completed (for up to 40 projects in each community)
 - Customer indicates their referring contractor on their intake form
 - Training incentives (LA County)
 - Help contractors pay for BPI certification, which contractors need to qualify for the advanced rebate package
 - HVAC incentive (LA County)
 - Encourages contractors to encourage homeowners to convert a regular HVAC tune-up to whole house tune-up
 - Matching marketing funds (LA County)
- Rebates to the contractors or the customer?
 - LA County: Homeowners can sign utility rebates over to the contractor or receive themselves (ratepayer funds are nontaxable) , but the LA County rebate needs to go directly to the homeowner (taxable income, LA County needs to receive a W-9 from the homeowner)
 - NH: Small project rebates structured as discount from contractor to homeowner, rebate paid to contractor

- Plan the transition away from rebates as part of the initial design and strategy
 - This can be challenging when multiple parties are involved (e.g. coordinating with utilities in NH)
- Focus on marketing and messaging to get constituents on board
 - LA County tests which marketing events and methods work by attaching different promo codes to the incentives for different events/methods, happy to share analysis of which vehicles are most effective
- Start with rebates, then move to the loan structure
 - LA County and Austin TX both offer a mix of rebates and loans
- Leverage existing utility programs
 - MD loan program coordinates with utility peak energy program (e.g. utility provides free programmable utilities to rate payers)
 - In Nashville, Southeast Energy Consortium rebate is value-add to TVA rebates (TVA also provides SEC with administrative support)