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Re: Efficiency Vermont Testimony on H.831

February 16, 2018

Dear Madame Chair and Members of the House Committee on General, Housing, and Military Affairs,

Efficiency Vermont is pleased to provide testimony on H.831, a bill to accelerate weatherization. As the statewide energy efficiency utility, we support any effort to make energy more clean, affordable, and efficient for all Vermonters.

A portion of our funding is dedicated to thermal energy and process fuel efficiency for residential and commercial customers. In 2017, this amounted to \$8.2 million, which we invested in broad-based residential weatherization, low-income multifamily weatherization in partnership with 3E Thermal, and thermal efficiency improvements in the commercial sector.

Out of this funding, we operate the statewide Home Performance with ENERGY STAR® program which provides customers with access to quality contractors, technical support from Efficiency Vermont, and incentives to air-seal and insulate homes. We complete about 800 projects a year with an average incentive of \$1,400.

To enhance this offer, we also provide financing. Most recently, Efficiency Vermont assumed responsibility for administering the Heat Saver Loan, in partnership with Opportunities Credit Union and the Vermont State Employees Credit Union. Heat Saver Loan provides loan terms of up to 15 years with rates as low as 0%, which we buy down using incentive dollars.

These attributes makes Heat Saver Loan unique compared to other loan products with more traditional terms, interest rates, and application guidelines. Heat Saver Loan enables us to serve a subset of moderate-income homeowners who might not qualify for other loans, but want (and are able to) make a longer-term investment in their homes.

In 2017, Heat Saver generated roughly 200 projects, with an average interest-rate buy-down of \$2,300, for a total of \$4.4 million in loans. We expect to do the same volume this year. Should the state want to accelerate moderate income weatherization, particularly for an underserved section of the moderate-income market, Heat Saver Loan is a viable vehicle.

H.831, as written, would need to be amended in order for this to happen. The amendments offered by Ms. Phillips of the Office of Economic Opportunity, are useful and move the bill in the right direction. However, the question remains as to whether the Treasurer's funds have the loan terms and risk tolerance to match that of Heat Saver Loan. Should this committee seek to

deploy resources in this manner, I recommend a follow up conversation with the Treasurer to better understand the conditions of financing. If we can be helpful in that process, please let me know.

You may reach me at (802)793-7282 or [a.white@efficiencyvermont.com](mailto:a.white@efficiencyvermont.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Abby White', with a long horizontal flourish extending to the right.

Abby White

Director of Marketing, Communications, and Public Affairs