Insight from Maine Incentives

The DEEP
$9M SEP Grant supported program awarded Fall 2009 with additional funds provided by BetterBuildings

- $1500 for 25% projected whole house energy saving
- $3000 for 50% projected whole house energy saving
- $1000 bonus for exceeding 25% offered June 2010 – Dec 2010

Result: After slow start, huge rush late 2010. Activity continued to full use of rebate grant dollars by September 2011.

- 3212 homes upgrades under rebate program
- Average project cost $8350
- Average Rebate $2650 (32% of project cost)
- Average projected savings 40% ($1500 per year)
- Over 1.3 million gallons of heating oil saved per year.
Home Energy Savings Program Rebates

Deadlines: Dec 2010 for bonus, May 2011 reservations filled, Sep 2011 all work complete
Transition to Weatherization Financing

Maine PACE loan Program

- No rebates available. One month overlap only.
- Secured to property value with junior mortgage.
- Maximum Loan to Value of 100%
- Maximum Debt to Income Ratio of 45%
- Loan values $6,500 to $15,000
- Up to 15 year term
- 4.99% fixed interest rate with fixed monthly payment.
- No pre-payment penalty
- No application, closing or origination fees.
- Mortgage is assumable.
- $10,000 = roughly $80 per month. (frequently cash positive)

- Cost of audit can be incorporated into the loan amount.
Maine PACE loan Program
(AFC First - Loan Service Provider)

- 134 Towns participating (and growing)
- 65% of the state population

As of: 7/1/2012

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td># PACE Municipalities</td>
<td>134</td>
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<tr>
<td>Cummative Applications</td>
<td>1172</td>
</tr>
<tr>
<td>Cumulative Declined Loans</td>
<td>529</td>
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<tr>
<td>Inactive Applications</td>
<td>289</td>
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<tr>
<td>Applications In Process</td>
<td>118</td>
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<tr>
<td>In Process Application $$$</td>
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<td>Cummulative # Closed Loans</td>
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<tr>
<td>Cummulative $$$ Closed Loans</td>
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<td>Average PACE Loan Amount</td>
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<tr>
<td>Applications received 4 weeks</td>
<td>64</td>
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<tr>
<td>Applications declined last 4 weeks</td>
<td>16</td>
</tr>
<tr>
<td>Loans Closed last 4 weeks</td>
<td>25</td>
</tr>
</tbody>
</table>

45% DTI biggest blocker

milestone
ONE month overlap with rebate reservation availability.
Drop in known audit activity to average 50 from 67 per month.
(Has since increased to 75 per month.)
Loan closings 20 to 25 per month.

As of 7-1-12

Maine PACE and PowerSaver LOAN TRACKER

Community Forum campaign

1st Tax bill mailings

Radio/ TV launch

Powersaver launch event

# Phoneline # Apps received
# Loans closed
# Total apps
Loan $$ Closed

As of 7-1-12
PowerSaver - launched April 11th.

- Single Family Detached Dwelling ONLY
- Loan values $7,500 to $25,000 Secured
- Secured to property value with minimum 2nd position mortgage.
- Maximum Loan to Value of 100% (exterior assessment req.)
- Maximum Debt to Income Ratio of 45%
- 15 year term (20 if project includes Renewable Energy)
- 4.99% fixed interest rate with fixed monthly payment.
- No pre-payment penalty
- No application, closing or origination fees.
- Mortgage is NOT assumable.
- Loan values up to $7,500 Unsecured (no LTV calc.)
- Available to all Mainers in all towns and territories.
- Can combine with PACE for up to $40,000 total project.
Insight from Maine: Deep and Wide can be complimentary

The Wide: Testing lower limit of rebate leverage.
$2M funds allocated out of BetterBuildings Grant

- All Incomes
- 6 hours of Blower Door Driven Air Sealing and Insulation
- Air sealing must be followed by blower-door verification of final cfm50.
- Air sealing must be followed by combustion safety testing.
- Provide 40 points of site info data from Test-1n.
- Contractor firm paid $300 toward RDI (w/ work and reporting.)
- Test-out report on full projects – 30 data points, $100 pmt.
Residential Direct Install

Launched April 2012: Still slow start, 55 projects submitted.

Typical project to date:
• Homes 800 to 1400 sq ft.
• 600 to 1400 gallons annual oil use.
• Many homes with no insulation at all
• 6 to 8 hours air sealing reduces CFM50 number average 25%
• $300 savings per home per year anticipated.

Considering increasing to $600 incentive on $700 worth of invoice project costs to get jump in activity.
Maine Top Takeaways

• Know what you are buying with incentives
• Big incentives
  – Can create a market and demand
  – Are used by early adopters and higher income levels
  – Generally unsustainable
• Market based approach to weatherization auto-scales to meet demand with little lag time and spread risks.
• Limited time offers drive demand surprisingly well.
  – Deadlines have side-effects.
  – Can only be used so much before normalization.
• Financing can maintain significant momentum when rebates disappear.
• Smaller rebates and projects may be an innovative way to engage a broader swath of income levels.
Keep your rudder in the water

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