

I am here to ADVOCATE for Vermonters esp. low-moderate income who are paying high heating/cooling/electric bills.

I am here to ADVOCATE for Vermonters who live in houses or apartments that are making them sick.

I am here to ADVOCATE for Vermonters who do not know who to call, where to start, who to trust to fix up their homes.

NeighborWorks/HEAT Squad can HELP, every step of the way.

We ask for your support of our request to appropriate \$1.25M in one-time funding either all at once or spread over 5 years for the statewide expansion of HEAT Squad so Vermonters can be served in every county and to reach an economy of scale that is self-sustaining.

NeighborWorks/HEAT Squad is supporting the Climate Action Agenda. We want to make sure that middle-income families are included in that goal, and HEAT Squad is one program that will help to achieve that goal, if we can scale up. When we reach full statewide scale, we could complete upwards of 3000 audits every year, and help over 1200 families to complete weatherization and other home maintenance projects that would lower energy costs (ave. \$1.1M annually), reduce greenhouse gas emissions (ave. 6M lbs of carbon saved annually), improve our housing stock, generate revenue for local contractors (ave. \$9.6M annually), and make families healthier and more comfortable in their homes.

Who We Serve: HEAT Squad is available to anyone in the 8 counties that we serve (Rutland, Windham, Windsor, Bennington, Addison, Orleans, Essex & Caledonia); however, the demographic that is most in need of our service and mostly utilizes our services are families that are 80% to 120% of Area Median Income – the middle income Vermonters who do not qualify for free Low Income Weatherization services, but do not have the resources to finance retrofits to their homes to make them WARM, SAFE, DRY, and HEALTHY.

HEAT Squad started in Rutland County in 2010 with a grant from DOE, lowering barriers (how to pay for the work, how to prioritize, how to work with contractors) and providing OBJECTIVE customer service through the process while focusing on workforce development. We quickly expanded to an additional four southern counties, and with the help of a Northern Borders Regional Commission grant, we have grown into the Northeast Kingdom. We start with a comprehensive low-cost energy audit (\$150), delivering the report at the audit. We are assessing energy issues, as well as health/safety issues and home repairs. We sit down with the family to go over the recommendations, discussing their priorities and next steps. When the family wants to move forward, we work with them through the entire process from discussing in-house finance options that can include low-interest loans that aim to get the monthly payment lower than the family is currently paying for their energy bills. We help them choose a contractor and coordinate between the family and the contractor. We check the work at the end of the project and resolve any issues that need to be addressed, performing 100% project quality review and submitting paperwork to get any rebates available. We have collaborated with various local or statewide partners such as our local hospital to add other options and resources. We are also a CDFI lender and can put together the financing package for our clients. In addition, any state funding that is allocated for HEAT Squad can be matched from the federal treasury, thus increasing the amount of funding we have available for lending.

Why We are Asking for a State Appropriation: HEAT Squad is essentially a social enterprise model. NeighborWorks of Western Vermont is a non-profit organization, and we never have been a for-profit business. We do receive some fees for HEAT Squad services (for example, an audit costs \$150). HEAT Squad is not and never has been a for-profit business, but it does have a business plan. We intentionally chose to subsidize our HEAT Squad services with other funds from our non-profit, but it has been running in a deficit because it requires an economy of scale that is statewide to become self-sufficient financially. Many of the costs of expanding the program are “up-front” costs. As we move into new areas of the state, we must do outreach and education, invest time, ENERGY and funding into working with contractors that we can refer customers, develop relationships with community partners, and hire additional energy auditors, needing training. The program becomes self-sustaining when we can complete enough audits and have enough families choose to complete projects that the fees associated with various parts of the program pay for the program itself. We know that the gap in funding is \$250,000/year, and it would take approximately 5 years to reach the economy of scale we need to be self-sustaining and serve the whole state.

Thank you for your consideration of our request. Please contact us if you have any questions or would like more information about HEAT Squad.

Here is some additional information about Return on Investment:

<https://www.dropbox.com/s/vc83iq98l5qvxi/HEAT%20Squad%20REQUEST%202018%20%282%29.pdf?dl=0>