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Energy efficiency gets a \$6.5 million boost

by Bruce Edwards

MIDDLEBURY — Susan and Alan Shashok say they hope to set an example, encouraging homeowners to make their homes more energy efficient. The Middlebury couple were among the first homeowners to take advantage of a new \$2 million loan program through NeighborWorks of Western Vermont.

Last year, the Legislature authorized \$6.5 million to encourage statewide residential energy-efficiency projects through the Vermont Clean Energy Loan Fund.

NeighborWorks was allocated \$2 million from the state treasurer's office to expand its energy-efficiency loan program statewide.

Following an energy audit, the Shashoks added insulation in the basement and the attic of their 34-year-old modular home. They also added a solar net-metering system, which allows them to sell excess power back to Green Mountain Power for a credit on their utility bill.

"For us, it was good time to bundle those two things together and just take it all on at once," Susan Shashok said Wednesday.

She said the payback on the solar net-metering system is about 10 years; five years on the insulation. Total cost of both projects was \$34,000. The Vermont Clean Energy Fund is restricted to energy-efficiency loans such as insulation. A different loan program was used to pay for the solar project. Shashok said NeighborWorks provided support throughout the project.

"They also, as part of that, gave us two guys, who are project managers, so they're making sure everything is going well, making sure we've got all the support we need at the same time," she said, "and work very closely with the contractors to look out for our interests."

NeighborWorks was already making low-interest loans to homeowners to make energy improvements through a 2011 grant from the Department of Energy. The program has helped 800 Rutland County homeowners make their homes more energy efficient. Previously, the program was only available to residents of Addison, Bennington and Rutland counties. But it is now available statewide.

Ludy Biddle, NeighborWorks executive director, said the existing Department of Energy program was running low on funds.

"The new capital was important from the (state) treasurer so we could continue to issue new loans," Biddle said.

To obtain a loan, she said a homeowner first goes through Efficiency Vermont to obtain approval for their project. The maximum unsecured loan is \$15,000 for up to 10 years. She said the interest rate can vary but is currently 4.99 percent. A project that costs more than \$15,000 can be funded through a second secured loan. She said homeowners who button up their homes see a significant return on their investment.

"The average household is saving 386 gallons of fuel oil a year and at current prices that's \$1,400 to \$1,500 a year," Biddle said.

Those who invest in energy-efficiency measures are "almost immediately saving on a monthly basis," she said.

The \$6.5 million Vermont Clean Energy Loan Fund is administered by the state treasurer's office. Act 87, which established the fund, authorizes the treasurer to draw from the pool of operating funds the office maintains to meet the state's cash obligations. All loans are to be repaid to the state with interest.

"I am pleased we were able to create a cost-effective pathway to finance clean energy and energy-efficiency projects at no risk to the taxpayer," State Treasurer Beth Pearce said in announcing the launch of the program. "Commercial and residential groups may cost-effectively access the capital they need to finance projects important to the clean and efficient use of energy in Vermont."

The Vermont Housing Finance Agency received \$2.8 million for a 10-year loan to finance energy-efficiency improvements, including 36 energy-efficient housing units under construction for senior citizens in Shelburne. VHFA will also update 75 senior housing units this summer at the Bardwell House in Rutland. In addition, the state guaranteed \$15.4 million in VHFA bonds, which will fund energy and other capital improvements to Rail City in St. Albans and Richmond Terrace in Richmond.

The treasurer's office is working with additional partners to disburse the remaining \$1.7 million in the Vermont Clean Energy Loan Fund.