

GREENHOUSE GAS EMISSIONS REDUCTION FUND
Quarterly Progress Report Form

The fourth quarter grant report for those who received contract approval on September 23rd, 2009 is October 31, 2010.

Instructions:

- *Please refer to Exhibits A & B of your contract.*
- *Exhibit A outlines the tasks that you agreed to complete. **Your report should explain the work done on each task to date and the percentage of completion.***
- *Exhibit B refers to your payment schedule. Invoices will not be processed without supporting documentation on hours worked. Payment will only be made on work that relates to the contract.*
- *Please submit the report electronically in a Word format. This will allow us to cut & paste for program summaries. Attachments and supporting documents can be provided in hard copy, but pdf versions, where appropriate, are greatly appreciated.*

1. Program Title (as displayed in your proposal)

Municipal Energy Reduction Fund (MERF)

2. Program Type (as listed in your proposal)

Revolving Loan Fund for efficiency related investments

3. Summary of work completed during this reporting period July 1, 2010 through September 30, 2010.

- *Provide a summary of activities relevant to this grant using Exhibit A of your contract as an outline.*
- *For each task, please provide an estimate of the percentage of work completed,*
- *Discuss any benefit your activities may have had for low income residents.*
- *Note any problems or delays.*
- *Note any deviation from the work-plan. If you have a deviation from the plan, you should contact us before proceeding.*

Marketing events:

- ✓ 7/28 CDFA Training Workshop on MERF at the Local Government Center (LGC) – 2 sessions w/ approximately 60 attendees in total. The sessions were offered at 1:00 and 5:00 to be accessible to both municipal staff during the workday and volunteers that could not attend a daytime session. Sessions included presentations by, CDFA Staff, NH Municipal Association Staff, Department of Revenue Administration Staff, PSNH, Town of Hanover, Town of Temple, and the Jordan Institute. The session walked municipal officials and local energy committee volunteers through the steps involved in getting a loan for energy efficiency upgrades approved. NHMA and DRA staff walked participants through the warrant article process and requirements, PSNH and Jordan staff discussed the drivers of energy consumption and savings, and CDFA staff discussed the MERF program and selling a project to Town Meeting. Hanover and Temple officials talked about their experiences getting energy project funded and approved by Town Meeting.
- ✓ 8/3 Meet with City of Concord Public Works and Purchasing Officials to discuss their audit (currently being conducted) and potential for gap financing needs.
- ✓ 8/16 CDFA staff met with Dover Town Manager and Finance Director to discuss what was needed to bring the \$250,000 loan commitment to a closing.
- ✓ 9/21 Presentation at Manchester LGC Finance and Budget Workshop (breakout session on municipal EE)
- ✓ 9/23 Presentation at Lincoln LGC Finance and Budget Workshop (breakout session on municipal EE)
- ✓ Participated in several Municipal Energy Working Group (MEWG) sessions (held monthly at OEP)

Staff talked with officials and volunteers from the following Towns (outreach was performed individually via phone calls, e-mails, and site visits): Barrington, Belmont, Bedford, Canterbury, Claremont, Concord, Conway, Dover, Enfield, Exeter, Gilford, Gilmanton, Groveton, Hollis, Hooksett, Hopkinton, Lancaster, Meredith, New Castle, Newfields, Northumberland, Peterborough, Plymouth, Richmond, Rindge, Tamworth, Tilton, Tuftonboro, Warner, Wolfeboro, and more.

4. Summarize work to be completed next quarter: October 1, 2010 – December 31, 2010.

On 10/25/10 CDFA announced the following:

“CDFA is now offering a financial incentive to encourage applications from municipalities and counties! For municipalities and counties that submit applications by December 3, 2010, CDFA will offer the following interest rates: 1.25% for Year 1 and 2.5% for the remaining term (up to a maximum of 7 years).”

This offer is designed to encourage the seven applicants who have begun applications in our online grants management system to move forward and submit final MERF loan applications to CDFA. We offered a similar incentive for our business and nonprofit energy efficiency financing program with great success and eagerly await similar results for this municipal program. CDFA will continue to use all possible means to conduct outreach and sales calls, with the goal of awarding the remaining loan funds and beginning to disburse loan proceeds as soon as possible. We will continue individual outreach and contacts to other service providers who can assist us in spreading the word and locating potential municipal customers. We will continue to place particular emphasis on navigating the town appropriations process as the 2011 town meeting season approaches. Alternatively, we have begun to conduct more intensive outreach to chartered towns, cities and counties, as these forms of local government are less restrained in their ability to appropriate funds (they don't have to wait for annual town meeting).

5. Please document total hours worked and/or any new jobs created.

The total hours worked between July 1 and September 30 by CDFA staff on the Municipal Energy Reduction Fund was 285.58 hours.

6. Explain any obstacles encountered or any milestones not reached.

As we progress in our efforts to obligate funds, we are reminded of the lengthy nature of municipal energy efficiency projects. To date various programs have offered assistance to municipalities at different spectrums along a lengthy project process. CDFA has no knowledge of other opportunities that have directly combined our approach of extending credit, education and/or advocacy for advance preparation, which we think is needed to appropriate town funds for such projects. 7 municipalities have currently begun applications and CDFA staff maintains close contact with these potential customers, to encourage submissions of final applications. CDFA understands local governments are feeling the brunt of declining revenues and increasing demand for services. Many municipalities are very debt adverse in this current economic environment. Our goal and messaging will continue to be based on reassuring potential borrowers that we seek to finance projects that can be viewed as investment, with a positive rate of return, rather than an additional expense with additional burdensome debt service. This is difficult to communicate effectively, as many municipalities are overwhelmed or largely “staffed” by volunteers. Additionally, many municipalities have yet to really define a project.

We will continue to advertise our ability to offer approval contingent upon successful appropriation at town meeting which we hope will be of great value to potential customers.

7. If applicable, in a section labeled *Beyond the Contract* (or some other well defined title), please report other activities, partnerships, funding or other synergies that have occurred as a result of this funding.

Staff continues to be active participants in the Public Sector Work Group of the EESE Board and assisted in planning a meeting that was held on July 29, 2010. This meeting, organized by Representative David Borden, focused on discussing alternative financing tools that could potentially be used in municipal energy efficiency projects. Barbara Robinson from the NH Department of Revenue Administration was present to weigh in on municipal financing options and whether or not the various options conform to statutes and regulations. This meeting included a colleague of Representative Borden

who chairs the relevant committee and will be pursuing options, via legislation, to clarify the statute around municipal lease purchase financing. Additionally, this potential legislation could include reforms that would positively impact municipalities' ability to invest in cash positive energy efficiency projects, recognizing the distinction between debts associated with these types of investments and debt associated with a traditional capital asset purchases. During the led up to these discussions, staff played a supporting role in assuring these discussions included many relevant stakeholders, in an attempt to foster a healthy dialogue. Staff eagerly awaits any policy changes that could improve the decision-making process for local governments, as these changes could have broad implications, allowing public and, most significantly, private capital, to flow with greater ease into financially and environmentally beneficial projects.

CDFA continues to explore other funding sources and will continue to develop its relationships with other providers to further the program's goals.

8. If applicable, please include brochures, workshop announcements, or other materials developed to promote your grant activities. Attachments (and other documentation) are appreciated.

Please see the following attachments: a postcard advertisement that CDFA prepared and distributed to municipal officials and volunteers throughout NH, via direct mailings, and the PowerPoint presentation CDFA used for our two 7/28/10 MERF Workshops, held at the LGC (note: this PowerPoint does not include the PowerPoint's presented by our partners who kindly agreed to lend their expertise to the attendees of our workshop).

9. Budget vs. Actual Expenditures: (if you have included this with your invoicing, there is no need to repeat for the quarterly report.) *Using the budget you submitted for the final approved grant proposal, please add a column and provide actual expenditures as well as match dollars for this quarter. (Save this worksheet for future reporting as we will want to see your quarterly expenditures as the project continues.)*

Please see attached spreadsheet