

FINANCE AND INCENTIVES MEETING 2

5/6/14

Energy efficiency is prioritized as top incentive and fully engaged (how to target funds)

- Free audits for targeted properties
- Subsidize metering/sub metering, (Nest, enOcean - there are technologies that allow for utility workarounds)
- Prioritize "reduce" as first order incentive for specific desired outcomes (Cx, RetroCx in labs, etc) - EE/Audits. Subsidize EE 100% (Pace, on bill financing rather than all city funded?)
- Encourage commercial tenants to use meter info (savings) for underwriting things like Aircurity. A route to pay for improvements (ties to Regulatory/Planning group - if audits were required)
- HELOC model for whole-building approach instead of targeted, constrained upgrades that don't necessarily address owner's interests. Solve the problem that the 'target' perceives (boiler/knob and tube wiring)...and wrap into it EE strategies. Need to think about value rather than savings in appealing to people's underlying interests. Owners and occupants want "a better building" not just energy efficiency
- Max out existing incentives: PACE, on-bill financing and other existing incentives (behav change?)
- Point of sale transaction/interventions: buying house, upgrading boiler, renting an office - target rich opportunities. Consumers want to know "score" - consumer driven transactional approach vs. legislative might be easier to make happen (CA doing it, boulder renter permit triggers)
- Develop a way to identify and target properties for EE upgrades as opposed to being passive (Mass Save programs that wait for you to come to them) (in some cases, can owner work w utility to target opportunity for tenants?)
- Develop/expand/revive "cash for clunkers" program, equipment and appliance upgrades

Building owners develop an provide their own programs to improve tenant / occupancy performance

- Energy "free" leases - you get energy allowance contingent on compliance w upgrades/operational protocols
- "Cell phone" approach to energy in multi-tenant bldgs - you get your energy budget, covered in rent and pay for "overages"
- Landowners (in labs) can provide advisory services based on lessons learned (behavior change WG)
- Labs: occupant behavior is priority for EE. Landlord "advisory" role can help expand best practices from tenant to tenant
- Offer finance incentives to tenants (Biomed example) - pay back thru rent, like an internal PACE. Results in "whole space" approach and not laundry list. Look at how to encourage other landlords to do this. Need carrot and stick to do this.

Ta incentives make carbon tangible commodity

- Independent carbon tax credit or property tax credit (using community preservation act) to disincentivize waste and incentivize efficiency and clean energy. (PILT - connect to carbon footprint?).
- Create a new entity "Cambridge Renewable Energy Trust" or similar – to collect Cambridge RECs and dispense funds for local EE programs or clean energy projects. The entity could be modeled or inspired by the Affordable Housing Trust in that it will be run by a board entrusted to advance and fund projects which – as with affordable housing – are deemed to be socially desirable for the city.
- Community solar/ Community Benefit RECs (model similar to Health Care) - drives actions of other projects like insulating existing bldg. Creates Funding stream.

New MOU developed with utilities to target specific actions

- new utility MOU focusing on: x,y,z (TBD) and peak demand incentives

Recognition, Competetion and awards (rewards) programs drive actions

- Recognition programs and Transparency: expand current programs - awards, rewards and recognition for various competitions and actions.
- landlords hold tenant competitions within a property w some reward
- Develop partnerships with other channels (local real estate brokers/listings) to incorporate energy focus in public platforms like listing info including EE.

Zoning and permitting incentives drive new types of development & superior performance

- Permitting or zoning incentives for specific attributes (TBD)
- incentives to support steam infrastructure connection and for future district/microgrid solutions, storage and nonbuilding infrastructure development (innovative ideas like NYC linking infrastructure to building where bldgs weren't previously possible - seawall)

Discussion points that belong in different working groups:

- Labs: landlords can act as "advisors" for many operational issues they see/lessons learned - to transmit across tenants (behavior WG)
- Make effort to ensure existing utility rebates are taken advantage of (behavior WG)
- universities: researchers - culture change needs to be led from wtihin the institution
- universities: outreach and education about new "uncomfortable" technologies or protocols. Filtered fume hoods, imaging tech - pilot projects -peer to peer
- RECs - are part of "closed system" within Cambridge (or MA?) and/or the last "5%" contributing to overall efforts (sources and offsets WG)

Over-arching issue:

- incentives depend on the data being available, 2nd order incentive is to offer free submetering. Invest in making data avaiable (utilities or private sector/siements/JCC)
- Define metric is important (the currency of this initiative) - carbon instead of energy - which means low carbon fuels contribute to reductions rather than energy which doesn't necessarily capture that.
- tool to track

see full list of existing incentives:

*<http://www.dsireusa.org/incentives/index.cfm?re=0&ee=0&spv=0&st=0&srp=1&state=MA>
on-bill financnig http://www.ma-eeac.org/Docs/7_Presentations/2009/6_June%202009/090609-OnBillFinancing.pdf and http://web.mit.edu/colab/pdf/papers/OnBill_Repayment.pdf*