

New program encourages energy-efficiency lending

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Whatcom County's Community Energy Challenge is the first in Washington state and one of the first in the nation to use stimulus funds to establish a system that allows home and business owners to get loans for energy efficiency projects using an innovative loan loss reserve program (LLR).

While encouraging banks to maintain safe lending practices, the program provides banks with limited protections from the first losses on a portfolio of energy efficiency loans, which allows them to provide loans with lower interest rates, longer terms and enhanced access to credit.

"This region has been No. 1 in the nation in green power," said Whatcom County Executive Pete Kremen. "We are a climate showcase community and we are leaders in many other indicators of sustainability. It is gratifying to be leading on energy efficiency issues as well."

All Whatcom County local governments are working together on the program, with combined grant funds anticipated to leverage about \$10 million in energy efficiency projects. Four funding sources, all enabled by the American Recovery and Reinvestment Act, were combined to capitalize the loss reserve fund.

"This program is a win for the home and business owners who will be saving money because of these projects," Bellingham Mayor Dan Pike said. "It's a win for the local contractors who are doing the work, it's a win for the economy and it's a win for the environment."

The loans, which are being offered through Banner Bank, are available to Community Energy Challenge participants to pay project costs. Banner Bank was selected through a request-for-proposals process last January.

"We saw this program as a way to live Banner's community bank values," said Bruce Clawson, Banner's local senior vice president. "We added up the attributes: creating green jobs, building the communities where we live and work,

and teaming up with important community partners. These are all part of Banner Bank's core mission to do the right thing."

The first loan was made by Banner Bank to a homeowner in Ferndale to pay for energy efficiency upgrades Aug. 4.

"This effort really showcases what we can do when we work together," Ferndale Mayor Gary Jensen said. "Strong local partnerships allowed us to say that we are all working together and that was a compelling case to funders."

The work was completed by Azimuth Integral Homes, and included air sealing, installing insulation throughout the home, and providing proper ventilation and is expected to yield an estimated annual savings of more than \$700.

Staff from the Opportunity Council provided an initial home energy assessment, oversaw the project and assisted the homeowner with accessing rebates, incentives, and tax credits.

Similar services and loans are available to small businesses in Whatcom County through Sustainable Connections.

In the next two years, the Community Energy Challenge's goal is to help 900 homeowners and 150 small businesses in Whatcom County save energy and complete energy efficiency retrofits. The projects are expected to create approximately 35 direct jobs and \$10 million in economic activity.

Energy assessments are available for \$95 for homes and \$65 for businesses. For more information, visit www.communityenergychallenge.org.