

SECTION I

1.1 PROGRAM TITLE

The New Hampshire Municipal Energy Consortium (“*NHMEC*”)

1.2 PROGRAM TYPE

The programs that will be offered by the NHMEC will include:

- Municipal energy audits.
- Development, analyses and management of a municipal energy demand and consumption database; extrapolation GHG emissions and potential reductions.
- Establishment of a revolving loan fund for efficiency related investments.
- Development of programs to increase compliance with the state building energy code dedicated to improving the electric and thermal energy efficiency of new and existing municipal buildings.
- Education, outreach and information programs that promote municipal energy efficiency, conservation and demand response.

1.3 PROGRAM SUMMARY

The NHMEC will seek to have each New Hampshire city and town undergo a consumption and efficiency audit of its energy loads including, but not limited to, municipal buildings, street lighting, sewage and water treatment facilities and, where appropriate, electrical distribution systems. Once completed, data obtained from the audit will be used to determine a baseline of energy demand and consumption from which the potential for reductions in consumption and increases in efficiency could be achieved. As each city or town’s baseline has been determined, this data will be entered into a comprehensive database for purposes of program monitoring and future analyses. Based upon conservation and efficiency potentials the audits and analyses indicate, NHMEC will offer a mix of grants and/or loans to municipalities to achieve reductions in consumption and increases in efficiency.

Concurrent with these activities, NHMEC will develop and provide a program of education, outreach and information promoting energy efficiency and conservation, as well as the role of the state energy code in planning, zoning and enforcement. These programs will be delivered via a mix of print, teleconference, on-site workshops and online media to reach the broadest municipal audience.

This use of Greenhouse Gas Emissions Reduction (GHGER) funds would decrease the burden on taxpayers, by strategically investing resources to reduce municipalities’ energy consumption. As towns and cities throughout New Hampshire cope with increasing need for public services and declining, threatened sources of revenue, this collaborative effort would assist them in accomplishing important work. The NHMEC is uniquely suited to accomplish this through its existing network.

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1.4 LOW INCOME RESIDENTIAL CUSTOMER QUALIFICATION

According to the US Department of Housing and Urban Development (HUD), 38% of New Hampshire's population is considered low to moderate income (80% or less of the Area Median Income). The same data show that 80 municipalities in New Hampshire have over 40% low- to moderate-income residents and 30 of these municipalities have over 50%.

While this proposal will not focus on low-income residential customers directly, low-income taxpayers are likely to be represented disproportionately, because the New Hampshire Community Development Finance Authority (CDFA), one of the partners that makes up the NHMEC, primarily serves low-income communities. CDFFA administers several programs, including the state's Community Development Block Grant (CDBG) Program and the state's Community Development Investment Program (CDIP). CDBG is a HUD-funded program that provides funding for affordable housing, community facilities, and economic development projects that serve communities where the majority of the population has incomes under 80% of Area Median Income. Municipalities are the grant recipients under CDBG and they administer the grant and pass funds through to a sub-recipient, often a nonprofit. The CDIP is a state of New Hampshire tax credit program encouraging corporate giving to projects that will benefit low- and moderate-income individuals. This means that CDFFA has funding relationships with New Hampshire's Municipalities and they serve as one of CDFFA's primary constituencies and as an accessible distribution and communication network.

1.5 IDENTIFICATION OF APPLICANT ORGANIZATIONS

The New Hampshire Municipal Energy Consortium is comprised of two organizations, the New Hampshire Municipal Association and the New Hampshire Community Development Finance Authority. The consortium's address is 14 Dixon Avenue, Suite 102, Concord, NH 03301.

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1.6 IDENTIFICATION OF SUBCONTRACTORS AND PARTNERS

Sustainable Energy Demonstration Services

Margaret Dillon
Jaffrey, New Hampshire

The Local Government Center

Sandal Keeffe
Concord, New Hampshire

NH Community Technical College

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1.7 AUTHORIZED NEGOTIATOR(S)

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1.8 PROJECTED ENERGY SAVINGS

While it is not possible to precisely quantify potential energy savings because no data exist on either the individual or aggregate energy consumption of NH's municipal buildings, we can give you an idea of possible scale. We have more information about electricity consumption than we do about heating oil and propane usage which is a common source of heat in municipal buildings. NHMEC has requested each regulated electric utility providing service in New Hampshire to provide it with total municipal electricity consumption on an aggregate kilowatt hour basis. NHMEC will also ask natural gas utilities and oil and propane distributors for information on municipal consumption. However, in an "*Overview of 2004 NH Energy Consumption*", data used in developing the 2007 report "*25 by 2025*", the commercial sector – which includes state and local government - consumed:

- 9.6 trillion Btu's of natural gas
- 10.7 trillion Btu's of heating oil
- 0.3 trillion Btu's of kerosene,
- 1.4 trillion Btu's of propane (LPG)
- 2.7 trillion Btu's of residual fuel oil

Added together, nearly 18 trillion Btu's of petroleum-based fuel was consumed by the commercial sector.

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According to the U.S. Department of Energy, in 2006, NH's commercial sector consumed 219.4 trillion Btu's of electricity¹. Even if local government's share of these two figures is 25% – or 60 trillion Btu's, a reduction of even 5% - or 3 trillion Btu's - could be achieved, the savings in both financial and environmental terms could be dramatic.

But only through an audit and inventory of each municipal building will a definitive baseline from which actual savings could be measured emerge.

1.9 PROJECTED GREENHOUSE GAS EMISSIONS REDUCTIONS

As stated in section 1.8 above, there is no baseline data for municipal energy consumption currently available from which to calculate potential greenhouse emissions reductions; however, once this program has established the energy consumption database, those calculations will be performed and will serve as the HGH measurement baseline.

The US Department of Energy's Energy Information Administration data shown above clearly demonstrate that any estimates of local government consumption or potential savings using federal data are little more than guesswork. Even data used by the New Hampshire State Energy Office are unable to distinguish government usage from overall commercial usage.

1.10 LENGTH OF PROGRAM

NHMEC is requesting funding for each of the next three years in order to “fast-track” municipal energy audits and analyses. In a phased, but concurrent program, NHMEC will develop a revolving loan fund. As a municipality completes its energy conservation and efficiency audit and such audit indicates a potential for savings sufficient to qualify for improvement and or conversion loans, NHMEC will provide loans to accomplish the necessary work. NHMEC plans for its program to last for at least ten years and its revolving loan fund to become self-sustaining.

1.11 TOTAL PROGRAM COSTS

Phase 1	
Energy Audits, Assessments and Feasibility Analysis Grants	\$1,042,500
Phase 2	
Development of a Revolving Load Fund	\$ 129,000
Phase 3	
Loan Capitalization	<u>\$5,000,000</u>
TOTAL	\$6,171,500

1.12 GHGER FUNDS REQUESTED

Phase 1	
Energy Audits, Assessments and Feasibility Analysis Grants	\$ 930,000

¹ U.S. DOE EIA, “State Energy Data”, November 2008.

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Phase 2

Development of a Revolving Load Fund \$ 120,000

Phase 3

Loan Capitalization \$2,500,000

TOTAL **\$3,550,000**

SECTION II – EXECUTIVE SUMMARY

New Hampshire municipalities are home to more than 3,000 public buildings ranging from town halls to libraries to public works garages and total an estimated 21 million square feet of publicly owned-facilities. These buildings range in age from almost 300 years to less than 6 months and each has its own unique purpose and character, the preservation of which is vital to New Hampshire. Depending upon its age and purpose, each facility also has its own unique energy profile but all +/- 3,000 need and consume energy of some type: electricity, propane, natural gas, wood and or heating oil. However, the cost of that energy – regardless of its form - and the degree to which each facility consumes it efficiently varies and, for all extents and purposes, is unknown.

What is known is that in order for municipalities to lower energy costs, increase the efficiency, reduce consumption and GHG emissions with which they use energy, municipalities must undertake an intensive energy audit and self-assessment before they can begin to consider undertaking energy conservation and efficiency projects.

Reeling from the crushing rise in heating costs during 2007 and 2008, some New Hampshire cities and towns have already taken first steps to identify ways that they can conserve energy, increase efficiency and ultimately reduce costs. Those projects range from insulating the garage doors at public works departments to converting aging heating units to sophisticated combined heat and power systems that, over time, will more than pay for themselves through energy cost savings.

Some cities and towns have organized local energy committees, either as ad-hoc volunteer groups or more formally through chartering by the relevant governing body, each vitally concerned with conserving energy, improving efficiency and lowering the overall cost of energy to the towns and their taxpayers. NHMEC will reach out to each NH municipality to begin a formal process of individual energy audits and self-assessments using a standardized methodology in order for the results to be comparable and measurable.

NHMEC will provide up to 75% of the cost of energy efficiency self-assessments and energy audits (including blower door tests and fuel-blind assessments of potential energy efficiency improvements) as direct grants and will require the municipality to pay the 25% difference. Once the assessments and audits have been completed and cost-effective energy conservation and efficiency projects have been identified, should the municipality choose to undertake at least one identified project, NHMEC will reimburse the municipality the contribution it made toward the total audit and assessment cost. NHMEC will then work with the municipality to seek and structure appropriate financing for undertaking and implementing identified energy conservation

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and efficiency projects. A significant portion of that funding will be provided through low-cost loans provided by NHMEC. Larger or more complicated projects may also require grant-funded assistance to conduct a detailed economic feasibility analysis or related exploratory, engineering, or structural analyses. NHMEC will assist municipalities with this financing as well and work to leverage the GHGER funding. Finally, NHMEC will “benchmark” each municipality’s energy conservation and efficiency projects and continually update and refine the statewide municipal energy conservation, efficiency and GHG emission baseline.

The “Municipal Project Matrix” attached to this application details the assessment, decision-making and project evaluation processes NHMEC will use to evaluate projects from initial contact with a municipality to project financing and implementation.

SECTION III – PROPOSED WORK SCOPE AND SCHEDULE

NHMEC proposes a three phase program to provide grant funding to municipalities to procure energy audits of their buildings, procure consulting assistance in completing feasibility analyses, as needed, to assist with the implementation of the energy audit recommendations and provide low-cost loan capital to assist municipalities with the rehabilitation activities involved in implementing the audit’s recommendations.

Phase 1: Energy Audit, Self-Assessment and Feasibility Analysis Grants

Budget:

234 energy audit grants of \$2,500 each over 3 years	\$ 585,000
10 feasibility analysis grants \$10,000 each over 3 years	100,000
Staffing (1 FTE) (\$75,000/yr, salary and benefits for 3 years)	225,000
Development of on-line grant application	20,000
Operating Expenses	112,500
TOTAL:	\$1,042,500

Timeline (from date of award):

	<i>Start</i>	<i>End</i>
• Marketing and outreach to municipalities	Month 1-2	ongoing
• Develop grant application	Month 1	Month 2
• Develop on-line grant module	Month 2	Month 2-4
• Develop Energy Baseline Database	Month 1-2	Month 2-3
• Launch program	Month 3-4	ongoing

Plan: The first phase of this proposal will be to launch the energy audit and feasibility analysis grants program. NHMA will take primary responsibility for marketing the audit/feasibility grant program to municipalities and will work with the NH Technical Institute to promote training curricula. CDFA will take primary responsibility for developing the audit and feasibility grant program applications (with input from NHMA) and getting them into CDFA’s web-based grant system. NHMA will develop and house the municipal energy usage database.

Approximately 90 municipalities in the state of New Hampshire have worked with Clean Air Cool Planet, a non-profit organization dedicated to finding and promoting solutions to energy efficiency and climate change, and Antioch College to form local energy committees. Some of these committees, in conjunction with their towns, have moved forward with energy audits on

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their own and are now looking for ways to finance the implementation of the audits' recommendations.

NHMEC will work with these established committees to transcribe their audit data into the planned municipal database in order to ensure comparability and measurability and to finance the implementation of the audits' recommendations. For those municipalities that have not undertaken municipal building energy audits, regardless of whether a local energy committee has been formed, NHMEC proposes to provide grants to procure those audits over the next three years.

NHMA will encourage its 234 member cities and towns to conduct energy audits and will market the NHMEC Energy Audit grant program to its membership. Working with and through the affiliate members of the Local Government Center and directly with local officials, NHMA has the ability to facilitate the communication and cooperation required to undertake a program of this magnitude. In addition to in-kind contributions from staff, NHMA will use one-half of the proposed FTE for these purposes.

CDFA administers a federal grant program for municipalities (CDBG), a new federal program for foreclosure recovery (NSP), and a state tax credit program (CDIP) and is well suited to provide oversight and management of the grant program. On March 12, 2009 CDFA launched a new web-based grant application program. NHMEC proposes to use \$20,000 to develop a new module to add to CDFA's existing Web Grants system that will allow municipalities to apply for energy audit grants on-line. CDFA will use one-half of the proposed FTE to develop the new application module, to review grant applications and make awards. NHMEC will monitor impact and project activity reporting, post award.

Methodology:

Cost of Audit: NHMEC has been advised by professional energy auditors that depending upon the type of audit undertaken – from a simple walk-through to an investment grade audit – audits average between \$1,500 and \$6,500 for an average-sized commercial building. NHMEC believes the majority of municipalities are likely to be charged toward the lower end of that range and is estimating \$2,500 per building.

Number of Audits: NHMA has 234 members. Some are not going to be interested in undertaking an audit or a grant request to fund an audit and some will want to audit multiple buildings. Therefore, NHMEC used 234 as an estimate for total demand. Another estimate would be 5 - 10% of the building stock, or 150 - 300 buildings. Both estimates come to about the same number. However, the precise number of audits that can be completed in any given 12 month period will be a direct function of the availability of qualified auditors. NHMEC has partnered with the NH Technical Institute and the state Fire Marshall's office to promote a standard curriculum for training and certifying auditors and will require any auditors used by municipalities to have been so certified. No audit grants will be made to individuals or committees without a request signed and authorized by the relevant municipal governing body.

Additionally, NHMEC assumes that some projects will be large and complex enough to warrant additional analysis prior to hiring contractors. This could include engineering studies, feasibility

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analyses or structural analyses. \$100,000 is an estimate of the potential need for these types of requests.

Phase 2: Development of an Energy Efficiency Revolving Loan Fund

Budget:

Consultant Deliverables:	
• Update Business Plan	\$ 10,000
• Capitalization Plan	10,000
• Market Analysis and Product Development	10,000
• Board and/or Staff Training	15,000
• Loan Policies and Procedures	5,000
• Legal fees for incorporation and consultation	5,000
• Development of loan application module	20,000
• Overhead and management	12,000
• Develop revolving loan fund (staff & overhead)	28,000
• Operating Expenses	14,000
 TOTAL:	 \$ 129,000

Timeline (from date of award):

	<i>Start</i>	<i>End</i>
• Business/Strategic Plan	Month 1	Month 4-6
• Capitalization Plan	Month 1	Month 2-4
• Market Analysis	Month 1-2	Month 2-4
• Board and/or Staff Training	Month 3-4	Month 5-6
• Loan Policies and Procedures	Month 5-6	Month 6-7
• Incorporation documents	Month 5-6	Month 6-7

The second phase of this proposal will develop a loan fund. This phase will run concurrently with Phase 1. NHMEC, in cooperation with CDFA, will develop a revolving loan pool to provide loans financed primarily or (if feasible, exclusively) from each municipality's energy savings. The loan pool will be available to finance implementation of the energy audit's recommendations and to improve the overall energy efficiency performance of the municipality's buildings, thereby lowering overall energy costs and the associated carbon emissions. These activities will include, but not be limited to:

- Improvements to the building envelope including air sealing, high efficiency windows and insulation in the walls, attics, and foundations.
- Improvements to the HERS rating of the building.
- Improvements to HVAC equipment inside conditioned space.
- Installation of sealed combustion, high efficiency condensing boilers with AFUE>97% Hydronic Systems or other high efficiency systems depending on the recommendations resulting from the energy audit.
- Installation of alternative energy sources (wood, wood pellets, solar panels, or wind).

Also, the GHGER funds, or funds from other sources, would be used to finance green building products, such as:

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- Siding or Roofing materials with warranties over 50 years.
- Permeable asphalt.
- Green roofing.

NHMEC proposes standard loan fund start-up activities to include:

- Development of a business plan that will be used to guide development and to ensure buy-in from key stakeholders.
- Development of a capitalization plan. NHMEC wants the proposed loan pool to seek funding from diverse sources to ensure stability over time.
- CDFA will conduct a *market analysis* to determine demand for energy efficiency financing, which will assist CDFA staff in developing loan products that will meet the needs of the municipal customer base.

CDFA has a small loan program that it uses primarily for gap financing. The loan program being presented in this application, will build on CDFA's prior lending experience, but will need a full set of start-up activities as the product and market needs will be significantly different from CDFA's current portfolio.

CDFA will use staff and consultants to develop a quality plan (*Business/Strategic Plan*) for creating loan products that will serve the needs of the municipal grantees that have completed energy audits and any other rehabilitation planning needed to proceed to implementation of their energy efficiency improvement plans. A consultant will determine other sources of funding available to municipalities and the limitations of these funding sources and will determine municipal interest in undertaking energy improvement activities and their appetite for using debt financing to fund these projects. They will also assist CDFA in designing a debt instrument that will mimic estimated energy cost savings and will recommend rates and terms of the instrument.

CDFA will also need to *train* staff, board, or investment committee members in underwriting, municipal finance, loan fund governance (particularly new board members), building science, or related topics to ensure quality underwriting. Some of these topics could be accessed through classroom based training (National Development Council is the underwriting training course CDFA is currently using). Local or regional technical colleges may offer municipal finance or building science courses. Otherwise, consultants may be needed to provide training to staff, board, or committee members. CDFA has already invested \$8,000 in training staff in community development business loan underwriting this year.

CDFA would hire a consultant to modify existing loan policies and procedures to fit the products developed and would use its existing legal counsel to develop any incorporation documents needed, to advise CDFA on the structure of the loan fund and to assist with review of loan document templates as needed.

Phase 3: Capitalization of a Revolving Loan Fund

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Budget:

Initial Capitalization:	\$ 500,000
Second Infusion:	\$1,000,000
Third Infusion:	\$1,000,000

Timeline (from date of award):

Initial Capitalization, after development is completed	Month 6 - 12
Second Infusion	Month 18 - 24
Third Infusion	Month 30 – 36

Once the fund development work is completed, i.e., the loan fund is incorporated, the market analysis is completed, the loan products have been developed, loan policies and procedures have been written, and a capitalization plan has been completed, then NHMEC will need initial capitalization to begin lending operations. NHMEC requests initial capitalization funding to begin lending to municipalities that have completed energy audits and have obtained necessary approvals to move forward with energy improvements. NHMEC estimates that the average rehabilitation budget will be between \$50,000 and \$75,000. \$500,000 of initial capitalization funding would allow NHMEC/CDFA to make six to ten loans in its first six months to a year of operation.

NHMEC/CDFA requests two additional infusions of capital, once demand, cost savings, and emissions reductions can be better quantified to continue lending operations.

NHMEC/CDFA will use the funding offered through this proposal as matching funds to help it raise funding through other sources: federal and foundation, primarily. We are hoping to raise a comparable sum from other sources. NHMEC/CDFA will seek to leverage other funding sources into a project whenever possible. If half of the 234 buildings that receive audit grants, seek loan funding to implement those recommendations, total loan requests over three years would be \$5.8 - \$8.8 million. CDFA would like to grow this loan fund to a \$5 million corpus, because at that level it reaches, or begins to start reaching a level of self-sufficiency. CDFA is well aware that the more diverse the funding base for a program, the greater its likelihood of long-term stability.

SECTION IV - PROJECT BENEFITS

Before contemplating the potential for reductions in GHG from energy conservation and efficiency projects and because a statewide energy conservation and efficiency audit of municipal buildings is uncharted territory, NHMEC has chosen three municipalities representing small, medium and large populations as examples of what challenges exist:

Temple - *population 1,526; number of public buildings not including schools: 6; approximate total square footage: 15,000* Like many New Hampshire towns, it was established more than 200 years ago and preservation of its historical character is important. Though its town hall was originally built in 1842, its municipal building is a bit more contemporary. Both, however, are unintentional wasters of energy and as such, cost the town and its citizens more than is perhaps necessary. Temple's Energy Committee, supported by its Board of Selectmen, commissioned an energy performance audit of its municipal building, library and fire station to learn what

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measures, if any, could be taken to improve efficiency, reduce consumption and ultimately, costs. The study showed that potentially dramatic reductions in both energy consumption and carbon emissions were possible through such common sense projects as increased insulation and replacement of an aging and inefficient HVAC system.

Hanover – *population 10,865; number of public buildings not including schools: 19; approximate square footage: 231,000.* Home to world famous Dartmouth College, it blends the best of both the 18th and 21st centuries. For example, in 1820, the Hanover Aqueduct Association collected water from springs near the present town garage and distributed it to the Town of Lebanon and the Town of Hanover. Today, the Hanover Water Works, as it is known, serves more than 1,700 multi-family residences, industries, commercial and institutional users. Like Temple, however, Hanover’s energy audits show its municipal buildings could benefit from improvements as basic as programmable thermostats and occupancy motion detectors to ensure that the heat, cooling and lighting are conserved and managed. On a larger and more dramatic scale, the town’s fire house could turn solar heat into hot water and, by replacing an aging and oversized boiler, recoup both those expenditures in a timely fashion

Manchester - *population 109,364; number of public buildings not including schools: 44; approximate square footage: 501,000.* Manchester is the largest municipality in not only New Hampshire, but Northern New England as well, second only to Boston. From its historic mill district to the recently modernized Currier Art Museum, Manchester’s energy challenges are vast and complex. For example, the City of Manchester spends approximately \$1.2 million annually simply lighting the city’s streets. In investigating how to meet the city’s goals and obligations of providing cost-effective lighting that ensures the safety of its citizens - private and commercial - the number, type and placements of fixtures, lighting technology and timing and rate schedules must all be taken into consideration. Finding the balance between safety, savings and efficiency for a city the size of Manchester will be complicated but preliminary estimates indicate the potential to reduce that annual expenditure by as much as half.

Despite the differences in size, number of buildings and square footage, the common denominators of these three municipalities are how to conserve energy, improve efficiency and lower the cost of energy to their taxpayers *and* the environment. Equally as evident is the fact that a “one-size” solution will not fit all.

NHMEC, through its partners and affiliates, is uniquely qualified to serve as the nexus of the expertise required to initiate, deliver and manage an energy conservation, efficiency, and environmental improvement program of this magnitude.

SECTION V - MEASUREMENT AND VERIFICATION

To capture the diversity of NH’s municipal energy consumption and degrees of efficiency, NHMEC will adopt standardized inventory and audit templates that will allow it to catalogue major system components: the buildings themselves, street lighting, and water and sewage treatment facilities (where applicable). Within each of the components, the inventory will drill down into areas such as age, use, square footage, HVAC systems, lighting systems and components, pumps and pumping stations. Detailed information on existing energy consumption

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by source, fuel type and cost will be gathered. All of this information will be entered into a database that will be used to calculate current energy usage and cost by town, by building and or system, and by fuel along with the extrapolation of that energy use into carbon dioxide emissions. This database will serve as the benchmark from which energy conservation and efficiency programs and projects and GHG emissions can be measured.

NHMEC, working with such entities as the state Fire Marshal's office, NH Technical Institute, the NH Building Officials Association and others, will work to develop and adopt standard criteria and qualifications for energy auditors, contractors and installers to ensure adherence to the state energy and building codes. This will also provide assurance to municipalities engaging in such projects that the professionals and companies performing the work are properly qualified.

SECTION VI - BUDGET

As discussed in Section III, the NHMEC budget is broken into three phases across the first three years of the Consortium's life:

Phase 1, which includes grants for performing the audits and second stage feasibility studies for projects identified as cost effective and energy efficient, is \$930,000. Phase 2 is the development of a revolving loan fund at an estimated cost of \$115,000. Finally, Phase 3 is the capitalization of the loan fund itself at \$5,000,000 over a three year period.

NHMEC envisions that once the audits have been completed, the projects identified, and the fund fully capitalized, it will become a self-sustaining source of low-cost, long-term funding for municipal energy conservation and efficiency projects, large and small. NHMEC will of course seek additional sources of matching funds and other financial instruments to further leverage its ability to make NH's municipal buildings the most efficient and environmentally sound they can be.

SECTION VII - APPLICANT QUALIFICATIONS

The New Hampshire Municipal Association (NMHA) was established in 1941. Its mission is to provide programs and services that strengthen the quality of its 234 member municipal governments and the ability of their officials and employees to serve the public by being a catalyst for dialogue and action, an advocate on issues and an advisor on problems. Through its parent organization, the Local Government Center (LGC), NHMA can liaise with LGC affiliate groups such as the NH Municipal Management Association, NH Association of Regional Planning Commissions, NH Government Finance Officers Association, NH Planners Association, NH Public Works Standards and Training Council and NH Building Officials Association for cooperation, facilitation, outreach and implementation.

The New Hampshire Community Development Finance Authority (CDFA) was created in 1983. It is a quasi-public, nonprofit organization that provides over \$14 million in state and federal grants, loans, and tax credits to municipalities and nonprofits in New Hampshire annually for projects that ultimately improve the lives of low- and moderate-income individuals and families.

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Additionally, the CDFA will award \$19.6 million in Neighborhood Stabilization Program funds, a federal foreclosure recovery program, this year to cities and towns in New Hampshire.

CDFA has made awards to over 300 organizations since 1983 and reviews 50 – 75 funding requests annually. CDFA has extensive experience working with constituent municipalities, reviewing proposals, awarding funds in an objective manner, and monitoring ongoing project compliance with Federal and state regulations. CDFA also has a small loan program, 15 loans currently in portfolio, that it uses primarily for gap financing. This experience and integrity makes CDFA well positioned to be good stewards of Greenhouse Gas Emissions Reduction Funds. CDFA has an office of fifteen professional and administrative staff, the majority of who hold masters degrees in business administration, public administration, or community development, that are more than qualified and have the capacity to manage this new program.

Additionally, CDFA recently developed and released an “Online Grants Management System” where potential award recipients can apply for funds online. Earlier in this proposal, mention was made of the creation of a new application module for municipalities to apply for funds to conduct energy audits and feasibility analyses which in turn would enable CDFA to manage the grants and eventually the loans to finance the retrofits through this system.

Together, the respective capabilities and expertise of NHMA and CDFA will provide an unparalleled resource and structure to deliver energy conservation and efficiency programs to New Hampshire’s cities and towns and benefit the entire state through reductions in municipal GHG emissions.

SECTION VIII - ADDITIONAL INFORMATION

As stated in the draft report of the New Hampshire Climate Action Plan, New Hampshire can realize substantial reductions in its energy consumption for heat and power by maximizing the thermal and electrical efficiency of future buildings and extensively retrofitting existing buildings. Among the actions recommended by the Plan is the establishment of an energy consumption and greenhouse gas emissions baseline inventory. The NHMEC concurs and believes that it is best positioned to undertake and develop that baseline inventory.

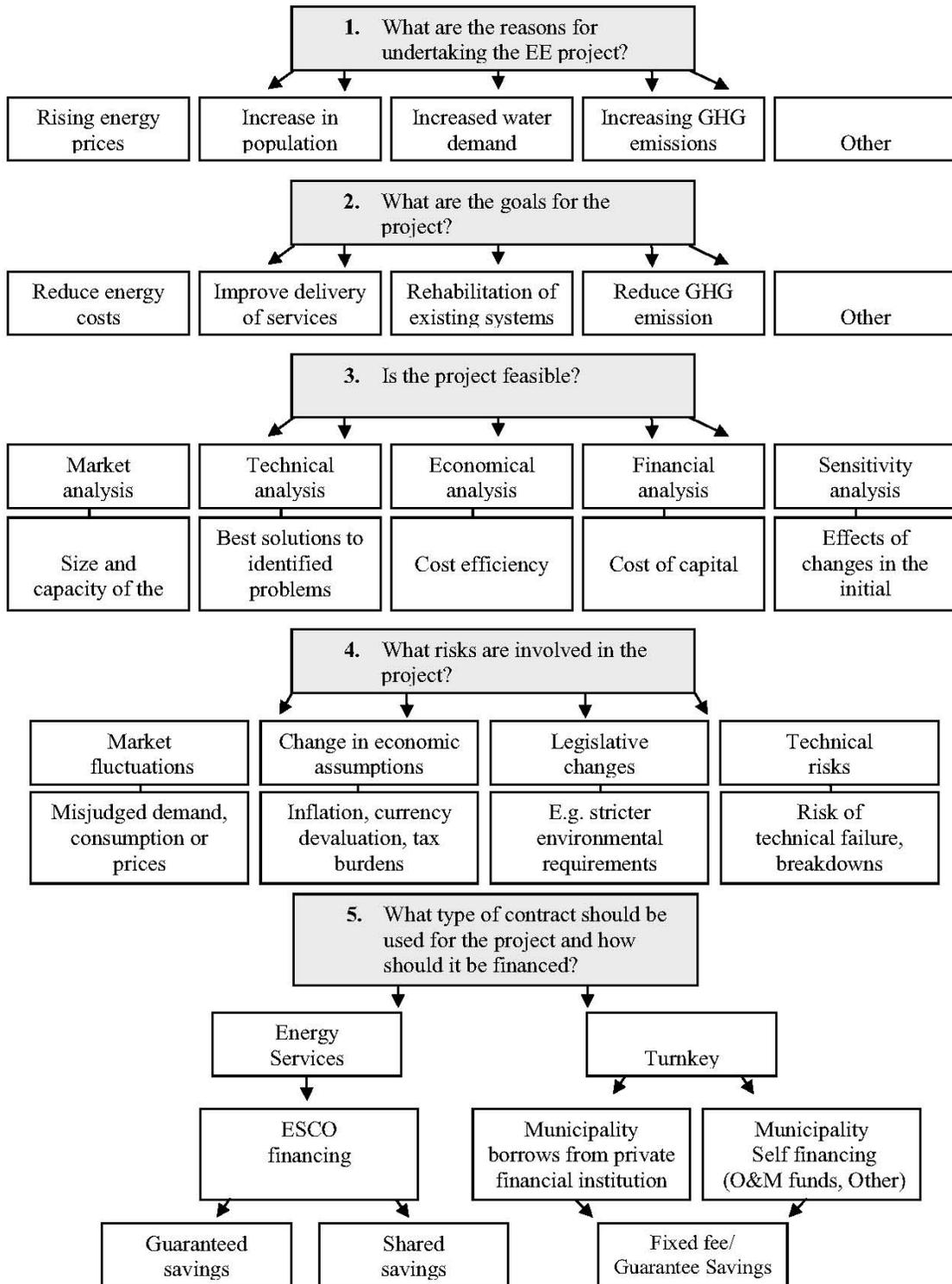
Another recommended action is to help establish local energy organizations and NHMEC will reach out to each community – regardless of whether such an entity exists – and request a designated representative to serve as the NHMEC contact and coordinator. This network will help NHMEC to facilitate outreach and delivery services, improve energy conservation and decrease greenhouse gas emissions in municipalities and the New Hampshire.

SECTION IX -LETTERS OF INTEREST OR COMMITMENT

See attached.

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MUNICIPAL PROJECT MATRIX



Source: IMF