**Green Jobs – Green New York Advisory Council Meeting**

**March 16, 2011**

**Meeting Notes**

Attendance:

**Albany Office:**

Floyd Barwig, DPS; Alan Hopps, HAPEL; Keith Connesau, ESD; Tariq Niazi, Consumers Protection Board; Tony Joseph, NYSDOL for Mario Musolino; Jackson Morris, PACE; Anne Reynolds, NYSDEC; Bryan Henderson, NYSERDA; Beverly Bendix, NYSERDA; Jeff Pitkin, NYSERDA; Karen Villeneuve, NYSERDA; Barbara Guinn, OTDA; Marilyn Dare, NYSERDA; Sandra Moyer, NYSERDA; Dave Munro, NYSERDA; Hal Brodie, NYSERDA; David Friello, NYSERDA; Kevin Carey, NYSERDA; Drew Matonak, HVCC; Adele Ferranti, NYSERDA (Chuck Bell was not on the attendance list, but I thought he had attended. There is no phone attendance list.)

**Buffalo Office:**

Kelly Tyler, NYSERDA; Eric Walker, PUSH Buffalo; Clarke Gocker, PUSH Buffalo

**NYC Office**:

Jennifer McCormick, Empire State Development; Hugo Salinas, New York Energy Conservation; Michael Colgrove, NYSERDA; Rick Cherry, CEC; Jay Achley, CEC; Jillian Puszykowski, SUS. CUNY; David Hepinstall, AEA; Sharon Griffith, NYSERDA; Dean Zias, NYSERDA

**(The following meeting notes capture comments, questions and discussions held at the meeting in response to the presentations given by NYSERDA staff. A copy of the presentation and any handouts provided can be found at** [**www.NYSERDA.org**](http://www.NYSERDA.org)**.)**

Members of the Green Jobs-Green New York (GJGNY) Advisory Council met via video-conference at NYSERDA’s Albany, New York City, and Buffalo offices on 3/16/11. Telephone access was made available to members who could not make it to a video conference site. Also present at the meeting were several NYSERDA staff members and additional staff members from Advisory Council member organizations. The Meeting was videotaped and posted at [www.NYSERDA.org](http://www.NYSERDA.org).

Frank Murray, President and CEO, NYSERDA, chaired the Meeting.

**WELCOME & INTRODUCTIONS**

Frank Murray welcomed Anne Reynolds, from the Department of Environmental Conservation, as the newest member to the GJGNY Advisory Council.

**BETTER BUILDINGS GRANT- Jeff Pitkin, Treasurer**

Jeff Pitkin addressed the release of the Consumers Union and Public Utility Law Project (PULP) Safe Finance Issue Brief and explained the differences between the Tier 2 direct consumer loans and the proposed on-bill recovery (OBR) financing. The direct consumer loan obligation includes late payment fees as allowed under law. Failure to pay leads to collection by the Office of the Attorney General as allowed under State Finance Law. Jeff discussed the motivation behind Tier 2 direct consumer loans. Tier 1 standards require a credit score of 640 or higher and a debt to income ratio of less than 50%. Under those requirements 65% of consumers qualify. Access to financing is expanded through the Tier 2 standard which substitutes utility/ mortgage payment history for credit score and allows a slightly higher debt to income ratio of 55%, rather than 50%. The on-bill financing legislation proposes the same late fees normally charged for utility collections and failure to pay can result in termination of service, and ultimately referral of account to an outside collection agency for utility charges. Once the utility exhausts normal collections the energy efficiency financing balance would be referred back to NYSERDA, at which time its collection would be handled in the same manner as the direct loan obligation. It is possible that under some scenarios, the fee imposed by late on-bill payments could exceed that charged by NYSERDA for direct consumer loans. However, based on the concerns raised by the Consumers Union and PULP, NYSERDA agreed to change the late payment fee from $10 to $5, which is the fee allowed for other (non-State issued) consumer debt.

**Comment:** Chuck Bell commented that the Safe Finance Issue Brief was motivated by the On-Bill Recovery Legislation and that if the On-Bill Recovery Legislation were to pass, then many of the concerns highlighted in the issue brief would be eliminated.

The Better Buildings Grant is part of the American Recovery and Reinvestment Act’s (ARRA) Energy Efficiency and Conservation Block Grant (EECBG) Program, administered by the Department of Energy (DOE). NYSERDA, in partnership with New York City, a coalition of Long Island communities, the Town of Bedford with thirteen neighboring Westchester communities, and National Grid was awarded $40 million. Of the $40 million, $21.4 million is sub granted to New York City, $5 million to Long Island Communities, $1.26 million to Bedford and neighboring Westchester communities, and $400,000 to National Grid as part of the On-Bill Recovery pilot for the modification of their billing system. NYSERDA is required to sub grant the balance of $6.89 million to formula ineligible (i.e. smaller) municipalities. An RFP was released in March to solicit proposals from each of the 9 Economic Development Regions outside of New York City (which received direct EECBG funding) to administer energy efficiency loans directly or re-grant the funds to the NYSERDA administered energy financing program.

**OUTREACH- Susan Moyer, Director- Outreach and Marketing**

Twenty-four proposals were received in response to RFP 2038. While some Constituency Based Organizations (CBOs) were pre-qualified prior to submitting proposals, many were not and the past two weeks were spent qualifying proposers.  Two Technical Evaluation Panels (TEPs) are scheduled for 3/30 (upstate) and 4/6 (downstate). TEP recommendations will then be submitted to senior management for approval.

A question was asked regarding what would happen if only one proposal was submitted for a given region. In that case, the TEP will assess the merit of the proposal based on the evaluation criteria, and if the proposal is not found to be fundable, the solicitation will be re-issued.

Frank Murray stated that NYSERDA takes solicitation deadlines very seriously. In the New York City Region, four CBOs missed the proposal deadline and had to be denied. Nine other proposals were received for the New York City region.

**Comment:** Rick Cherry wanted to go on record saying that there should be some leeway given for missing the deadline, and that it would have been helpful if proposals could be submitted to the New York City office.

Frank Murray indicated that NYSERDA is looking into making it possible to submit applications to the New York City office.

NYSERDA is finalizing a contract with the Training and Implementation Contractor selected by the Technical Evaluation Panel.  Early action steps are to develop systems to assist with the CBO Outreach Program and the CBO training curriculum.

**ONE-To FOUR-FAMILY HOMES- Bryan Henderson, Project Manager- Building Performance**

The roll-out of GJGNY in the Residential 1-4 family homes sector has promising early numbers. In January the Home Performance with Energy Star Program completed 800 retrofits, an all time record for the program. In February 600 retrofits were completed, an all-time record for that month. Since the beginning of GJGNY free and reduced cost audits in November, 4,141 applications have been received. Of those 3,294 audits were free and 297 were reduced-cost. 40% of audits completed have resulted in projects, which is better than expected. Traditionally, contractors have estimated that 30% of audits have resulted in projects. At the end of February 420 applications for GJGNY low-cost financing were received. 96 of those loans have been closed, 87 approved and awaiting closing, and 237 being processed. This represents $3.3 million in capital.

NYSERDA is currently evaluating what factors led to the record-breaking production in January/February, but believes a number of factors contributed to this including: the fear of the loss of federal tax credits; home performance projects that previously only took advantage of utility rebates or contractor discounts instead of NYSERDA incentives now coming through NYSEDRA’s program for audits or financing; and increased program marketing.

NYSERDA does not believe the upcoming implementation of a new Savings to Investment Ratio (SIR) requirement contributed to the increased production as the average project SIR actually increased during this period.

**MAPPING OF NYSERDA RESIDENTIAL PROJECTS- Chris Coll, Associate Operations Liaison- Residential Energy Services**

Chris Coll informed the Advisory Council that NYSERDA is undertaking a geo-coding initiative to map GJGNY audits and financing data beginning with the residential sector, and to eventually include the small business/not-for-profit sector. A brief demonstration was provided.

The tool can be used to create maps at the neighborhood or community level. Google Earth or street maps can then be overlaid onto the GIS map to look at what has been done in a particular area, which will be particularly useful for the CBO initiative to see where the program has traditionally not reached, and the impact the outreach from each CBO has had. NYSERDA commented that Census data can also be used to demonstrate population density.

**Question**: What can be inferred from the Erie County map; does the map show audits correlated to population density?

**Response:** The maps will be useful in helping NYSERDA target their marketing efforts, however the maps are still being developed and have not been utilized in this way yet. The population centers are where most of the work is taking place and is reflected in the maps. The maps can be used for analyzing a number of different perspectives and then used to target training and outreach. For example, 80% of the GJGNY work is being done by 20% of the qualified contractors, those who have been most successful in marketing the program. Looking at the maps can show the location of contractors who have been most successful in the program. NYSERDA can also overlay current contactors on this map to see where there are not enough contractors or a lot of contactors but very little work.

NYSERDA is working with DEC to get a better representation of environmental justice communities and an understanding of why a community is identified as such. For instance, one of the identified environmental justice communities is in the North Country, in a mountainous area with very few households in some parts of the region. NYSERDA is not sure why it is designated as an environmental justice community. The mapping tool will help NYSERDA to determine if the program is adequately reaching this population. NYSERDA is particularly hopeful that once the CBOs are on board, after a reasonable amount of time, they will be able to help judge whether the delivery mechanism is effectuating the planned results for the targeted communities.

Anne Reynolds, DEC, commented that she believed that environmental justice areas are actually called potential environmental justice areas.

**Question:** Is there an overlap between environmental justice communities and disadvantaged areas or are they actually the same thing?

**Response:** These two terms do not necessarily refer to the same thing and other issues in an area need to be taken into account. It is being left to the CBOs to identify what they consider to be disadvantaged communities. In their proposals they have been asked to identify the communities they will be targeting and why. A community could be considered disadvantaged even if it does not appear on the environmental justice map. The two areas may overlap in some cases, but in others may not.

**Comment:** An Advisory Council Member commented that NYSERDA may want to join forces with the Environmental Justice Interagency Task Force which is working on GIS mapping.

**Question:** Is the raw data used for the mapping available to Advisory Council members?

**Response:** The geo-coding is based on addresses. NYSERDA cannot release this kind of private information due to the Public Officers Law. Some of the raw data could be provided but the names and addresses would somehow need to be unlinked. Zip code data could be available.

**Comment**: Eric Walker commented that he was interested in ground level date because in Buffalo, neighborhood boundaries don’t necessarily correlate with ZIP code boundaries.

**Response:** NYSERDA will look at the data and figure out what could be made available.

**Question:** Will there be a similar effort to track emission reductions which would be especially valuable in the context of environmental justice communities?

**Response:** It is possible, however NYSERDA needs to prioritize projects based on available resources. NYSERDA will start thinking about how to best use this form of data representation. There will be more updates on this effort at the next Advisory Council meeting in June. If anybody has any thoughts on what they would like to see represented in this format please notify NYSERDA.

**SMALL BUSINESS/ NOT-FOR-PROFIT- Marilyn Dare, Project Manager**

Audits for the Small Business/Not-For-Profit sector are being delivered through NYSERDA’s Flex Tech energy audit Program and were made available January 27th , 2011 to all small businesses and not-for-profits with less than 100 KW demand. In order to qualify for GJGNY financing NYSERDA will also accept audits conducted by utilities and the private sector as long as they meet NYSERDA’s standards. The GJGNY funds are being augmented with DOE’s Energy Efficiency Conservation Block Grant (EECBG) so that NYSERDA may offer free audits to businesses that have 10 to 100 employees. NYSERDA wants to build capacity to handle the expected demand that will be generated from offering free audits. The four firms doing Flex Tech Energy Audits for NYSERDA are already very busy. NYSERDA’s commercial/ industrial Market Transformation Program has a network of Business Partners in both lighting and HVAC, and NYSERDA will work with them to add the audit function to their business model so they may provide technology specific audits. Technology specific audits should be launched in the second half of 2011. In addition to energy audits, there will also be a revolving loan fund component, and a supporting expeditor function.

The Small Business/Not-For-Profit revolving loan program is expected to launch in the second quarter of 2011. The approach anticipated is for loans to be originated statewide and for lenders to share the loan principal in a participation agreement. NYSERDA will pay 50% of the loan principal, up to a maximum of $26,000, and the lender would service the entire loan. The lender could decide to finance a loan that exceeds $52,000, but NYSERDA cost-share would cap out at $26,000. The GJGNY interest rate will be 0.0% and the lender portion at market-rate, resulting in a below market interest rate for the customer. The loan amount will be net of any available incentives. For example, if a project is $30,000 and $10,000 is available via incentives, the remaining $20,000 would be split $10,000 for the GJGNY portion and $10,000 for the lender portion. The expeditor function will help the consumer understand the audit recommendations, identify the most cost effective options and any available incentives, and assist in obtaining financing. It will be launched in the second quarter of 2011

**Question:** Is a copy of the loan agreement that the consumer will be required to sign in order to obtain financing available?

**Response:** The lender is going to use whatever form of agreement they normally use when providing a loan to a business. NYSERDA will not be dictating any of the terms of this agreement. The advantage of this approach is that it allows lenders to make structured loans in whatever format they choose, either on a secured or unsecured basis. NYSERDA does not have those forms of agreement now, and will see them only when the program is operating.

**MULTIFAMILY- Michael Colgrove, Director- NYSERDA’s New York City Office**

Multifamily projects receiving GJGNY audits come through NYSERDA’s Multifamily Performance Program (MPP). The audit is conducted by one of NYSERDA’s MPP Partners There are currently 48 multifamily projects that have had or are currently receiving audits through MPP with GJGNY funding. Approximately $800,000 has been encumbered or set-aside for those audits. Projects are given the option of continuing on through MPP and receiving incentives or leaving the program completely. Either way they are still eligible for GJGNY financing. If a project continues under MPP and receives incentives on its eligible scope of measures the financing would be limited to the balance of the cost of those measures after you subtract out the program’s other incentives.

It is anticipated that NYSERDA will launch the MPP financing in the next 2 to 3 weeks. The financing for the multifamily sector is essentially the same as the financing described for the small business and not-for-profit sector. It will use private lending institutions, NYSERDA will provide half of the principal on the loan, and the loan will be established at whatever rates and structures are appropriate for both the lender and the borrower. The terms of NYSERDA’s principal will be 0.0% and the lender will act as the servicer on NYSERDA’s behalf. Through feedback from partners in the network and potential customers, MPP knows that financing has been a missing component of the program and that it will most likely increase program participation.

 If the customer does not stay in MPP they can still get the loan. GJGNY also enables the customer to get an audit through MPP and if the customer decides to not pursue the 15% reduction target under MPP, the customer could use utility incentives and GJGNY financing on the balance of the scope. The financing tool opens up a lot of the options for MPP. The audit and financing is also available to any customer on Long Island or in any of the municipalities in upstate New York who had been ineligible for participating in MPP.

**Question:** Is there a specific amount of money that NYSERDA is targeting to be included in the 0.0% interest part of the loan?

**Response:** Approximately $10 million in financing is available for the multifamily sector alone, which equates to $20 million worth of work. Since it is a revolving loan each payment made to the servicers is paid back to NYSERDA, and may be re-lent. $15 million is available to the small business and not-for-profit sector and $26 million for the small residential sector.

**Question:** Can NYSERDA verify that they really may not dictate the terms of the loan?

**Response:** There are no other parameters than having a work scope identified by an energy reduction plan by a MPP Partner and having a scope of work with an SIR of 1 or greater. The lender makes the underlying decision and is the one evaluating the credit worthiness of the borrower. The only stipulation is that the loan must be used for the eligible measures that meet NYSERDA’s criteria.

**Question:** When making the underwriting decision, does the lender looks at just their portion of the loan or NYSERDA’s as well?

**Response:** NYSERDA is not sure, but assumes that the lender is looking at their share only. If the loan goes into default NYSERDA and the lender are sharing pro rata, which will help a modest amount from a coverage ratio, since the lender is using half NYSERDA money.

**Question:** Is there a cost to NYSERDA and is the lender paid for the administration of the loan?

**Response:** There is a cost to NYSERDA because the master loan servicer tracks repayments to NYSERDA from the lenders if and when they collect from the borrower. If the borrower is delinquent NYSERDA also does not collect any repayment since they are sharing on a pro rata basis. There is a nominal amount of cost, which will ultimately be born from the loan fund, since NYSERDA is offering their money at no cost to the lender. The lender’s costs would be recouped by their loan’s interest rate.

**Question:** Who receives a free audit in the multifamily sector?

**Response:** There is no free audit under MPP. GJGNY essentially pays payment 1 under MPP, an incentive of $2,500 up to $10,000 depending on the market status and size of the building.

**Question:** Can the financing be used by an owner for weatherization or to pay for “boundary measures”?

**Response:** It is a matter of looking at the balance and determining what the owners match would be. In that case NYSERDA would need an agreement with the sub-grantee in terms of what the weatherization portion of the scope is. NYSERDA’s portion of the ultimate loan would have to fit the program requirements and is what NYSERDA would provide the 0.0% principal on. One of the reasons NYSERDA chose this financing option is so the customer could combine financing with a larger work scope.

**Question:** Is the Electric Reduction in Master-Metered (ERMM) Buildings Program considered part of the Multifamily Performance Program and therefore eligible?

**Response:** The ERMM Program provides support for sub-metering of currently master-metered market-rate buildings. If the scope is deemed to pass the SIR test the customer could use that program and the financing as long as they have an audit done.

**Question:** There is GJGNY money, non-RGGI dollars, NYSERDA EEPS funds, and utility EEPS funds to support multifamily projects, has there been any thought given to combining funds to achieve all the possible savings in a single project? If there are certain projects that are eligible under a certain product, but you can only get so far with that, then maybe for example, Con Edison can contribute some funds as well. Have those discussions happened and how is it being dealt with?

**Response:** Yes, a lot of thought has gone into figuring out how best to maximize the opportunity to the building owner. Ultimately it is up to the building owners, to the degree that they want to take advantage of this. NYSERDA has done everything within its ability, within Commission Order and RGGI requirements, to make available to every building owner funding that can support as much work as the building owner wants to do in their projects. Of course each funding source has limitations, some more so than others. With the combination of EEPS funding that is available, the GJGNY audit funding, the GJGNY financing funding, as well as the non-GJGNY RGGI funding, and some of the remaining SBC III money that NYSERDA is still able to tap into, NYSERDA has done everything possible to try to maximize the opportunities for building owners.

Frank Murray commented that this is a real challenge. Recently, NYSERDA’s Management approved funding for the Home Performance with ENERGY STAR Program. This funding was a result of eight different funding sources requiring eight sets of reports. It has gotten extremely complicated as all of the administrators are beginning to realize.

**WORKFORCE DEVELOPMENT- Adele Ferranti, Program Manager- Market and Community Support**

NYSERDA has been working very carefully to roll-out an aggressive workforce development training program over the past couple of years, starting with the $6.8 million budget available under EEPS, with the majority of training programs starting last year. Contracts and initiatives are approved for over half of those dollars. GJGNY training was designed to compliment EEPS programs and fill in gaps not addressed under EEPS.

Workforce development under GJGNY has a budget of $8 million, about half of which is committed or underway. Initiatives include career pathways, basic skills, on-the-job, on-line, and train-the-trainer training programs. GJGNY has funding for solar thermal training. We are working with four new partners and all 4 contracts are just underway. Other new initiatives include the development of small commercial energy audit training (with 2 contracts under negotiation) as well as a new oil heat training contract. Two large solicitations are coming out very soon which will represent the other half of the GJGNY funding. Additional activities and highlights include:

* Major grant application with the New York State Department of Labor (NYSDOL), (discussed below);
* Collaborating with PACE on a curriculum inventory assessment that will identify gaps in curriculum and lead to curriculum updates;
* Working with NYSDOL on their market assessment work;
* An agreement signed with the Building Performance Institute to implement 5 contractor exchange workshops. These are for the business side; helping contractors grow their business, including learning better sales and marketing. The first of these contractor exchange workshops is expected to be in June in Albany. Finalizing the schedule of 5 sessions across the state based on contractor feedback;
* PON 1816 is first-come, first-served and allows NYSERDA to enter into relatively quick training partnership agreements with entities. NYSERDA now has 6 new agreements funded by GJGNY under PON 1816. Some agreements include the Outsource Center, CEC Styvesent Cove/ Solar-1, Northern Manhattan Improvement Corporation, Finger Lakes BOCES, Syracuse University, and Mason Tenders;
* Finalizing a $2.6 million on-the-job training/apprenticeship solicitation, which will target gaps in this area. The solicitation will be issued soon;
* A new solicitation is being worked on and due to come out soon which will help establish new certifications, new opportunities for field examinations, and technical hands-on workshops;
* Reviewing five applications for pressure houses, otherwise known as simulation houses. There may be more proposals than available funds. The TEP will review those proposals over the next couple of weeks. These simulation houses should increase the opportunity for more field testing and field training across the state. About a year ago, NYSERDA helped secure funding from DHCR to build pressure houses in conjunction with NYSERDA’s CEEBs Centers. Together, CEEBs and GJGNY could have between 10 to 12 new testing houses across the state in the next year;
* Working with North American Board of Certified Energy Practitioners (NABCEP) to develop new entry level solar thermal certifications, and company accreditation for renewable energy companies (like how BPI has accreditation for energy efficiency companies);
* The week of March 8th was the 4th Clean Energy Workforce Training Conference. There were over 450 attendees from 30 different states and several different countries, 90 different papers and sessions, and hundreds of people took one of the 6 or 8 training sessions the day before the conference. Participants completed trainings for CEUs and introductions to PV, geothermal, and bio-mimicry. Etc.;
* The Interstate Renewable Energy Council (IREC) is looking at ways to accredit energy efficiency training. Training providers are emerging all over, sometimes in competition with NYSERDA’s training providers, who have gone through a lot of effort to develop quality training programs.

**GREEN JOBS INNOVATION FUND PROPOSAL- Tony Joseph, New York State Department of Labor (NYSDOL)**

At the end of February the USDOL released a $40 million solicitation called the Green Jobs Innovation Fund to fund 5-8 applications nationwide, of $5 to $8 million each. The grant application is due March 29th and New York will apply for $8 million. The solicitation favors applications that address six communities and green career pathways, with heavy emphasis on the basic skills, foundational skills, apprenticeship training and certifications.  It also allows funding to be used for On-the-job-training and incumbent worker training.

The Green Jobs Innovation Funding solicitation aligns well with the on-going collaborative efforts of several New York agencies to address the workforce needs of the building performance industry, and in particular with the GJGNY Workforce Development Operating Plan.  The proposal recognizes that agencies funding sources have varying restrictions which leaves gaps in addressing workforce needs.  Therefore, the proposal leverages existing resources to optimize use of the grant funds to fill these gaps.  The proposal also strengthens the connection between clean energy workforce programs and the State Workforce Investment Board.

At the strategic level, the proposal is founded on a regional industry cluster (or sector) strategy to serve a community in each of the State’s 10 Labor Market Regions, recognizing that green jobs (industries) and commutation patterns (workers) cluster on a regional basis.  In addition, the proposal supports the State Workforce Investment Board, State Energy Sector Partnership (SESP) subcommittee.  This also aligns with the Governor’s agenda for Regional Economic Development Councils (REDC).  The criterion in defining communities is much of the same as in GJGNY, such as the location of a CEEBs and outreach funding.

NYSDOL, from a statewide perspective, is the only agency that is eligible to apply for the grant. The grant also requires invested partners, and they are: NYSERDA, Empire State Development Corporation (ESDC), Housing and Community Renewal, and Office of Temporary Assistance and Disability.  In particular, NYSDOL has been working very closely with NYSERDA on the proposal.  Additionally, NYSERDA’s Home Performance Contractors are a target customer group, as are individuals (workers) identified through GJGNY outreach efforts.

**Question:**  Are the ten REDC regions the same as the ten common regions used by the ESDC; NYSDOL and NYSED?

**Response:** Not clear at this time.  However, for current operating purposes we are using the ten common regions defined by ESDC, NYSDOL and SED.

**MONTHLY UPDATES- Karen Villeneuve, Director –Residential Energy Services**

Each month the members of the Advisory Council are sent an update on GJGNY progress. NYSERDA asked the Advisory Council for feedback on the format and content these reports.

Suggestions made were:

* Monthly reports do not need to be more comprehensive because that is accomplished in the more comprehensive quarterly meetings.
* More hyperlinked information (to websites) and/ or attachments if there is an issue that needs more detail, that way people can choose how much to read based on their own needs and time.
* An emphasis was made on the importance of tables and including more tables rather than narrative.
* Include a table showing, as of the current reporting period, how many audits are coming in and how many projects have been finalized.
* Include a table showing the total number of loans and a breakdown of how many were assisted and how many were market-rate.
* Show the average size of the loans being given.

**PUBLIC COMMENT:**

No Public input was given.

**NEXT STEPS:**

The next Advisory Council meeting is scheduled for Wednesday June 15th at 1pm.