

**Melanie Paskevich, Program Manager, HEAT Squad
Senate Natural Resource & Energy Committee on 4/12/17**

Thank you for this opportunity to speak today to this committee and for considering our request. In addition, thank you for the attention this committee pays to the very important subject of renewables, energy efficiency, and climate change.

We are asking the Senate Appropriations Committee to consider a \$250,000 yearly appropriation to NeighborWorks of Western Vermont for 5-7 years for us to maintain and expand the HEAT Squad program statewide, currently serving three-quarters of VT.

NeighborWorks of Western Vermont is a nonprofit housing and lending organization founded in 1986 to provide education, counseling, technical assistance and access to affordable loans and grants to help Vermonters obtain and maintain affordable homeownership.

With 30 years' experience providing assistance to low and moderate income households to make health, safety and efficiency improvements to their homes, NWWVT was thrilled to receive a \$4.5 million grant from the Department of Energy in 2010 to start the HEAT Squad program, enhancing our efforts to make homes more energy efficient. The charge to the 50 state and municipal grantees and to HEAT Squad was to "drive market demand" for energy efficiency. We interpreted that as increase overall demand and specifically increase demand among low (households that do not apply for free weatherization agency programs) and moderate-income households who were not historically participating in efficiency programs thru the use of education, hand-holding, and an easy one-stop-shop process.

NeighborWorks HEAT Squad has done just that. Before the DOE grant, in 2010, only 26 households in Rutland County completed energy upgrades. Working alongside the Efficiency VT Home Performance with ENERGY STAR incentive program, HEAT Squad helps homeowners to understand the program, get access to the incentives, and uses certified

EVT contractors. Since HEAT Squad has been at work, over 1,000 Rutland County homeowners have made efficiency improvements saving them a combined \$1 million dollars a YEAR, every year! And save over 5 million lbs. of carbon from entering the atmosphere every year!

Contractors in Rutland County in 2010 earned about \$186,000 for their energy efficiency work. From 2011 to 2016, Rutland County contractors earned more than \$9 million in revenue and we know of 62 new jobs that were created because of the HEAT Squad program during our DOE grant period.

How do we do this?

- With low and moderate-income families in mind, we lowered the first barrier by dropping the cost of a comprehensive energy audit from the traditional \$400-500 to \$150.
- Once we are 'in the door,' because of our lower audit cost, our HEAT Squad auditors assess the home for health, safety, building shell, renewables, efficient equipment and efficiency measures that would improve the quality of customers' homes, we give them a thorough education on this new science and technology, providing an energy path.
- We give objective advice, prioritizing the work, and provide cost estimates because we will not be doing the work ourselves,
- We offer low cost loans with interest rate reductions – as low as 0% - for qualified households, on-bill repayment as an option.
- We then help homeowners chose a qualified contractor from among the many contractors who participate with the HEAT Squad.
- We offer technical advice and hand-holding throughout the process and, at the end, a final quality review and test out by our staff auditors to assure the most savings, sound product, and an incentive check from Efficiency Vermont.

HEAT Squad is currently working in five southern Vermont counties, our goal is to expand to the entire state so every part of Vermont will be as fortunate with energy savings and comfortable homes as we are in Rutland County. We already have experience going to scale and adapting to new markets as we transplanted our HEAT Squad to KY last year where, another Neighborworks organization is serving nine KY counties with a \$1million grant from the Appalachia Regional Commission (ARC).

The important work that this committee is undertaking aligns with the HEAT Squad mission and impact: energy savings to families, reducing the energy burden on low-to-moderate income households, and carbon emissions reduction. In particular, HEAT Squad compliments the committees *Miscellaneous Energy Bill* in regards to residential building energy labeling. Every HEAT Squad customer receives an energy audit report that shows the energy score of that home in comparison to other VT homes, pre-upgrades and post-upgrades, introducing into the market energy labeling. Additionally, HEAT Squad is lowering the energy usage and load of these households, making it easier for supplementing the remaining energy load with renewables, lowering the cost and implementation, aligning with 90 by 2050. HEAT Squad is helping VT homeowners with demand reduction and carbon reduction.

In 2016, which was not the best year but a normal year for production numbers, there were 743 retrofits across the whole state and 180 of those in 2016 were HEAT Squad customers. During the more flush DOE years, we completed around 300 projects each year but, then and now, HEAT Squad projects account for 25-33% of all the projects completed in the state through Efficiency VT. We believe we can continue to move the needle on demand; we help all Vermonters, especially the low-to-moderate income Vermonters reduce their energy burden, improve their homes, reduce carbon emissions; and we create significant opportunities for contractors to earn good money! We hope you will help us expand the HEAT Squad so more Vermonters enjoy these many benefits.