

**The ZEN Homes Initiative
Internship report
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Background

There are several weatherization and energy efficiency programs and businesses in Flagstaff, but none of them serve a wide audience or have mechanisms to make them widely affordable to the general public. In addition, concerns about climate change and energy security have raised the consciousness of many politicians and families with regard to the purpose and effect of weatherization and energy efficiency work. As a result, federal and state funding to promote this work is abundant, from direct funding to workforce training grants to loan seed money. In addition, programs to make energy efficiency retrofit work widely available, through the use of revolving loan funds and creative program designs and payback schemes, are cropping up around the country, in pilot and full-blown form.

Around the same time that the United States Departments of Energy and Labor were issuing requests for grant proposals related to energy efficiency work, local entities in Flagstaff began talking about implementing residential energy efficiency retrofits in our community in a very creative manner and on a very large scale. In early 2009, Chris Watson, co-owner of Resource Conservation Group, an energy efficiency business in Flagstaff, presented a concept called the “ZEN Homes Initiative” to SEDI’s Energy Efficiency & Renewables (EE&R) action team. The SEDI action team members voted to pursue this idea, in conjunction and collaboration with existing and proposed residential efficiency programs.

Local policy makers had already explored many options for expanding the scope of their efficiency programs, and had identified legal barriers to the establishment of revolving loan funds or bonding programs similar to those employed in other residential efficiency programs around the country. These include the use of special districts for efficiency work, which would allow fundraising through bonding and allow payback through property tax billing, as is used in the Berkeley FIRST model. Another program design, using municipal billing in conjunction with residents’ water and other environmental services billing, such as that used in the Town of Babylon, New York, is prohibited by state “gift” laws.

Other models for efficiency initiatives do exist, such as Milwaukee’s ME2 model, or Seattle’s efficiency program, which use third-party agencies to administer the program, work with banks to feed the revolving loan, and run the billing through the residents’ utilities or municipal services billing.

The EE&R team leaders wanted to move the Northern Arizona efficiency initiative forward and explore the options for this initiative in this region. They decided to hire an intern for the summer of 2009 to establish a baseline of community capabilities, programs, and priorities with regard to the pursuit of an aggressive energy efficiency initiative to serve the majority of the region’s homes. In

addition, the intern would review existing programs and related documentation in order to inform the creation of an initiative in this region.

This report is the result of that internship. In addition, the process of developing a large-scale regional residential energy efficiency initiative, generally referred to in this report as the ZEN Homes Initiative, was submitted as an abstract to the Behavior, Energy and Climate Change conference, hosted by the American Council for an Energy Efficient Economy, in Washington DC, and will be presented there as a poster in November 2009.

Purpose of study

As mentioned above, there are multiple agencies, companies, organizations and individuals with a vested interest in a large-scale residential energy efficiency initiative. As a result, in order to pursue the development of such an umbrella initiative, which would build on and expand existing programs, it was necessary to establish a baseline of the existing entities involved in the efficiency sector in the region. In addition, this study examined each entity's potential roles and links within the community, and solicited advice and opinions regarding the initiative, SEDI, and SEDI's role in the initiative. This information is useful in identifying partners and support for the initiative, and in guiding the initiative's program design and relationship with SEDI.

Methodology

This study was performed as a series of in-person or telephone interviews. Interviewees were identified through a preliminary list assembled by the study advisory group (John Grahame, SEDI Program Coordinator; Marshall Whitmire, SEDI Executive Director; Rom Coles, NAU) and by asking for additional names in each interview.

The advisory group worked with the interviewer to develop the preliminary list of interviewees, interview protocol, description of the project, and list of questions. The project description and question list were posted on 37 signals for all members of the SEDI EE&R team to view. In addition, the full and abridged descriptions of the ZEN Homes Initiative were posted for interviewees' reference. Throughout the interview process, these documents were sent to interviewees ahead of their interviews so that they could review the initiative and the interview project beforehand.

Each interview was about an hour in length, and notes from the interview were transcribed afterward. Highlights from each interview are included in the Findings section of this report.

Question protocol

During each interview, the interviewer explained the purpose of the study and provided a list of questions that the discussion should address.

The list of questions was as follows:

- What does your organization do (particularly with regard to energy efficiency)?
- What other organizations do you work with, or would you like to work with?
- What sources of funding do you use/are you pursuing/would you like to pursue?
- Do you see other organizations duplicating your, or each others,' efforts?
- How could SEDI help your organization be more effective?
- What advice do you have for the ZEN Homes Initiative?
- What do you think SEDI's role should be in the ZEN Homes Initiative?
- Who else do you think I should talk to?

Interviews performed:

Chris Watson, ReGroup
Tom Broderick
Vance Peterson and employee J.P., Contractors
Verna Fischer (2) & Jack Clark (2), Community Services and CAA
Jennifer Jenkins, SouthWest Windpower
Wahleah Johns, Black Mesa Water Coalition
Vanessa Richter, Conservation Services Group
Nicole Woodman, City of Flagstaff Sustainability Office
Cynthia White, Friends of Flagstaff's Future (referred me to Rom or Ward)
Bob Baca, NACOG
George Koch, Bruce Hungate, Paul Flikkema, VisibleEnergy
Bill Auberle, P.E., NAU etc. (discussion, no real interview)
Gordon Isaac, NACOG, formerly City of Flagstaff, also KeyaEarth
Joe Costion, Coconino Community College
Dustin Woodman, Coconino Rural Environmental Corps
Diedre Crawley, AmeriCorps
Justin Erickson, E3
Amanda Acheson, Coconino County Sustainable Building Program
Eric Souders, Ascendant Financial Services
Ward Davis and Eric Souders, F3
Ken Myers and Meg Crocker, YouthBuild / Bothands
Tony Skrelunas, Grand Canyon Trust
Enei Begaye, Black Mesa Water Coalition
Stephanie McKinney, National Bank of Arizona (W/Verna Fischer)
Carl Ramsey, AEA
Matt Koons (2), Baseline Sustainability
Tom Scheel, Radiance solar thermal
Roger Tungovia, Hopi Clean Air Partnership project manager
Ed Larsen, building official, City of Flagstaff
Rebecca Sayers, City of Flagstaff Env and Sustainability Mgr.
Helen Hudgens Ferrell and Greg Pishkur, Bothands
Jason Lowry (2), AmeriCorps w/ NAU's Community, Culture & Environment program
Ron Hubert, NAU, Independent sustainability strategy consultant
Alex Frawley, CCC SBDC and Community & Corporate Learning center
Shelley Silbert, NAU Environmental Caucus
Heather Farley, NAU Office of Sustainability
Robin Boudreau, Arizona State Energy Office
Carl Taylor, Coconino County Supervisor
David Walker, NABA

Findings

Overall impressions

This region has the resources and the will to pursue an effective and aggressive residential energy efficiency initiative that would provide affordable home improvements to the majority of homeowners in the area. Established efficiency programs already have (and are nevertheless improving) the organizational capacity to administer and expand their programs. All of the necessary pieces are in place to implement a successful and dramatic expansion of these programs. These pieces include training mechanisms, outreach channels, and potential sources of revolving loan funding and potential agencies for the revolving loan administration.

An important note regarding the interview process

Everyone was happy to take part in the interview process, because they were pleased that SEDI wants to know what they are doing, what they would like to be doing, and what SEDI can or should do to help them. They were glad to provide their feedback on the ZEN Homes efficiency initiative and on SEDI's role in the community, as well as providing their ideas for moving our region more rapidly along the efficiency spectrum.

This interview process seems to have created a lot of goodwill toward SEDI, particularly among people who may have felt (or been) marginalized or overlooked during the initial ZEN Homes enthusiasm or who don't feel as though they are really "part of SEDI." It is also providing a forum for feedback on SEDI's progress or success in the community, and allowing interviewees to express their advice for the organization. In addition, I learned things from people that I was able to pass on to other people I spoke with, thus providing a networking mechanism that is a significant success for SEDI but might be difficult to achieve through any other channel.

It would be a good idea for SEDI to regularly employ someone whose mission is to link up with its members and identify community partners who are not involved, but should be, in its activities and groups.

Strengths and challenges: individual and initiative

Following is a summary of the ZEN Homes initiative's strengths. In addition, individual interviewees identified challenges to the ZEN Homes Initiative, challenges they face in their organizations with regard to efficiency work, and challenges that would be faced by ANY aggressive efficiency initiative in this region, and therefore should be considered in the design of this one.

A list of all of the interviewees, detailing my perception of their roles in this initiative and their links to other entities in the community, is found in the spreadsheet Appendix A.

Strengths of ZEN:

- Interviewees liked the fact that people were motivating around a large goal with clear widespread community benefits. Many interviewees applauded the idea of an initiative with the power to bring together many community groups and to expand on existing programs.
- The different aspects of a successful efficiency initiative that makes a difference in employment, home efficiency, and community spirit are all in place in Flagstaff.
 - SEDI provides a network of business and other leaders, working together on sustainability initiatives, many of whom wield significant political power and community influence.
 - Training programs for efficiency work, which could be rapidly expanded, are in place or in development in Flagstaff.
 - Local banks, regional utilities, and the Arizona Corporation Commission are all interested in the possibility of implementing a revolving loan fund.
 - Outreach channels exist through neighborhood associations and other community groups, as well as existing efficiency programs.
 - There are multiple entities which could house a revolving loan fund (e.g. Bothands or other non-profit), and there are individuals who are motivated enough to potentially establish a new non-profit or B-corporation which could work with existing programs and administer an “umbrella” program for efficiency services
- Many parties, including those who already have functioning efficiency programs, identify a need for a “one-stop-shop” or “umbrella” program that allows all people to call one number and get an easy, affordable efficiency solution for their home, even if the service is in reality provided by a number of agencies and parties. The concept of an umbrella program or “aggregator” agency is acceptable/desirable to most interviewees.
- Interviewees appear willing to cede some of their usual organizational ‘territory’ in order to help make this larger initiative successful. Many interviewees are clearly willing to get creative in program design in order to support this initiative’s success, from outreach to fundraising to nontraditional partnerships.

Challenges that the ZEN Homes Initiative faces:

- As revealed during the ZEN roadmap meetings (July 7 and August 6, 2009), some parties were concerned on the one hand that ZEN Homes is an unrealistic concept, and on the other hand that it may not really be the umbrella goal that the entire community wants.
- There is concern that it is too ambitious in scope, not accurate in its estimation of costs and achievable savings, and isn’t feasible given

current legal constraints. These barriers can reduce parties' motivation to contribute to the practical work of designing and supporting the initiative.

- There is concern that the initiative is framed in terms of carbon emissions reductions, which is obviously the goal, and desirable to some parties, but not the goal of other entities who might otherwise get involved for economic development reasons.
- There is disagreement as to who should administer an “umbrella” program including a revolving loan fund. Several parties expressed concern that SEDI does not have the organizational capacity or structural hierarchy to oversee this program, and would have to go through some functional and structural evolution in order to do so.

Challenges interviewees face with regard to being more effective parts of the ZEN Homes Initiative or with regard to their own agencies' operations, are:

- identifying partners, or individuals within partner organizations, with whom the interviewees would like to work
- identifying funding sources for specific research ideas or initiatives
- getting others to understand their programs or their work, outreach to interested parties, and coordinating with similar programs to work better together

Challenges that will be faced by ANY aggressive efficiency initiative here:

- justifying the cost of achieving a zero-energy home
- coordinating outreach and coordinating efforts among and between agencies and parties – neither duplicating efforts nor allowing population sectors to slip through the cracks
- overcoming political or perceived fiscal barriers to the creation of viable financing mechanisms for efficiency program implementation
- overcoming social barriers to efficiency, including the perception of “green” as left-wing or hippie or only for affluent or poor people (getting people excited about efficiency as a social movement)
- dealing with practical concerns of training workers and home and building safety & code issues
- getting creative about ways to begin/expand/fund/support a massive energy efficiency initiative

Selected interview notes

Complete interview notes are found in Appendix B. Highlights here include the key points made by interviewees, and they are sorted by characterization. First are notes from the interviews regarding opinions on or information relevant to the ZEN Homes Initiative. Second are notes from the interviews regarding opinions on SEDI's role.

Interviewee comments on the ZEN Homes Initiative

What are the carbon implications of spending the same amount of \$ to retrofit more houses to 30% efficiency vs. a few houses to 100%? We should use the ZEN Homes experience to inform retrofit projects – use the programs of ZEN (Workforce Development etc.) to get the most bang for our buck out of retrofits. There could be wide support for a Habitat-like program of ZEN Homes. (Tom Broderick)

The hardest part of developing a wider efficiency initiative will be training people and scaling the program. The cost of training someone to be a real weatherization professional can be estimated around \$5000. (Gordon Isaac, NACOG)

Zero Energy is clearly not for all homes or all people or renters and it doesn't address a huge area of concern in Flagstaff's climate plan, which is transportation –this is a big issue if a lot of authorities are going to support an enormous roll-out of the ZEN Homes Initiative. (Nicole Woodman, City Sustainability Program)

There needs to be a Quality Control process for the energy efficiency auditing & retrofits run by these new programs, particularly in light of health & safety issues. (Justin Erickson, E3)

The City & County EECBG multi-tier programs are too optimistic in their budgeting, starting with the energy audit and on through the entire program. (Justin Erickson, E3)

The City and County are duplicating efforts on this type of (efficiency-related) work all the time. (Meg Crocker, YouthBuild)

Bothands helps first-time homebuyers get into homes and do retrofits and new construction. The BH Board of Directors wants to do green affordable housing now that they have been working with YouthBuild. Also, the Career Center is working with the County on the development of a Green Jobs Corps. (Ken Myers, YouthBuild)

This program MUST reach out to and include all types of contractors, engineers, architects from the beginning for sound program design and buy-in. It is also critical to ensure that jobs created pay a living wage for our region's families. (Carl Ramsey, AEA)

Banks could design the financing for this program and administer the loans directly, as they can borrow money from the Fed at 0.5% interest. (Stephanie McKinney, National Bank of Arizona)

ZERO energy is too lofty a goal. ZEN has to start with a good education program. Ideally, we should find a typical home, get a "best design" and replicate it – once you do one home, you can use the "model" for others. We need a replicable model and media exposure. Then, even people who need a very custom job get interested – it becomes a word of mouth thing. (Ed Larsen, City Building Official)

Not all the partners that should be at the table are. This needs to be a grassroots community effort. (e.g. NACOG, FHA, Neighborhood assoc.)

The City probably COULD administer a revolving loan fund, but could not bond it. (Rebecca Sayers, City of Flagstaff Sustainability & Environmental Program manager)

There should be a focus on major energy users, such as the hospital, distributed systems (?), etc. The commercial sector is reluctant to invest in EE even if the ROI is less than a year. If there were going to be a regional initiative it must include a code change. (Matt Koons, Baseline Sustainability)

The Question is: What can be done beyond existing programs? The Key is: What funding can you get? The next Question is: If we have a collaboration of all existing programs, can you get enough efficiencies out of that collaboration to make the savings worthwhile and make the program viable? (Ron Hubert)

RE: Utility requirements for cost-effectiveness – There is a point in building efficiency when individual measures are no longer "cost-effective," but the sum of several of these measures CAN BE, by, for example, eliminating the need for AC and duct work entirely. This is the sort of cumulative and system efficiency impacts that the utility cost-effectiveness test will never see. (Ron Hubert)

There is a national non-profit, ShoreBank, that runs programs like this. They manage the revolving loan fund for Seattle. However, there must be a big enough program (e.g. \$5 million) in order for the program fees to pay for its administration – so why not get someone like ShoreBank to administer a national revolving loan fund, so that many tiny communities can take part in this without having huge funds or administrative burdens? They discussed this idea with ShoreBank reps in Boston. (Ron Hubert)

A weatherization training course is in process of being developed at CCC as a BPI accredited training program that might be anywhere from one to several weeks, and should be ready to go by December. (Alex Frawley)

So we have the cultural (outreach) groups, the installers, and the people who could RUN the program – they all exist, can we make it all work together? The real innovative piece is going to be the integration of all the pieces. Will the agencies/entities be able to hand over “power” to an “Aggregator”?

How do we find out the best way to move forward? What about a scenario-based survey?

e.g. What would an existing agency/program be willing or legally able to give up in order to work with an “Aggregator” or to sign onto an agreement or MOU with an Aggregator program?

ASK people “How do you see your agency fitting in?” or “What conditions would have to be met in order to get you to sign on to this?” (e.g. If quality assurance of efficiency work is guaranteed for X% of homes in the community, what would you be willing to do to see that?) “What elements of the intended program outcomes are most important to you?” (Verna Fischer, Coconino County Community Services)

Flagstaff should form a “sister city” program with Fort Collins. There is a need for a combined EE/RE package that can leverage EE first to make RE work more for less investment. The incentives available can make these packages ridiculously affordable. The performance contracting packages of companies like Siemens and Honeywell could be used as examples.

There is definitely a need for some kind of financing structure to cover initial costs, even in situations where the client will get 90% of the money back in credits and rebates. This should be an obvious short-term investment market.

RE: The city/county tiered programs, it might be best to do all 4 tiers in one package in order to maximize gain and financing advantage instead of going step by step. If it is done properly and wrapped into the mortgage, it can be net-zero cost from day 1. The program should find a financier on the community level. There should be a loan program for middle-income groups. (Jason Campbell, Solar System Designer/Installer)

Energy efficiency is easier to define and much less costly on new homes. It will be difficult to set standards for retrofits – it can be prohibitively costly. (David Walker, NABA)

NAHB has a GreenBuilding program and that group is one of the biggest trade associations. Their standards are stricter than USGBC. NABA offers training to builders to get them certified in greenbuilding. They are just getting their training program put together, they will offer training here, and it will be ANSI recognized. Visit NAHB/green.org (David Walker, NABA)

For TUCSON's EECBG program, the Council has agreed to take any funds from savings and put it into account for community benefit – they are using EECBG \$ for city of Tucson building improvements, and they are going to take the savings from that and use that fund in separate account (it does not go back into general account). They have a commitment to using those savings for five years for community efficiency projects. This provides an educational emphasis for folks from local govt. They see the savings and the fact that they can use this \$ for community improvements. In turn they become more aggressive about efficiency, because they see where the savings is going. (Robin Boudreau, State Energy Office)

The "Aggregator" program is a coordinator position or a community organizer. If the ACC approves the concept of a revolving loan fund and requires the utilities or State Energy Office to administer it, then does SEDI have a role? Is there then a need for a local revolving loan fund or simply a coordinator? (Chris Watson, Resource Conservation Group)

What about reclaiming a house from the City – making it a ZERO energy home and selling it? IS the town going through some tax-sale houses right now? (Robin Boudreau, State Energy Office)

Interviewee comments on SEDI's role

SEDI should help to push incentives for either building or retrofitting because this is the biggest barrier for most individuals. This can take place directly through bringing \$ into the community, but must also include promoting the programs that exist now (through funding, outreach, incentives, and lobbying), and should focus on building more partnerships and fewer new programs. SEDI has a great strength in getting all the big players to the table. It should use that strength to work for cooperation and coordination at the local level and lobby for incentives and to remove policy and regulatory barriers at the state and national level. (Amanda Acheson, Coconino County Sustainable Building Program)

There is no need for a redundancy of efforts. We need to identify the needs, and strengthen existing programs. (Joe Costion, Coconino Community College)

SEDI's role is communication & collaboration most of all – performing outreach, and letting people know when this program starts, educating the public about the existing programs and the programs that are being developed through EECBG etc. SEDI could be the vehicle for identifying all of the different EE services and connecting community members to the appropriate service. It should be used to inspire the community around the vision, whether it is ZEN Homes or Carbon Neutrality or reducing consumption by a certain %, etc. (Dustin Woodman, CREC)

There is a lack of opportunity on the Navajo and Hopi Nations – they need vocational schools, e.g. Dine College & Crown Point Technical College, to have green jobs programs that can help local people get trained for sustainable jobs. There is big private donor interest in helping the Navajo Nation make the transformation to green jobs and sustainability, and they need to harness that. SEDI could probably help. (Wahleah Johns, Black Mesa Water Coalition)

One concern is that a lot of environmental activism is “david vs goliath”, intervene, protest, confront – from our perspective that undermines our effectiveness because we are perceived as part of a confrontational group. (Vanessa Richter, Conservation Services Group)

SEDI is Flagstaff-centered – it lacks a more official tribal representative. SEDI should recruit more tribal reps. SEDI needs a Tribal Green Economy Action Team. This could be very strategically used to build support for SEDI and relationships with the tribes. SEDI has lots of credibility that it could use in recruiting Navajo and Hopi enterprise development and natural resource management people, and should use that to create a Native American Community Action Team or some similar SEDI sub-group. (Tony Skrelunas, Grand Canyon Trust)

The City Council thinks that energy code changes will “add cost to housing” without realizing the long-term savings that accompany energy improvements. They need more involvement from new and different people. (Ed Larsen, Building official, City of Flagstaff)

I feel like we’re pushing ahead and laying out decisions for the future – it’s good to have but it has to be done in the context that we don’t have all the players at the table. (Carl Ramsey, AEA)

(With regard to moving an initiative forward) SEDI’s strength is having everyone at the table and giving everyone equal voice. This can also be a weakness in that there is no clear leadership and this reduces the group’s ability to make things happen.

(With regard to housing the efficiency initiative) Is there a non-profit that can do this? Is SEDI really the entity to have this program if the end goal is related to climate? Does SEDI have the organizational capacity to house this? (Verna Fischer, Coconino County Community Services)

SEDI is a great think-tank, but it needs to get involved in more practical projects – such as this efficiency initiative and having people (like this internship) go and talk to people and figure out the practical details. (David Walker, Northern Arizona Builders Assoc.)

The ME2 model shows all of the qualifications necessary for running an efficiency program – these are not necessarily the same as SEDI’s strengths – perhaps a revolving loan shouldn’t be overseen by or housed in SEDI. (Chris Watson, ReGroup)

In Flagstaff you have the energy code, you have a robust grassroots movement, in sense of priorities you have top shelf arrangement to leverage own resources plus SEDI. You have lots of people who want to move opportunities. (Robin Boudreau, State Energy Office)

This “aggregator” proposal is to create an Advisory Board, hire some staff, coordinate the efforts of the City/ County/ Utilities / NACOG with regard to residential energy efficiency. This would be a significant change in the SEDI model to a “fee-for-service” agency. Innovation and risk-taking are great, with your own money. You don’t experiment / take risks with other people’s money. The Aggregator program HAS to be successful if it is going to be using Living Cities’ (or anyone else’s) money.

RE: SEDI’s capacity / expertise: for overseeing an aggregator, it could do it. Is there capacity/expertise for administering a loan fund? They would probably have to work with a bank or other entity, but legally they have the authority. (Carl Taylor, Coconino County Supervisor)

Discussion, Conclusions and Recommendations

During the course of establishing a baseline of efficiency work and programs in the region, the concept for a large-scale residential efficiency initiative has evolved significantly. The scope, scale, structure and targets of the initiative will likely continue to evolve, but this evolution must be guided by the contributions and practical limitations of existing programs, agencies, and companies, rather than philosophical considerations. Thus, it is important going forward to work from the baseline that has been established regarding existing efficiency programs and services and to define how these programs can legally and practically work together and collaborate with a larger initiative.

Some questions have clearly emerged:

Will there be a local “aggregator” entity, or multiple individual initiatives?

Will the Arizona Corporation Commission require utilities to use their DSM funding to issue loans to homeowners for comprehensive EE/RE work?

Will legislative change be required in order to facilitate the creation of funding mechanisms at the local level?

It is clear from all of the example programs and discussions with local entities that there is a need for a central agency / clearinghouse / coordinator to really manage a successful energy efficiency initiative, if it is truly going to encompass city, county, utility, tribal, and other regional entities. It is not clear who is going to BE that clearinghouse. Neither the City nor the County have the jurisdictional authority to serve the others’ populations without an InterGovernmental Agreement, which could take up to two years to forge. It was suggested at two meetings (both on August 6 2009) during discussions of the role of an “aggregator” and the “Zen roadmap,” that there could be an umbrella program overseen by SEDI, which would then coordinate with existing programs and also manage a revolving loan fund for additional efficiency work. Whatever the nature and oversight of a third party coordinator, its success will be dependent on the ability and desire of other entities to collaborate and coordinate with it.

Recommendations for next steps:

In order to pursue a large-scale efficiency initiative, there must be ONE party in charge of coordinating efforts and actions. This coordinator must work with all of the other entities that are involved in efficiency work or could influence the initiative’s success through education, training, outreach, or other means. It is likely that a coordinator would need formal agreements with many of these entities. Ideas for a survey to gather the details of such arrangements, and to gather further guidance for the initiative’s structure, are included in Appendix C.

Additional thoughts...

Bothands already works with YouthBuild, does efficiency retrofits and new construction work, rolls efficiency work into mortgages, does financial counseling and negotiates with banks. It is the only entity around that can work with at-risk workers and has the administrative capacity to potentially create its own market for efficiency by partnering with utility incentive programs and local building scientists to perform “mandatory” energy efficiency work on all homes sold through the program. The administrators are interested in expanding the scope of work that they do to improve homes, and they seem to be open to partnerships. They seem to be a logical choice for moving this forward in the homebuyers’ market, and it appears that they could also administer or negotiate with a revolving loan fund to perform efficiency work on existing, not-for-sale homes.

The gas and electric utilities and Arizona Corporation Commission are interested in exploring more effective efficiency programs. They are open to changes in their existing programs, and they have considerable authority to make rules regarding the establishment of a program like this one, either as a pilot/prototype or as a model for the rest of the state or the rest of the utilities’ territories. These open channel should certain continue to be pursued.