

# Insight from Maine Incentives



## The DEEP

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

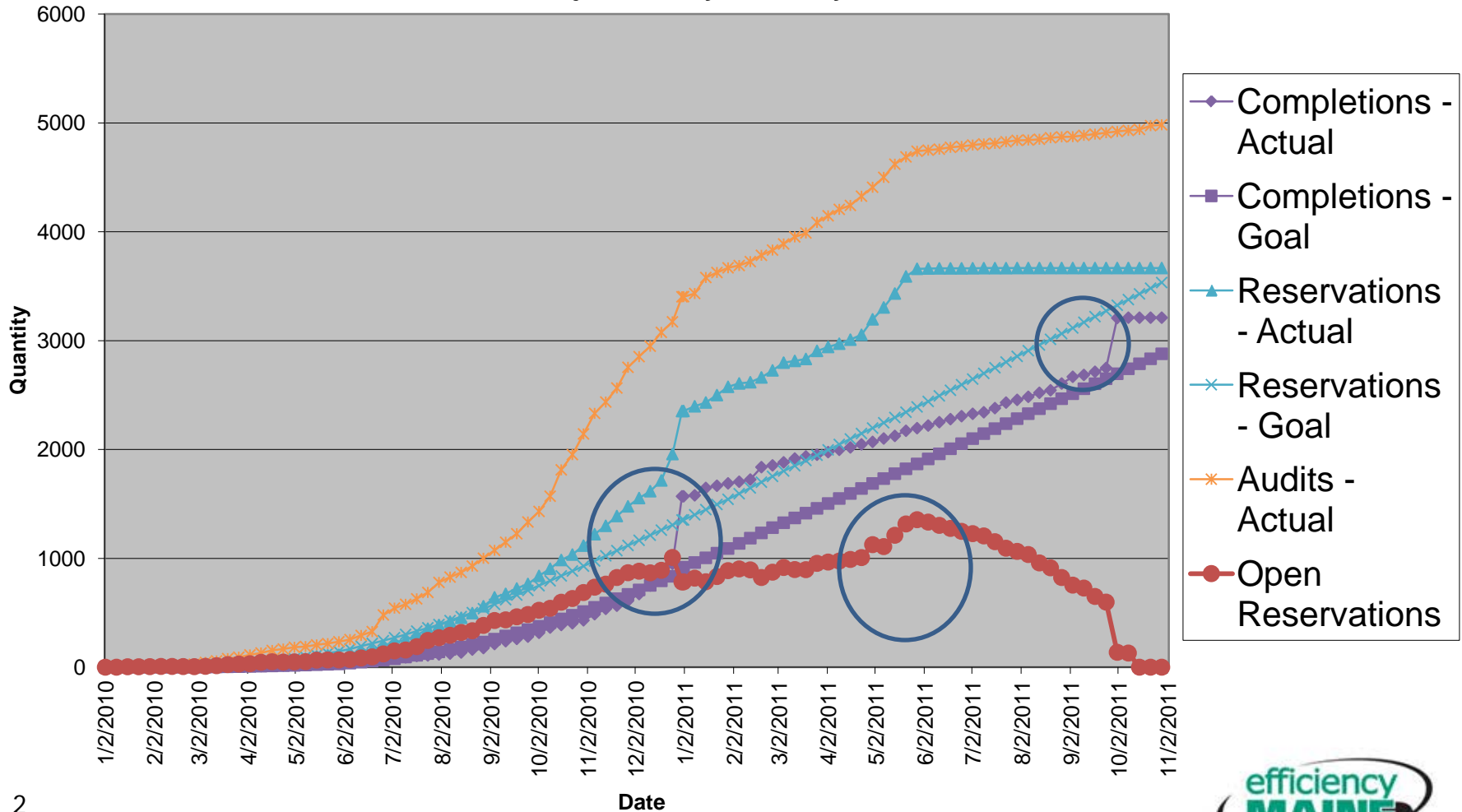
- \$1500 for 25% projected whole house energy saving
- \$3000 for 50% projected whole house energy saving
- \$1000 bonus for exceeding 25% offered June 2010 – Dec 2010
  
- Result: After slow start, huge rush late 2010. Activity continued to full use of rebate grant dollars by September 2011.
  - 3212 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



### Project Activity Summary



# 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:

# PACE Municipalities

Cummative Applications

Cumulative Declined Loans

Inactive Applications

Applications In Process

In Process Application \$\$\$

Cummulative # Closed Loans

Cummulative \$\$\$ Closed Loans

Average PACE Loan Amount

Applications received 4 weeks

Applications declined last 4 weeks

<sup>4</sup> Loans Closed last 4 weeks

	7/1/2012
# PACE Municipalities	134
Cummative Applications	1172
Cumulative Declined Loans	529
Inactive Applications	289
Applications In Process	118
In Process Application \$\$\$	\$ 1,752,860
Cummulative # Closed Loans	236
Cummulative \$\$\$ Closed Loans	\$ 3,006,359
Average PACE Loan Amount	\$ 12,739
Applications received 4 weeks	64
Applications declined last 4 weeks	16
<sup>4</sup> Loans Closed last 4 weeks	25

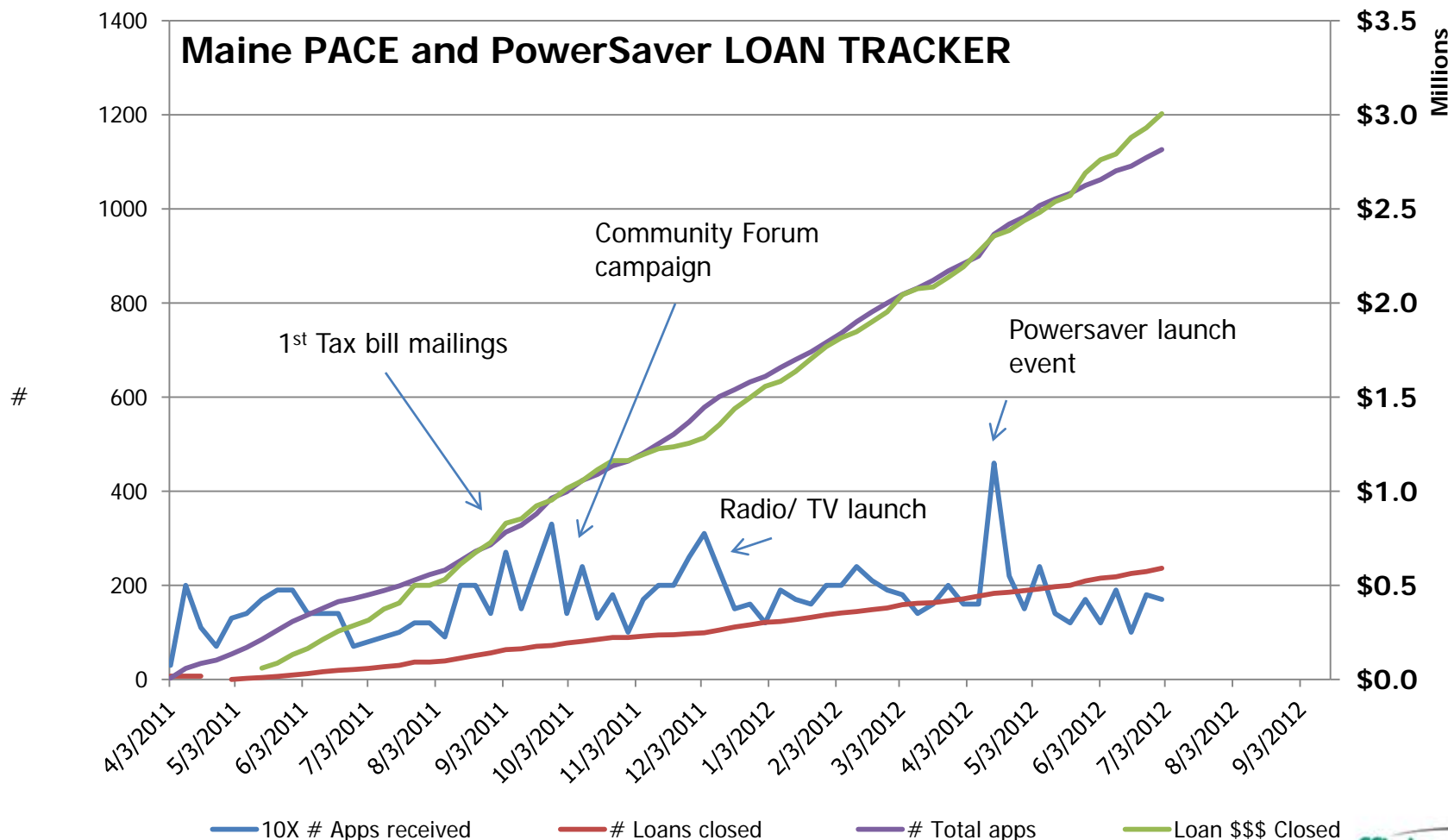
← 45% DTI biggest blocker

← milestone



# Maine Loan Program Activity

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

— 10X # Apps received    
 — # Loans closed    
 — # Total apps    
 — Loan \$\$\$ Closed



# PowerSaver - launched April 11th.



- Single Family Detached Dwelling ONLY
- Loan values \$7,500 to \$25,000 Secured
- Secured to property value with minimum 2<sup>nd</sup> 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-In.
- 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



Dana Fischer

Residential Program Manager

[Dana.Fischer@efficiencymaine.com](mailto:Dana.Fischer@efficiencymaine.com)

(207) 650-8774