

Incentives & Finance Working Group Recommendations to NZ Task Force

1.0 CREATE A NEW SOURCE OF FUNDING FOR INCENTIVES & ENERGY EFFICIENCY / CLEAN ENERGY PROJECTS

1.1 Leverage existing sources to be expanded or repurposed:

1.1.1 Engage existing vehicles: Assess possibility of leveraging Community Preservation Act or Affordable Housing Trust funding to either earmark a stream for clean energy and efficiency or create additional requirements tied to the use of those funds.

1.1.2 Negotiate new opportunities: Engage utility to become a municipal aggregator and be able to directly manage utility energy efficiency funding within the City.

1.1.3 Promote engagement: Evaluate the potential of Cambridge Energy Alliance “3.0”, developing and expanding the current model.

1.2. Create new funding source: Develop a new fund by using existing sources (through Affordable Housing Trust or Community Preservation Act), or new fees (1.2.1, 1.2.2) and using an entity such as Boston Community Capital as the fiduciary manager of the new fund. Another option for “CAE 3.0” in a new evolution could be to collect and dispense funds for programs modeled on the Affordable Housing Trust in that it would be run by a board entrusted to advance projects that are deemed beneficial to the City.

1.2.1 Developing a Cambridge “cap and trade” program: to allow property owners to work within the community to manage emissions.

1.2.2 Developing a fee/bate program: Evaluate different options for fees related to energy consumption or net zero (see Regulatory working group) and requirements for reporting or achieving targets.

1.2.3 Development permitting fee. A development permitting fee for projects over Xsf to support additional capacity of City to conduct in-depth technical reviews related to high performance/net zero energy. In addition, propose that any project that can't reach net zero on its own (or achieve another specified performance level that's not quite NZ because grid-tied projects can not yet technically achieve NZ) will be required to pay in to the Fund, which will be used to support clean energy in the City. Those who can achieve the specified goal would be eligible for a bonus.

2.0 PRIORITIZE INCENTIVES TO REDUCE ENERGY CONSUMPTION IN ALL SECTORS

2.1 Provide additional incentives to augment utility programs: targeted upgrades (boilers, lighting, controls), commissioning, retro-commissioning, sub metering and “HELOC” model – to access funding for items not directly related to energy efficiency/renewables such as knob and tube wiring or roof structure augmentation. Target these activities at point of sale / owner or occupant turnover.

2.2 Revive “cash for clunkers” program: for appliances and equipment upgrades.

3.0 Develop nonfinancial incentives for new development projects

3.1 Develop zoning/permitting incentives: Density or FAR bonuses in designated areas for projects striving for net zero or achieving (*needs to be specified*).

3.2 Incentives for developing district energy projects: including district energy infrastructure into new developments or for tying into district energy

3.3 Provide additional support to teams through the permitting process: provide support related to energy modeling, owners project requirements and other key deliverables that will ensure teams are on the right path for optimizing building systems integration.

4.0 SUPPORT DEVELOPMENT OF INITIATIVES AMONG PRIVATE SECTOR PROPERTY OWNERS TO DEVELOP INTERNAL PROGRAMS

4.1 Facilitate / promote / convene: Forums for property owners to share information about how they are working with tenants to achieve energy efficiency and the programs they develop and manage such as Laboratory Advisory Services (landlord leverages lessons learned and successes across their tenant population), Energy “free” leases that provide an allowance of energy consumption contingent on compliance with upgrades and operational protocols or “cell phone” approach in multi-tenant buildings where you have an energy budget that is negotiated and pay for “overages”. Internal “PACE” type financing by landlord paid back through rent can pay for underwriting equipment like heat recovery, etc.

4.2 Business Improvement Districts: Identify areas within the city where building owners are willing to commit to a collective investment to upgrade or buy renewables.

5.0 Make carbon tangible

5.1 Carbon Fee study: Initiate a study to define possible fee structures/programs and implementation. Outreach to subject matter experts who have developed or implemented these programs in other places. Develop different models in the study and conduct focus groups with those impacted by a proposed fee and present proposed models.

5.2 Establishment of a “Clean Energy Trust” or Fund: as mentioned above in 1.2

6.0 Develop competition, recognition and awards programs

See Behavior Change group 4.0 (landlords holding tenant competitions, neighborhood to neighborhood competitions, business to business, etc)

		TOOLS				
		Financial Incentives (non utility)	NonFinancial Incentives	Utility Incentives + Rebates	NEW	EXISTING
DESIRED ACTION						
1	Audits (free/further subsidized)	X		X		X
2	Targeted upgrades (boiler, heat recov, lights)	X		X		X
3	Commissioning (Cx) requirement	X		X		X
4	RetroCx , continuous Cx requirement	X		X		X
5	Metering + submetering	X		X	X	X
6	Targeted upgrades: heat recov, lighting etc	X		X		X
7	Landlord programs: Advis Svcs / data / vol.		X			X
8	Landlord: lease / internal PACE	X				X
9	Landlord: lease - energy "free" w strings		??			X
10	energy concierge / fire fighter audits		X		X	X
11	Boston 500 model		X			X
12	Boston E+ program		X		X	
13	HELOC model (who finances? CAE?)	??				X
14	New utility MOU			X	X	X
15	Carbon fee/fine (to be studied further)					
16	Tenant fit out standards, prescrip. measures		X		X	X
17	Tenant operational upgrades	X		X		X
18	Business improvement district	X			X	X
19	Competition + recognition prog (behav)		X			X
20	Permitting bonus (FAR) / Special Districts		X		X	
21	Permitting fees (new + retrofit)				X	
22	Cash for clunkers	X				X
23	RentAnAc	X				X
24	<EDM> energy reporting (sim to PTDM)		X			X
25	Establish "Cambridge Energy Trust"					X
25	Cambridge Energy Alliance "2.0"				X	X