

Whatcom Energy Efficiency Community Challenge

The Energy Efficiency Community Challenge will substantially reduce Bellingham and Whatcom County's consumption of electricity and natural gas by targeting comprehensive, deep efficiency focused programs at both commercial and residential facilities, by reducing the barriers to implementing energy efficiency, including financing, an adequate, qualified workforce, and by raising awareness of opportunities to conserve energy through community based social marketing, establishing community goals and friendly competition. This Challenge will launch late fall 2009.

A uniquely qualified team of collaborating organizations has been assembled to accomplish the aggressive goals of the Challenge. Sustainable Connections (SC) provides strong links to the business community and management of Commercial Conservation Services (CCS) and a proven track record of campaign development and implementation that has resulted in shifting attitudes, increased knowledge and behavior change for sustainability at home and in the workplace. SC will create a "one-stop shop" for property owners to get assistance to develop and implement energy efficiency (EE) projects in commercial buildings. Workforce development opportunities will be addressed by the Building Performance Center (BPC) and the Bellingham Technical College (BTC), two organizations with decades of experience and the ability to scale up training to provide qualified personnel for retrofits. Both organizations have a history not only of successful workforce training, but of creating careers. The BPC also provides rapidly expanding low income household retrofit services and will create a "one-stop shop" where residential customers of all incomes can receive comprehensive assistance evaluating opportunities, clearing financial hurdles and implementing efficiency projects. The City of Bellingham (COB) and Whatcom County (WC), will both serve as case studies for saving energy and also provide resources from federal Energy Efficiency and Conservation Block Grants (EECBGs) for loan loss reserves making retrofit financing more attractive, as well as communications and marketing support. Energy Efficiency Finance Corporation (EEFC) provides the expertise to design the program's financing component which combines resources from state and local governments and utilities with funding from local banks and credit unions to offer attractive financing options for residential and commercial property owners to implement conservation measures. A.W.I.S.H. provides extensive experience with energy policy and program development, as well as valuable connections throughout the state, public, private and non-profit, for gathering and sharing best practices. Puget Sound Energy (PSE) and Cascade Natural Gas (CNG) are utility partners that bring marketing, auditing, energy efficiency tools and incentives, and campaign evaluation capability. A group of smaller cities in Whatcom County has been invited to participate in the formation of the financing component. All of these partners have been working hard to develop a ground-breaking community effort to achieve deep energy efficiency. The process is not yet complete and naturally there are challenges to overcome. All partners are fully engaged in the process of developing a final plan.

Bellingham/Whatcom County is an ideal location for piloting a community-wide Energy Efficiency Challenge and the timing is right. This community has a growing national reputation

as a community that is at the forefront of developing a sustainable local economy, and, until very recently, was the top EPA-certified Green Power Community in the nation. Other evidence this community is prime to prove what's possible with deep energy efficiency includes: we lead the nation in annual increase in bus ridership, high rates of hybrid car ownership, unparalleled support for local farmers and food producers, and impressive adoption of green building practices. The Mayor of Bellingham has publicly declared his desire to "maintain and enhance Bellingham's role as a national leader in environmental protection". NPR's Marketplace has called Bellingham/Whatcom County "the epicenter of a new economic model". Governor Gregoire has stated that she wants to see what's happening here emulated throughout Washington State. In terms of timing, there is local, state and national interest in developing "green collar" jobs that promote sustainable practices that reduce our dependence on non-renewable, carbon-based resources. In addition, the Governor and the Legislature have recently passed nation-leading legislation intended to achieve aggressive green collar job training goals and the American Recovery and Reinvestment Act has dedicated considerable funding for energy efficiency. The convergence of these factors in Whatcom County means that the comprehensive Energy Efficiency Challenge in Whatcom County is something that is needed more than ever before; people are looking for models and will rush to replicate success.

Traditional barriers to deep energy efficiency are three-fold: generating demand for efficiency retrofits, financing to overcome the first cost hurdle, and a skilled workforce capable of whole-building analysis and retrofits. Energy Efficiency Challenge partners are planning a seamless one-stop-shop that makes it easy for home and building owners to identify what needs done, who to hire, and how to pay for it, as well as an integrated marketing, communications and community organizing campaign.

Generating demand: Energy Efficiency Challenge partners are planning an integrated marketing, communications and community organizing campaign. Using proven community based social marketing strategies, EEC participants save energy and become trusted promotional partners at the same time. This includes the major institutions and businesses sharing energy saving successes and campaign information with employees, customers, suppliers and other stakeholders through advertising, newsletters, word of mouth and other communication channels. The campaign will provide tools and opportunities for friends and neighbors to influence each others energy use. Challenge partners will also leverage existing stakeholder communications to amplify the Challenge message. Traditional advertising in print and radio will play a limited role.

In addition, the Challenge will make it easy to identify and prioritize retro-fits by making a low cost home audit available, and piloting for the first time a "Commercial Conservation Specialist" program paid for by electric and gas utilities -- a fuel neutral trusted auditor will be available across industries to help businesses identify the best efficiency strategies, conservation plans, and to provide follow-up and implementation hand-holding.

Overcoming the challenge of the upfront cost: The COB and WC will use a portion of their EECBGs as credit enhancements to leverage \$10 million dollars of commercial financing to fund energy efficiency and weatherization projects. In addition, by aggregating and clustering projects for lenders and contractors, economies of scale can be realized that will significantly reduce the per unit costs.

Work force: New training programs are being created to ramp up the skilled workforce available to do this work – via both additional certifications for out of work contractors and deep training programs for people new to the construction trades. Partners will strive to ensure that these are quality jobs that pay prevailing wages and provide career building opportunities.

The Challenge will be a carefully documented pilot program that is designed to 1) scale up in the event that significant additional resources are secured; 2) be financially sustainable after pilot grants and stimulus resources are invested; and 3) be duplicated in other communities. Because the Challenge partners are committed to being able to respond to needs and opportunities created by the Reinvestment and Recovery Act, the Challenge is being planned to be able to rapidly scale up efforts by two to four times the initial rate of implementation. The Challenge partners are also committed to identifying ways to perpetuate the campaign beyond the availability of significant outside investment. Dramatic reductions in community energy efficiency will require long term efforts to reach the majority of buildings in Whatcom County. It is our intent to utilize available federal funding to prove and improve the Challenge and to be able to carry the work forward on program revenues and utility conservation tariff funding, without dependence on stimulus money or foundation grants.

Over 18 months the Challenge can achieve the following impacts:

Reduce energy use

- 100 Whatcom County businesses saving (at least) 5-15% of their energy use.
- 1000 residential housing units saving 5-30% of their energy use.

Reduce greenhouse gas emissions

- 2,100 metric tons of CO2 per year,
- Equivalent to eliminating 4,430 barrels of oil.

Boost local economic development

- Generate construction activities worth \$9,950,000 over an eighteen month period.
- Using a multiplier effect of 2.5, this will generate \$24,875,000 of economic activity in the local economy.
- Conduct retro-fits that will save \$391,000 per year in energy expenditures, money that can be re-invested elsewhere.
- All while creating (at least) 35 new green collar jobs

Test Market

- Provide a successful model and experience for replication across Washington State.

The Energy Efficiency Community Challenge represents a unique opportunity to begin to realize the massive energy savings potential in the small commercial and residential sectors. By aggregating

customers for loan products and contractors/installers, we will achieve the economies of scale needed to make numerous small project weatherization efforts cost effective from a conservation perspective and worthwhile from a business perspective. As the state and nation look to achieve significant climate and energy independence goals, successful proof of this concept is critical; and no where else is better poised to deliver.

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