
CLEAN ENERGY FOR LOW INCOME COMMUNITIES ACCELERATOR

The **Better Buildings Initiative** is a national leadership initiative calling on state and local officials, corporate chief executive officers, university presidents, utilities, and other leaders to make substantial commitments to improve the energy efficiency of their buildings and plants, save money, and increase competitiveness. The U.S. Department of Energy (DOE) is expanding this initiative to engage leaders in a set of **Better Buildings Accelerators** designed to demonstrate specific innovative approaches, which, upon successful demonstration, will further accelerate investment in energy efficiency across our homes, buildings, and industrial facilities.

The **Clean Energy for Low Income Communities Accelerator** aims to lower energy bills in low income communities through expanded installation of energy efficiency and distributed renewables. Whereas most households spend 2-3% of their annual gross income on energy bills, low income households spend 2-3 times that amount (6-7% on average). Many low income households spend significantly more than the average depending on weather, heating fuel type, and age of the home given less efficient equipment and leakier housing. And, energy burdens above 6 percent are typically considered unaffordable.¹ Although the primary objective of increasing clean energy installations in low income communities is to help lower energy costs, a number of additional benefits would be provided Energy efficiency can lower overall needs and costs for energy, and make buildings more comfortable.² Distributed renewables can provide stability from rising energy costs, promote economic development, and improve the environment.³

A number of barriers have hindered residents and businesses in low income communities from realizing these benefits. Barriers include lack of funding or financing for improvements and lack of information and inroads to low income communities by service contractors. Further, many of the homes and businesses are rented, rather than owned, making upgrades harder to pursue and/or pay the investor back through energy savings. The Accelerator will encourage the development of partnerships and replicable models and identify funding options that a state-level agency, local government, or utility program could use to provide energy efficiency and renewable energy access to communities that need them most.

Accelerator Partners will collaborate with DOE to demonstrate successful models for expanding the installation of energy efficiency and distributed renewables in low income communities.

Accelerator Goals

- ▶ Identify how to overcome market barriers related to clean energy installations in low income communities, particularly by leveraging the distinct advantages of energy efficiency and distributed renewables to create a more complete set of possibilities
- ▶ Share solutions, resources, and technologies that help low income communities install energy efficiency and renewable energy
- ▶ Demonstrate successful partnership approaches for integrating energy efficiency and distributed renewables delivery across the key clean energy partners in a community, such as community-based organizations, program providers, contractors, financial institutions, and customers
- ▶ Increase visibility and replication of best practice approaches and successful models

How Can Clean Energy Access be Encouraged in All Communities?

Helping homes and businesses use less energy and more clean energy helps to lower energy bills, reduce pollution and create jobs. These benefits are especially felt in low income communities, which largely have not benefited from clean energy. The 49.1 million households that earn less than \$40,000 of income per year make up 40 percent of all US households but only account for less than 5 percent of solar installations.⁴

Both energy efficiency and distributed renewables are proven approaches to lowering energy bills while improving environmental outcomes, however different market barriers have slowed adoption of each type of clean energy. Further, few services integrate and offer both energy efficiency and distributed renewables options. By working to install energy efficiency measures and distributed renewables at the same time, programs and contractors can engage customers in new ways and potentially accelerate access and adoption of these technologies. Accelerator Partners are exploring different avenues to an integrated approach, which could better increase access and demand, for example:

- ▶ It could be the case that demand is easier to generate for solar PV than energy efficiency because it is easier to describe and more tangible for potential customers.
- ▶ It could be the case that financing is easier to underwrite for efficiency because measures pay for themselves over time OR that investments in distributed renewables are more straightforward for financiers because they involve a removable asset.

Benefits to Accelerator Programs

- ▶ **Help residents and businesses in your community save energy and money:** By providing cost effective options for installing energy efficiency measures paired with distributed renewables (on specific buildings or as community solar), members of your community will be able to reduce their energy bills by using less energy.
- ▶ **Access resources and technical assistance to overcome local barriers:** Accelerator Partners will gain access to tools, analyses, and resources that lay out barriers to clean energy installation frequently faced by low income communities, how to avoid common mistakes, and demonstrated market and technical solutions. Resources will also explore how an integrated offering of energy efficiency and solar PV measures could accelerate adoption of these technologies.
- ▶ **Identify funding options to implement action plan:** The Accelerator will explore the advantages and challenges of different funding streams that Partners may want to consider for a successful and sustainable program.
- ▶ **Collaborate with peers to accelerate development of successful strategies:** Partners will be able to leverage the experience of others who are concurrently developing new partnerships, investigating successful models, and developing local plans that could meet state or local climate and energy goals for low income communities.
- ▶ **Receive national recognition:** Receive national recognition from DOE for your leadership, innovation, and commitment to bringing clean energy low income communities. Raise the visibility of your clean energy efforts with local residents and businesses.

National Partner agrees to:

- ▶ **Review** action plans developed by Local Partners and provide recommendations based on national expertise and connect current funded projects where relevant to support local progress
- ▶ **Consider providing support** to aid the implementation of local action plans and other outcomes of the Accelerator
- ▶ **Promote Accelerator efforts and accomplishments** in relevant announcements, events, meetings, and publications

Local Partner agrees to:

- ▶ **Convene** a local task force of key stakeholders whose support will be needed to increase energy efficiency and distributed renewables within six months of joining
- ▶ **Develop** an action plan for expanding energy efficiency and distributed renewables identifying clean energy potential and targets (kWh), budget needs, and potential funding sources within 12 months of joining
- ▶ **Complete** actions identified in the energy action plan to acquire 50% of needed funding, solidify business partnerships, and begin installing new energy efficiency and distributed renewable projects within 24 months; share results and lessons learned with DOE and other Accelerator Partners as approaches are implemented

The U.S. Department of Energy agrees to:

- ▶ **Provide support and share information** to help Partners develop viable options for an integrated approach to energy efficiency and distributed renewable installations
- ▶ **Develop resources** to help Partners identify, avoid, and overcome typical barriers involved in delivering a combined energy efficiency and distributed renewables program, and document best practice approaches to implementation and funding / financing
- ▶ **Provide public recognition** of Accelerator Partners for their leadership in addressing these issues
- ▶ **Provide national recognition** of Accelerator Partners for achieving milestones and commitments

For more information:

- ▶ Better Buildings Residential Solution Center: www.energy.gov/rpsc
- ▶ Energy Efficiency and Renewable Energy in Low-Income Communities: <http://www3.epa.gov/statelocalclimate/local/topics/ee-or-re.html>
- ▶ Delivering Energy Efficiency to Middle Income Single Family Households: <https://emp.lbl.gov/sites/all/files/report-lbnl-5244e.pdf>
- ▶ Solar Energy Resource Center: <http://energy.gov/eere/sunshot/solar-energy-resource-center>
- ▶ Programs and Activities to Support Renewable Energy and Energy Efficiency in Low-and Moderate-Income Communities: https://www.whitehouse.gov/sites/default/files/low-income_and_energy_efficiency_programs.pdf

1. <http://www.appriseinc.org/reports/LIHEAP%20BURDEN.pdf>
2. Recognizing the Value of Energy Efficiency's Multiple Benefits, American Council for Energy Efficiency, 2015.
3. Assessing the Multiple Benefits of Clean Energy, A Resource for States, US Environmental Protection Agency, 2011
4. Bridging the Solar Income Gap: <http://solar.gwu.edu/research/bridging-solar-income-gap#sthash.W0jMUXfU.dpuf>