

Community Energy Savings Program

Summary: The **Community Energy Savings Program** will provide low-interest financing to consumers who want to make energy efficiency, renewable energy or energy storage upgrades to their homes. It will build on the success of the Rural Energy Savings Program (RESP) championed by Senator Merkley.

Building on a Proven Program: Highlights of RESP

- RESP allows for rural electric co-ops and small/rural public utilities to receive funding to make loans for energy efficiency projects, including cost-effective on- or off-grid renewable energy or energy storage.
- RESP borrowers (rural utilities and co-ops) borrow from the Rural Utilities Service (RUS) at USDA at 0% interest for up to 20 years to finance loans for their customers.
- Energy customers participating in programs financed through RESP repay the loans at an interest rate of up to 5% for up to 10 years on their electric bills, termed on-bill financing.
 - In South Carolina, the “Help my House” program has used this model to help their customers save an average of \$288 per home per year, reducing their energy use by 34 percent. They are now using RESP funds to help expand this program.
 - Since 2016, RESP has loaned enough money to upgrade over 5000 homes in 10 states.
 - Electric co-ops not only help their customers save energy and money, RESP also helps them reduce their peak demand and improve the reliability of their service. This reduces the need for them to install new capacity or transmission infrastructure.
 - Improvements not only save money, they can also improve health, safety and comfort.

The Community Energy Savings Program (CESP)

- The proposed program, administered by DOE, will award grants to states, territories and tribes through the existing State Energy Program. They can then chose to conduct a loan program for consumers, or loan money to public utilities or local governments to conduct their own programs.
- CESP will have a similar financing structure as RESP, and allow for the same kinds of energy efficiency and renewable energy improvements, including for manufactured homes.
- DOE will provide technical assistance and support to state and local programs.
- Similar to RESP, the on-bill bill financing aspect allows many consumers to make energy efficiency improvements at a much **lower cost** than any other option.
- The loan program can leverage additional federal dollars to maximize the impact.
- The bill is endorsed by the National Association of State Energy Officials, Prosperity Now, the American Council for an Energy Efficient Economy, and the Environmental and Energy Study Institute.

Filling a Gap in the Efficiency Landscape: Differences from Previous Programs

- While RESP is only available to communities served by the RUS, which limits it to public utilities and co-ops that serve cities smaller than 20,000 people, CESP will award funding to each state and be open to any public utility or local government that wants to participate.
- This program will supplement the Weatherization Assistance Program (WAP), which includes funding for weatherization efficiency improvements only. This program would include other improvements including small-scale renewables and storage.
 - The program would provide loans, rather than grants as WAP does, leveraging critical federal and private funds.
 - WAP is limited to households at 200% of the poverty line, this program would be open to all, but with some targeted funding to serve households with a high energy burden.