# Empowering People to Save Energy
# Meet Minnesota's ESME: Energy Savings Made Easy

## Project Introduction

In alignment with the national directive of "Recovery through Retrofit," public and private sector leaders in the cities of Minneapolis and Saint Paul (the Cities) have created an unprecedented community-wide partnership to launch an ongoing, comprehensive, personalized, one-stop shop for energy saving services. **Energy Savings Made Easy (ESME)**, removes barriers to building retrofit information with Community Energy Service (CES), financing through the Energy Bank, and access to skilled workers while engaging individuals and entire communities in sustainable and continuously improved energy reduction efforts. Rather than offering passive "one size fits all" programs, ESME will reach out to engage customer participation. This "lean forward" marketing approach extends to property owners in their neighborhoods with individualized customer service; meeting each one wherever they are in the process and helping them improve their ability to save energy in their home every day with specific data and information, custom financial assistance to meet their situational needs and follow-up support to ensure success. Designed for scalability, ESME will make significant impact in our mass metropolitan area by bringing together energy conservation programs under a single management structure. This will allow customers to enter the energy saving process through one door and find all of their opportunities and answers through personalized assistance to increase their individual success and maximize the value of their energy saving return. ESME will target several major commercial corridors in Minneapolis and Saint Paul and their adjacent neighborhoods, representing a broad cross section of buildings, uses, incomes and ownership structures. Led by a collaboration of experienced civic, utility, non-profit and business leaders, ESME has already passed a pilot testing period to positive participant reviews. By integrating our foundation of strong existing programs and testing, ESME is ready for immediate full-scale implementation with critical initial U.S. Department of Energy (DOE) support. The project will achieve reduced energy consumption in 50% of ALL buildings (100,000) in Minneapolis and Saint Paul within ten years (30,000 buildings and nearly 1,300 jobs within the first three years alone). More importantly, energy users in every segment of our communities will be committed to continuous energy savings improvement; a standard and program of excellence we hope will be replicated across the region and nation for decades to come.

## Specific Project Objectives:

### 1. Breakdown All Barriers to Retrofit Information: ESME's One Stop Energy Shop

The Cities are fortunate to have a strong base of industry leading energy conservation programs and competent service providers with long track records of nationally recognized exceptional performance. Unfortunately it can be difficult and overwhelming for customers to sift through a multitude of energy saving offerings from several different vendors and evaluate the best option for their property from both a building and financing perspective. ESME takes away the intimidating barrier of research, by encompassing all of these retrofit opportunities under a single, easy to use resource, complete with a personal guide who walks customers through the energy conservation process, thus maximizing successful results for both the user and provider. This type of positive experience and outcome is key to ensuring long-term sustainability of energy conservation efforts.

### 2. Breakdown All Barriers to Retrofit Financing Assistance: ESME's Energy Bank

Similar in theory to ESME's One Stop Energy Shop, the Energy Bank unifies a variety of existing and new financing options under one roof. With the help of an energy financing specialist, each participant will be evaluated and matched with the appropriate financing according to their circumstances and needs.

Ensuring that customers realize energy cost savings in excess of the annual cost of loan repayments is a major feature emphasized in marketing ESME's Energy Bank.

**3. Breakdown All Barriers to Accessing Skilled Workers: ESME's Customer-Workforce Connection**

Once customers have walked through the process of energy saving evaluation, determination of solutions and finances, ESME provides contact information for skilled workers. ESME is immediately ready to employ the green workforce by creating 1,300 jobs within three years, putting to work both experienced workers who have recently upgraded their skills and recently trained new workers from communities impacted by economic downturn. Incumbent and new workers will continue to be trained through trade and community training programs as demand increases.

**4. Achieving Unprecedented Participation and Energy Savings: ESME Creates an Energy Saving Culture in Minnesota and Beyond**

With substantial monitoring, verification and labeling standards in place, reports will show ESME achieving 50% participation in ALL buildings in Minneapolis and Saint Paul within ten years (30,000 residential, small and large commercial and government buildings within three years). ESME will reach this unprecedented goal by removing the above barriers and working side-by-side with participants to ensure the best possible energy saving experience and results. More importantly, ESME will instill a return path of energy conscious consumers like never before, generating additional exponential success based on a cultural transformation of energy conservation as the social norm.

## Merit Review Criteria

## Criterion 1: Leveraging & Sustainability

**1.1 Leverage.** ESME will leverage DOE's funds by at least 6:1 with funds designated for energy retrofit work. ESME's innovative Energy Bank plan will attract additional private investment and customers based on its ease of use, strong branding and flexibility. ESME's Energy Bank and the ESME model of systematically marketing and delivering one-stop energy efficiency services to residents and workers in targeted neighborhoods will ensure program viability beyond the grant period.

**Table 1: Ratio of Program Budget to Grant Funds**

| Program Area | ESME-Grant Request (in millions) | Funding Other Sources (in millions) | | |
|---|---|---|---|---|
| | | State | Other | |
| Residential and small commercial | $22.90 | $25.30 | $125.32 | Ratio Program Budget to Grant Funds 6.5:1 |
| Large Commercial, Workforce and Misc. | $11.26 | $0.00 | $92.68 | |
| Administration as per form 424 | $3.46 | | | |
| Totals | $37.62 | | $243.30 | |

As per the table above, the Cities have already successfully attracted $243 million in secured and pending funding for energy retrofit work and workforce training over the next three years. Plus, we believe there is significantly more leverage available from the private and nonprofit sectors, especially through market rate and social return investments in retrofit financing. By attracting investment for this purpose, we will address one significant barrier to retrofit work -- access to and availability of simple, affordable financing. With DOE support, we will create ESME's **Energy Bank,** an umbrella structure to market a variety of streamlined financing options. Minnesota has many excellent programs that offer loans, deferred loans, rebates, grants and other incentives, designed to meet differing needs. Currently, they are disjointed and insufficiently capitalized to meet anticipated demand. These proven programs, together with new programs, offered through ESME's Energy Bank, will be managed by the City of Minneapolis and supported through the sub-recipients and other lending partners. Through our "one-stop" programs, a customer relations coordinator will work one-on-one with each customer to determine the loan or program best suited to the customer's individual retrofit needs, in a manner similar to a traditional residential or commercial loan officer's role of advising a customer on the best mortgage or loan product. The Energy Bank offers the flexibility to create new investment vehicles to leverage DOE's investment with new private capital, enabling whole neighborhood retrofits that achieve critical mass and economy of scale while accommodating various property owners with different needs.

Additionally, the partners can introduce new investment vehicles and customer products through ESME's innovative and flexible Energy Bank. For example, with new EECBG funds, the Cities are establishing a new Commercial/Industrial Energy Efficiency Revenue Bond Program, EERB, based on the successful performance of the Common Bond Fund, funded and managed by the City of Minneapolis and Hennepin County to support industrial development. While large energy efficiency projects secured by an interest in the improved property can be funded through the Common Bond Fund today, the new bond fund will be structured as a pool of smaller loans, with each loan financing a specific energy efficiency project and the revenue from loan repayments pledged to the bondholders. Targeted investment vehicles such as this will generate significantly greater leverage opportunities. A second example is a short term, 0% loan, designed to capture homeowners with the means to pay for retrofit work, but not in readily available cash.

As indicated in the program budget, DOE funding will be used for two primary financing purposes: to establish a loan loss reserve for the new EERB bond fund; and to expand and buy down the interest rate on residential and small commercial revolving loan programs. ESME requires DOE funds for the bond reserve to establish the market for private investment in the new, pooled loan energy efficiency bonds, which currently does not exist. Once established, the EERB will fund projects in perpetuity, based on bond repayments from energy savings revenue. Authorizing legislation has been drafted by the Cities' bond counsel and submitted for introduction in January 2010 by our legislative director. The Cities are confident that the requested expansion of existing bonding authority will be approved. Bond underwriting counsel is confident that a market for investment in the bonds exists, provided the bond fund is bolstered by a DOE-funded loan loss reserve.

The second use of DOE funds will expand residential and small commercial financing programs. Current offerings range from programs requiring no customer co-payment such as DOE's Weatherization Assistance Program, to deferred loans offered through city-funded neighborhood programs administered by Center for Energy and Environment (CEE – www.mncee.org), to low interest loans offered by Minnesota Housing Finance Agency (MHFA), the Cities, the State Office of Energy Security (OES), CEE, Neighborhood Energy Connection (NEC – www.thenec.org), community banks, and others. These programs need to be scaled up and jointly marketed under ESME's Energy Bank brand in order to achieve large-scale participation and energy savings.

**1.2 Sustainable Market Transformations.** ESME's overarching strength is its program delivery model that will get significant results and have broad application in Minnesota, throughout the Midwest and across the nation. DOE funding will build upon over two years of workforce training and a residential pilot currently underway. This model, combined with Minnesota's strong base of financing programs and enhanced by new DOE-funded offerings will achieve high levels of market penetration in targeted communities for real impact, results and greater retrofit savings beyond those typical of current conservation programs in targeted geographic areas.

ESME is funded through a mix of customer co-payment and investment, DOE and other government and non-profit incentives, utility incentives and easy to use financing. Once established, the revolving loan funds continue in perpetuity. Incentives offered through ESME, including the subsidized workshop and home visit, will over time pay for themselves. As program delivery continually becomes more efficient, program credibility will be established, costs will decrease, allowing the Cities to replace EECBG funds with higher customer co-payments.

In detail, DOE's investment will live on as ESME sponsors undertake a number of initiatives to ensure the program's sustainability:

- Core energy conservation programs are already funded through utility conservation programs. Minnesota Statute requires utilities to achieve savings equal to 1.5% of annual sales. While this project is designed to accelerate the penetration of cost effective energy efficiency, the methods and concepts implemented with this effort should provide utilities with the data they need to adopt additional measures/strategies into their energy efficiency portfolios.
- Imposition of building disclosure standards similar to ENERGY STAR will create an incentive for building owners to retrofit buildings prior to sale or tenant occupancy.
- For the residential sector, DOE will be investing in a model of program delivery on a scale never attained in Minnesota or elsewhere. As consumer confidence in the residential program increases, a lower level of incentives will be required to induce action, particularly as social marketing techniques are emphasized over strictly economics-based marketing.
- The ESME model is intended to establish clear, predictable benefits—in turn this will provide a baseline for higher levels of participant financial contribution and stimulate creation of additional financing alternatives.

The applicant and sub-recipients are experienced lenders and energy retrofit leaders with extensive ties to the investment and lending community. Our energy nonprofit partners, CEE and NEC, have been engaged in designing and delivering effective, practical conservation programs for almost 30 years. The Cities, the State, and their partners have demonstrated their commitment to creating a comprehensive set of energy efficiency financing tools by dedicating resources that range from utility rebates, to Formula EECBG and State Energy Program (SEP) funding, to City-backed bond and loan programs. The State dedicated $5 million of its ARRA funding to establish the Saint Paul Port Authority's Trillion BTU program to finance major retrofits in the stalled commercial/industrial sector. The program is designed to reduce energy consumption by one trillion BTU's annually by investing in energy conservation improvements with a payback period of one to five years for large commercial and industrial energy users. The two cities dedicated the maximum possible Formula EECBG dollars to establish a small business energy efficiency revolving loan fund to support the commercial corridor program described in Criterion 3, and to support the residential Community Energy Services (CES), created by our energy nonprofit and utility partners, also described below. These investments, long history, broad community commitment, and the ESME verified program will ensure that DOE's investment continues to grow, well beyond the three year term of the program. The market for investment in energy retrofit work will have been established and will continue to attract new, private investment in flexible and targeted financial tools.

## Criterion 2: Project Impact

**2.1 Economies of Scale, Critical Mass, and Risk Mitigation.** Implementation of ESME is targeted at carefully selected neighborhoods and commercial corridors, specifically to achieve economies of scale and critical mass. The goal is to achieve an unprecedented 50% participation in retrofit work in these targeted areas by:

- Turning the consumer engagement model on its head by **proactively** recruiting entire communities (residential and small commercial) into the process, rather than passively responding to those self-selecting individuals who respond to mail inserts or other general marketing messages. ESME relies on grass-roots local, personal marketing by neighborhood and small business organizations, as well as trained community organizers within CEE and NEC.
- Effectively using community organizing to draw neighborhood residents to the energy workshop, where foundational knowledge and information can be shared effectively in groups of tens or hundreds of residents by experienced, professional presenters. This approach also ensures message consistency and quality. Effective workshops and the incentives offered therein immediately engage residents in active retrofit work and ensure that each and every interaction with the customer saves energy.
- Minimizing residential and small commercial transaction costs because research on homes and small commercial buildings is done through "bundled" pre-visit work; home and business visits are scheduled geographically to minimize wasted travel time between distant locations; and the audit component is combined with the recommendation of contractor and financing components, thus eliminating the redundancy of multiple visits, and ensuring that audit work does not go to waste because the customer failed to follow through on next steps.
- Drawing from a managed list of certified contractors and achieving pre-negotiated "unit pricing" to reduce costs, making energy retrofit work even more attractive to the customer.
- Focusing residential and small commercial retrofits on measures that can be implemented in high volumes, using standard techniques, thereby ensuring efficiency.
- Replicating the same program in neighborhoods throughout Minneapolis and Saint Paul for maximum efficiency, brand recognition, credibility and impact.

While ESME's goal is to engage a large fraction of the community in energy reduction, every step of the program is designed to ensure that recommended retrofit work will generate a positive cash flow and will not increase the risk of mortgage default. Relevant program elements include:

- The use of certified contractors, whose work is audited, ensuring that only high value projects will be recommended and that all work will be quality work. This protects the customer's investment.
- Customized financing options through the Energy Bank ensure that each customer's unique financing needs are met, through the most cost-effective program available, rather than offering a one-size-fits-all program, which runs the risk of creating excessive debt.
- The Energy Bank approach will compare favorably to the PACE model because the economies of scale cited above will result in lower project costs and thus lower borrowing costs. Additionally, many offerings include low or no upfront costs, rebates, or grants, depending on the individual's income level and other circumstances, again ensuring that customers are put in a position to afford recommended retrofits, but without granting across-the-board subsidies where they are not needed, thus keeping overall program costs low.
- Because ESME includes robust data collection, it will provide the DOE an opportunity to test another system against PACE and on-bill options.

ESME is ready, and in fact has begun, achieving other important objectives of ARRA and the EECBG program. Training to ensure a qualified work force to perform building retrofit work has been the focus of Minneapolis and Saint Paul's building trades' training and apprenticeship programs for many years. More recently, Federal and local funding for training has been targeted toward ramping up the weatherization and building retrofit labor pool, particularly as a pathway out of poverty for communities most affected by the economic downturn. Training programs and work force readiness were coordinated through the Green Jobs Institute, a voluntary consortium of labor and nonprofit training participants, initiated by the Mayor of Minneapolis in early 2009. Pending applications for additional federal funding for training similarly included a coordinated, regional assessment of job opportunities relative to the available, trained work force. Through these collaborations, new relationships have been forged among training providers and with those entities in a position to create job opportunities. Training-to-apprenticeship-to-work linkages have been created. There is 100% consensus within the community that the focus of recovery efforts now should be on creating jobs through the creation of demand for energy efficiency building retrofit work. ESME will create nearly 1,300 jobs in our community, leveraging the training that has already occurred, and is underway. ESME stands ready to immediately put funding to work, putting people to work and saving significant energy.

**2.2 Table 2: Quantitative Impacts**

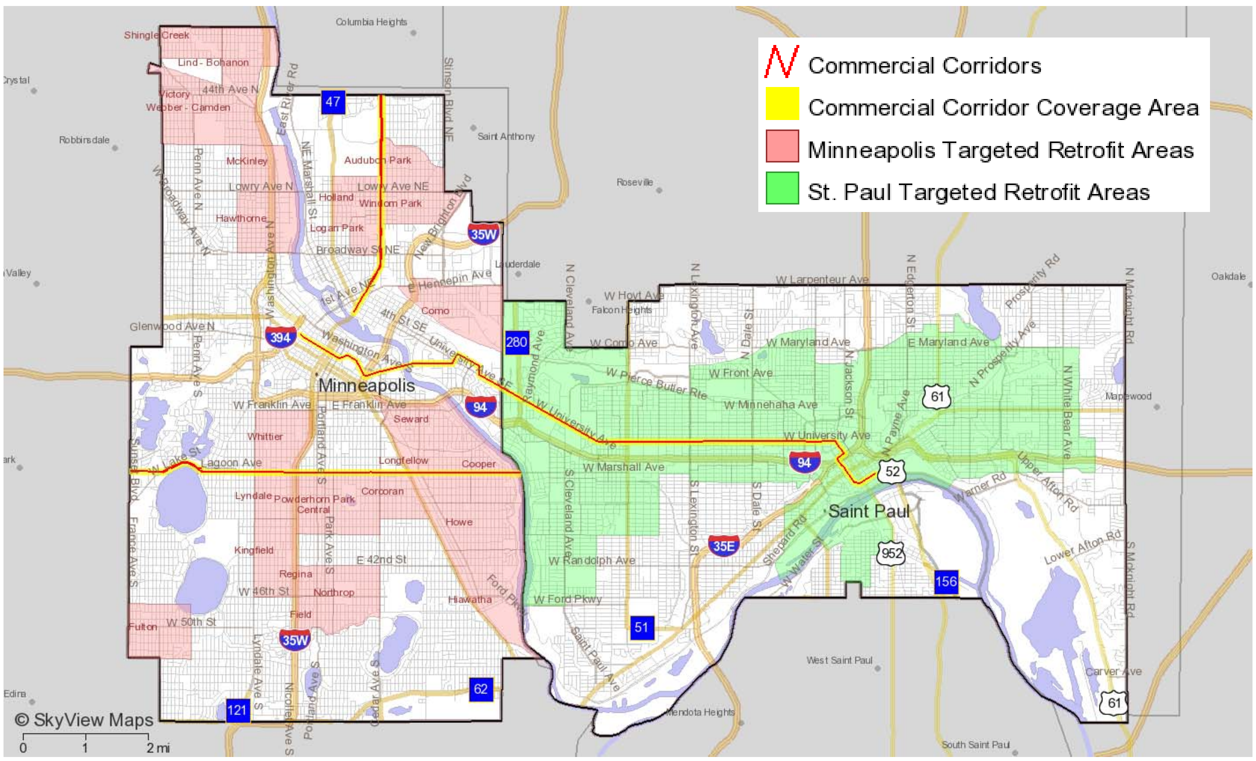
| | During Project Period | | | Post Project Period years 4 to 6 | | |
|---|---|---|---|---|---|---|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
| Electricity Energy Saved (kWh) | 34,663,310 | 39,882,350 | 45,101,390 | 37,799,100 | 33,334,993 | 34,482,906 |
| Cost Savings Electricity ($M) | $2.8 | $3.3 | $3.8 | $3.3 | $3.0 | $3.2 |
| Natural Gas Energy Saved (Dth) | 354,803 | 315,388 | 388,972 | 305,184 | 283,319 | 288,941 |
| Cost Savings Gas (millions of dollars) | $2.5 | $2.3 | $2.9 | $2.3 | $2.2 | $2.3 |
| Emissions Avoided (tons CO2) | 36,696 | 37,630 | 44,540 | 35,886 | 32,147 | 33,109 |
| No. of Buildings Retrofit | 6,282 | 10,280 | 14,280 | 10,280 | 10,280 | 10,280 |
| Job Creation | 347 | 455 | 489 | 345 | 362 | 380 |

**Reasonableness of Assumptions:** Over 95% of the buildings retrofitted are residential. The budget allocated for, and provider experience with program implementation, ensures that 30,000 homes will be retrofitted by this program. The estimates of energy savings were calculated by Xcel Energy and the CEE, based upon measured savings from thousands of Xcel and CEE residential and small commercial installations and actual large commercial and government projects in recent years.

**2.3 Replicability.** CEE is already training people in eight Minnesota cities to use this process. Many of the program building blocks are available to most cities through utility programs. The Energy Bank similarly starts with a foundation of existing programs, and then systematically adds programs to fill in the gaps to serve all segments of the community. Regardless of the number of programs, the financial counselor incorporated into the ESME model provides the critical individual attention, evaluation and recommendations in this easy access, one-stop aspect of the program.

## Criterion 3: Project Approach

**3.1 Program Strategy.** The ESME Program pulls together and builds on the strong foundation of sector-tailored programs already working in the Cities and incorporates a new strategy for proactively delivering the unified, "one-stop" services to targeted communities. Each City has identified geographic areas that present the best opportunity to reach mixed income and middle class residential neighborhoods, small community businesses, and large commercial/public structures. A map showing the targeted areas is included below. There are two program categories for implementation and monitoring: residential/small commercial and large commercial. Each program will be delivered through steps designated by our experienced utilities, non-profit partners and implementation teams to ensure achievement of targeted goals, quality assurance, sustainability and continuous improvement.




### Residential and Small Commercial Program

Building retrofit services for the residential and small commercial sectors will be delivered by CEE and NEC through the Community Energy Services (CES) residential program and the expanded One-Stop Efficiency Shop Lighting Program for small businesses. CES is a full-service residential energy efficiency program designed to help homeowners save energy and money in their homes in three ways:

- Easy no-cost behaviors, such as washing clothes in cold water
- Installation of low-cost materials, such as compact fluorescent light (CFL) bulbs, low flow showerheads, and thermostat controls
- Major retrofits, such as insulating attics and sidewalls or sealing bypasses.

There are five major components to the CES approach which, taken together, will result in engagement of a higher fraction of residents taking action for significantly reduced energy use.

1. **Community engagement in the targeted neighborhood**. The initial neighborhoods have been recruited to the CES program based on demonstrated interest in energy efficiency and capacity to engage a high fraction of the neighborhood's residents into the program. They represent a range of income levels, with a $37,000 average aggregate income (2000 U.S. Census), slightly below the city-wide averages. Once recruited, CEE and NEC work with identified community leaders and the neighborhood group to carry out program outreach. CEE and NEC recruited and conducted pilot programs with several neighborhoods beginning in September 2009. In a recent meeting with targeted neighborhoods, the pilot program leaders expressed GREAT enthusiasm for continuing the program roll out (support letter attached). The neighborhood leaders are at the heart ESME's personal customer contact success as they enlist volunteers, who, with training from CEE and NEC, recruit neighbors to scheduled energy workshops and provide marketing and communication materials and support.
2. **Workshops**. Neighborhood workshops educate participants on various no-cost behaviors they can implement immediately. CEE and NEC community outreach staff conduct the workshops, using carefully researched and tested tactics. Attendees are given the opportunity to schedule their customized home visit and receive some materials to install themselves. A $30 payment for the home visit is required. Already over 750 residents have attended a workshop. Of those, 98% signed up for the home visit.
3. **Home Visits**. Two qualified professionals conduct the home visit and present the homeowner with a pre-researched report of the home's energy use relative to the community and identify the home's unique energy needs. They conduct a blower door test, a complete audit, and help the homeowner install materials in the home (such as CFLs, programmable thermostats, door weather-stripping, low-flow showerheads, gasket seals, and pipe wrap.) Recommendations will be made for warranted major retrofits, with specific guidance on how to proceed. Additionally, Green and Healthy Homes standard of operations focusing on indoor healthy air quality and lead-poisoning prevention will be incorporated into these visits.
4. **Financing, Implementation, Follow up Services**. If major retrofits are recommended, CEE and NEC will provide the homeowner with a list of qualified contractors and arrange a personalized financing consultation with an Energy Bank financing expert to determine the best available financing program to meet the homeowner's needs. For example, eligible low-income homeowners would be referred to the Community Action Program (CAP) weatherization program to receive free retrofit work. Moderate-income residents might be referred to either the MHFA fix up program or the neighborhood loan program, to be used in conjunction with available rebates, grants and incentives. A quality control visit will be scheduled after work is completed. This step addresses two major barriers to the traditional residential audit approach, by providing easy access to qualified contractors and personalized financing options.
5. **Personalized Progress Reports**. Energy use will be accumulated for the prior 12 months in the home and tracked for 12 months after the home visit. The homeowner will receive bi-monthly reports on their progress in reducing energy in their home. The report contains a confidential comparison to neighborhood peers. Research has demonstrated that home owners can reduce their energy use by up to 15% at zero cost if they are provided with such comparisons, given clear benchmarks for their progress, and long term feedback on results. This step ensures the sustainability of the homeowner's efforts.

ESME will address the unique challenges of the residential multi-family sector with a “one-stop” program specifically for multi-family building owners, to retrofit 60 buildings per year in the target communities. Audits by multi-family energy-efficiency specialists will identify savings opportunities. Low-cost retrofits (lighting, hot water measures) will be directly installed similar to the single-family residential program. Recommendations for further retrofits by the auditors will include low-cost, high impact boiler controls and tune-ups, as well as larger retrofit opportunities. A package of retrofits will be presented to the building owner, with costs financed primarily by MHFA through the Energy Bank.

In addition to this proactive, direct neighborhood intervention, ESME will be featured in the “Neighborhood Energy Exhibition,” a traveling interactive multi-media recruiting tool. The exhibit was designed in conjunction with the Science Museum of Minnesota Physics Force and will be paired with the Community Energy Service, traveling neighborhood to neighborhood.

ESME will also work to develop ‘point-of-sale’ energy labeling. Both Minneapolis and Saint Paul have existing Truth-in-Sale-of-Housing programs, which require homeowners to pay for certified inspectors to inspect homes prior to being put on the market. These inspections will be expanded to include energy use information, or an energy label, that will become part of the Truth-in-Housing report. The labeling would be supplemented with a list of actionable options to improve the score so that new homeowners will know their energy label score and receive a clear plan for how to improve it. City assessor, utility bill and inspection information will provide the evaluation inputs for the labeling process.

The Small Commercial program will use a similar, proactive outreach strategy to at least four targeted commercial corridors in Minneapolis and Saint Paul to gain participation from a significant portion of the property owners and tenants located in the targeted areas. This program builds on one of the most successful small business lighting programs in the country, operated by CEE since 2000, called the One-Stop Efficiency Shop Lighting Program. This program has consistently achieved high savings and participation in a very hard-to-reach segment. Audits are provided at no cost to the businesses, and participating customers are guided through all stages of the process, including initial analysis, bid specification, contractor selection, quality control, and assistance with rebate and loan financing. Xcel Energy is currently funding a pilot program for expanded efficiency savings beyond lighting through this program, such as rooftop heating and cooling units.

While three commercial corridors will be targeted for ESME, the Central Corridor, running between the two cities and through the University of Minnesota is of particular note. This corridor received separate designation by the State of Minnesota as a “mass transit utility zone.” The Energy Innovation Corridor (www.energyinnovationcorridor.com) was formed to create a sustainable energy and transportation showcase featuring renewable energy, advanced energy efficiency programs, electric transportation and smart energy technologies. The intent of the effort is to showcase a variety of sustainable practices, technologies and partnerships that will improve the quality of life in the communities and refine models that can be deployed throughout the region.

**Large Commercial and Government Program**

ESME considers Large Commercial and Government Building sectors to be an affinity group, requiring a special set of tools and marketing effort. Xcel Energy and CenterPoint Energy have a suite of programs, addressing different segments within the large commercial sector, that offer assistance for assessing energy savings opportunities, and providing implementation assistance. These programs include Recommissioning, Energy Assessments, Data Center Efficiency, Process Efficiency and Energy Advisory Services, each of which address different market segments. Building Owners and Managers Associations (BOMA), the Chambers of Commerce, and the utilities understand the importance of clearly communicating ESME opportunities and have already formed a marketing committee to refine a communications strategy.

These objectives focus on creating an overarching **awareness, understanding,** and **education** of the program and the specific resources available as well as **behavior** of the customers for implementing energy efficiency in their buildings. Attention will be given to the unique needs of each business sector and directing them to the program opportunities that meet those needs. Clearly communicating options and a SINGLE POINT OF ENTRANCE for all commercial customers, will allow ESME to educate the community about existing programs, resources and services. Initial communication messages will focus on the opportunity to save money. As ESME's engagement with the customer transforms the community's mindset to a culture of energy conservation, messages will evolve to energy saving as a social norm. A central Website, social media tools, promotions/events, energy exhibition and current ESME partners' marketing strategies will all be integrated in the overall communications plan.

The State of Minnesota has its own rich history of advancing public energy conservation, investing hundreds of millions of dollars over the past two decades through its ratepayers to the Conservation Improvement Programs (CIP). Now, the State recently launched a new program called the Public Buildings Enhanced Energy Efficiency Program (PBEEEP) to target the government sector. This program provides a full range of technical services to support implementation of energy efficiency measures for both state and local government buildings (screen, investigate, implement, verify). These services are supported by an innovative financing mechanism that guarantees a positive cash-flow for the government entity while ensuring that its debt burden is not negatively impacted by investing in energy efficiency (a major barrier in the government sector). The vehicle for this is privately funded tax-exempt lease-purchase financing (treated as an operating expense for the government entity), backed up by a state fund that can be draw upon to guarantee a positive cash-flow for the government entity for any financed projects. Currently, a small amount of SEP ARRA funds have been allocated to provide further incentives for PBEEEB. When this funding runs out, these incentives would be extended with DOE funds (20% of project costs) to build further momentum for this program.

**Funding Structure**

Financing for all sectors in the ESME project will be coordinated within ESME's Energy Bank, to ensure that energy efficiency projects identified by ESME providers are implemented. The Energy Bank will be a umbrella, seamless to the participant, that unifies a variety of existing and new financing for all sectors. The financial offerings will vary for each participant according to their circumstances and needs. The goal of the financing packages for each participant will be to ensure that the customer realizes energy cost savings that exceed the annual cost of loan repayments through the lowest cost program available to them. Many of these programs apply to specific geographies or classes of customers. For example, over half of the neighborhood groups in Minneapolis offer neighborhood-specific financing programs with subsidized interest rates that can be used for single-family housing or multi-family residential energy improvements. In addition, the Cities will explore regulatory-based incentives for energy efficiency through rental license requirements and licensing fees. These regulatory measures will be designed to overcome the split incentive found in rental properties, while promoting available finance options.

**Table 3: ESME's Energy Bank:** Summary of Existing & Planned Financing and Incentive Programs

**Residential Single-Family Retrofit and New Construction**

| **Program Name (Funding Source)** | **Program offerings** | **Terms of Assistance** | **Requirements** |
|---|---|---|---|
| **CEE Home Energy Loan Program (State of MN and CEE)** | Loans for energy efficiency improvements. | **Low interest loans**:<br>Interest Rate: **5.99%**<br>Maximum Loan: **$10K**<br>Maximum Term: **5 yrs**<br>Income Limit: **None** | Borrowers must own the property and have sufficient equity in the property, a satisfactory credit history, and demonstrate the ability to repay the loan. All loans are secured with a mortgage. |
| **MN Housing Finance Agency (MHFA) Great Minnesota Fix-up Fund (State of MN and Federal Stimulus)** | Low-interest loans to borrowers that own and occupy a 1-4 unit home to make home improvements. Most home improvements are eligible. Rebates for energy efficiency improvements. | **Low interest loans**:<br>Interest Rate: **5.99%***<br>Maximum Loan: **$35K**<br>Maximum Term: **20 yrs**<br>Income Limit: **$96,500**<br>Fees: **1% origination**<br>**Rebate:**<br>35% for energy improvements<br>Maximum rebate: **$10k** | Borrowers must own the property and have sufficient equity in the property, a satisfactory credit history, and demonstrate the ability to repay the loan. All loans are secured with a mortgage. |
| **Minneapolis Neighborhood Revitalization Program (City of Minneapolis)** | Variety of home improvement financing packages. | **Deferred loans and interest subsidy grants. Each neighborhood determines the program offerings and terms.** | Requirements and qualifications vary. |
| **Minneapolis Residential Energy Efficiency Program (Formula EECBG)** | Offers participants free, low-, and no-cost energy efficiency improvements, technical assistance, and rebates for air-sealing and insulation. | **Rebate:**<br>50% of air sealing and major insulation costs<br>Maximum rebate: **$400.** | Borrowers must be a resident of a single-family owner-occupied home within a target Minneapolis neighborhood. |
| **Federal Income Tax Credit (Federal)** | Offers a tax credit to homeowners completing qualifying energy improvements. | **Valued at up to 30% of the cost of materials installed up to a maximum of $1,500.** | Materials and equipment must meet minimum standards to qualify. |
| **Energy Efficient Mortgages (varies – Federal and private)** | To pay for energy efficiency measures for homes. A number of EEM products are available in Minneapolis/St. Paul. | **Varies** | Home-energy rating required. ESME partners CEE and NEC perform these ratings. |
| **NEW Energy Loan Fund (Competitive EECBG)** | Under development – would offer a short term loan for energy efficiency improvements. | **Low interest loans**:<br>Interest Rate: **0%**<br>Maximum Loan: **$25K**<br>Maximum Term: **1 yr**<br>Income Limit: **none** | Eligible applicants must own the property, have satisfactory credit history and demonstrate the ability to repay the loan. |

**Residential Rental Rehabilitation**

| Program Name (Funding Source) | Program Offerings | Terms of Assistance | Requirements |
|---|---|---|---|
| **CEE Rental Energy Loan Fund (State of MN)** | Loans to rental property owners for energy-related improvements. | **Low interest loans**:<br>Interest Rate: **4%**<br>Maximum Loan:**$10K**<br>Maximum Term: **5 yrs**<br>Income Limit: **none** | Rental dwelling unit owner, satisfactory credit history and ability to repay the loan. Secured with a mortgage. |
| **MHFA Rental Rehabilitation Loan (State of MN)** | Low-interest loans for rehabilitation of rental properties. | **Low interest loans**:<br>Interest Rate: **6%**<br>Maximum Loan: **$10K/unit, $100k/bldg**<br>Maximum Term: **15 yrs**<br>Income Limit: **residents less than 80% of statewide median income** | At least one rental dwelling unit. Borrower must own building, have sufficient equity in the property, and the property must have positive cash flow. Loans are secured with a mortgage. |
| **NEW Rental Energy Program (Competitive EECBG)** | Under development – Low interest, short term loans for energy efficiency improvements. | Under development | Borrowers must own multi-family rental buildings. |

**Small Commercial Retrofit**

| Program Name (Funding Source) | Program Offerings | Terms of Assistance | Requirements |
|---|---|---|---|
| **One-Stop Efficiency Shop (Xcel, CEE, Central Bank)** | Low-interest loans and rebates to complete energy efficient lighting retrofits. | **Low interest loans**:<br>Interest Rate: **3.9%**<br>Maximum Loan: **NA**<br>Maximum Term: **5 yrs**<br>Income Limit: **None**<br>Fees: **$200 app. fee**<br>**Rebates** | Borrower must qualify, loans are secured with a note and a personal guarantee from business/property owners. |
| **Minneapolis Energy Efficiency Loan and Grant Program (Formula EECBG, City of Mpls, Xcel, CenterPoint)** | Low-interest loans, rebates and a grant for energy efficient improvements to commercial properties. | **Low interest loans:**<br>Interest Rate: **3.9%**<br>Maximum Loan: **$75k**<br>Maximum Term: **5 yrs**<br>**Grant:**<br>10% of project cost<br>Maximum grant: **$5k**<br>Fees: **$200 app. fee**<br>**Rebates** | Borrower must qualify, loans are secured with a note and a personal guarantee from business/property owners. |
| **NEW New Markets Tax Credit (NMTC) Energy Fund (Community Reinvestment Fund)** | Under development – Low-interest loans for energy efficiency improvements to commercial properties in designated Recovery Zones. | Under development | Under development |

**Large Commercial/Industrial**

| Program Name (Funding Source) | Program Offerings | Terms of Assistance | Requirements |
|---|---|---|---|
| **Trillion BTU (State of MN, Federal Stimulus, Xcel)** | Low interest financing for energy efficiency improvements for large energy users as identified by Xcel Energy Case Managers. | **Energy audits:** Free to business **Engineering studies:** 25% paid by business 75% paid by Xcel **Subordinate loans:** One- to five-year payback with energy cost savings. | Large commercial and industrial energy users with potential for significant energy savings. |
| **NEW Energy Efficiency Revenue Bond (Private)** | Aggregated revenue bond issue to provide capital for numerous commercial and industrial energy efficiency investments. | **Low interest and subordinate loans:** Under development | Under development - Large commercial and industrial properties. |

**Government Buildings**

| Program Name (Funding Source) | Program Offerings | Terms of Assistance | Requirements |
|---|---|---|---|
| **NEW Public Building Enhanced Energy Efficiency Program (State of MN)** | Full service delivery mechanism to the Cities to address cost effective energy retrofits for public buildings. | Will include technical assistance, rebates, commissioning studies, low-interest loans | Under development – public buildings. |

**Monitoring/Verification**

Referrals only to licensed, pre-qualified community or utility-based energy efficiency service providers will provide a first level of quality assurance for retrofit work. All installations will be performed in accordance with standardized methods and tools, with the guidance of an overall continuous improvement system, and consistent with the State Building Code. **The Minnesota Department of Labor and Industry has determined that the State's Residential and Commercial Energy Codes meet or exceed federal minimum requirements in accordance with ARRA.**

CES will be supervised by CEE engineering staff with extensive experience in data analysis and evaluation, having completed over 100 research, evaluation and applied research projects. Residential and multi-family measurement includes one year of pre-test data and at least one year of post-test data will be collected for each participant for energy analysis purposes. Real time metering of buildings and major equipment will be performed as needed. Energy saving goals will be correlated with building characteristics and customer energy use to identify commonalities of the most successful program participants. Utility release forms will be collected from all recipients similar to the current pilot project requirements for single-family and multi-family properties.

Small commercial participant data will be collected for all small commercial customers as in the residential sector above. Additionally, the energy use history and savings verification of a 20% sampling of participants will be analyzed through a web-based tracking and reporting system. Most of the monitoring will be based upon monthly utility bills, with more detailed 15-minute data and/or sub metering installed on a 5% subset of participants. The detailed monitoring will be used to verify savings for more complex or innovative measures.

The Cities' utility companies lead the effort in measuring and verifying direct savings gas and electric programs in order to ensure that reported savings are as accurate as possible. All projects, including those funded by a combination of Xcel Energy and EECBG funds, participating in Xcel Energy programs will be subject to this monitoring and verification policy.

1) **Rebate Application Validation (All Programs)** Validate the information on the applications ensuring that purchase documentation matches requested rebate prior to data entry and rebate authorization.

2) **Measurement & Verification (General)**

• **Prescriptive programs** using deemed savings technical assumptions include random sample field inspections to verify that the measure is installed and operating and that the key parameters of the technical assumption match the rebate. Deemed savings values are engineering calculations utilizing the assumed baseline energy consumption (typically state code requirements) compared to high efficiency equipment energy consumptions. A combination of generally accepted engineering principals and specific project inputs are used to determine energy savings. Each of these assumptions and calculations have been fully reviewed and approved by the OES.

• **Custom programs** go through stages of engineering review of the custom measure savings calculations. Random samples are sent out for further review with an outside engineering firm. Projects with savings >1 GWh or 20,000 Dth are pre- and post-metered.

All projects are subject to OES review on an annual basis to ensure reasonableness of the project documentation and engineering analysis.

**Feedback, Continuous Improvement & Training**
ESME, in conjunction with several of its partners, will utilize the "Lean Manufacturing " framework for feedback, continuous improvement and training for contractors. Classroom training will be supplemented with on-the-job training for new contractors. While traditionally used in large manufacturing settings, it is appropriate for the massive ESME scale-up activities. These activities, when viewed as a system, have similar challenges and opportunities for improvement to those on a manufacturing assembly line. This framework has the following features:

- Focus on systems thinking;
- Systematic use of analytic tools, such as Value Stream Mapping, to continuously improve the process;
- Development of standardized work and continuous training methods for rapid, effective and high-quality workforce deployment;
- Utilization of methods to incorporate suggestions and improvements gained by "front-line" workers to make process improvements; and
- Use of quantitative data to improve processes.

Specific metrics that will be collected and used to improve the process will include:

- Total dollars spent per unit of energy saved;
- Time spent per house or building relative to energy saved; and
- "Closure rate" of households where improvements are identified that follow through on recommendations.

ESME will work with Enterprise Minnesota, the state's leading provider of Lean Manufacturing training, to adopt methods and tools to guide the delivery process. This will be necessary, as retrofit programs will need to become more efficient and cost-effective when ARRA stimulus funds run out.

### 3.2 Table 4: Project Plan and Timetable.

| ESME Project Plan | | Year 1 | | | | Year 2 | | | | Year 3 | | | | Year 4 + |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Responsibility | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | |
| 1 One-Stop Shop Program Implementation | | | | | | | | | | | | | | |
| 1.1 Residential Programs | | Kick Off | | | | | | | | | | | | |
| 1.1.1 Conduct recruitment | CEE/NEC | | Kick Off | | | | | | | | | | | |
| 1.1.2 Innovative recruitment methods | CEE/NEC | | | *Event* | | | | *Event* | | | | *Event* | | |
| 1.1.3 Conduct 30,000 in-home visits | CEE/NEC | | | 6,000 | | | 10,000 | | | | 14,000 | | | |
| 1.1.4 Feedback reports / follow-up services | CEE/NEC | | | | Report | | | | Report | | | | Report | |
| 1.1.5 Coordinate contractor work / quality control | CEE/NEC | | | On-Going | | | | | | | | | | |
| 1.1.6 Residential program support | All | On-Going | | | | | | | | | | | | |
| 1.1.7 Implement multi-family program | CEE | | | 40 | | | 40 | | | | 40 | | | |
| 1.2 Commercial and Government Programs | | | | | | | | | | | | | | |
| 1.2.1 Direct installs for small businesses | CEE | | | 200 | | | 200 | | | | 200 | | | |
| 1.2.2 Analyze energy use / non-lighting installs-small biz | CEE | | | On-Going | | | | | | | | | | |
| 1.2.3 Implement large commercial / industrial programs | Utilities | | | 40 | | | 40 | | | | 40 | | | |
| 1.2.4 Implement government program | CEE | | | On-Going | | | | | | | | | | |
| 1.2.5 Engineering for advanced heat recovery projects | Contractors | | | Engineering Studies | | | | | | | | | | |
| 1.2.6 Implement advanced heat recovery projects | Utilities | | | 2 | | | 1 | | | | 1 | | | |
| 1.3 Coordination | | | | | | | | | | | | | | |
| 1.3.1 Coordinate stakeholder involvement | Cities | Monthly Steering Committee Meetings | | | | | | | | | | | | |
| 1.3.2 Hire marketing / PR staff | Cities | | | Hire | | | | | | | | | | |
| 1.3.3 Build website | Consultant | Plan | | Execute | On-Going Updates/Improvements | | | | | | | | | |
| 1.3.4 PR and ad campaign | Cities | Plan | Execute | On-Going Execution | | | | | | | | | | |
| 2 Energy Bank Financing | | | | | | | | | | | | | | |
| 2.1 Finalize the charter | Mpls | Draft | Execute | | | | | | | | | | | |
| 2.2 Funding partner agreement | Mpls | Draft | Execute | | | | | | | | | | | |
| 2.3 Achieve bonding authority | Mpls | | Author-ization | | | | | | | | | | | |
| 2.4 Issue bonds | Mpls | | | Issued | | | | | | | | | | |
| 2.5 Coordinate ESME Finance Cmte | Mpls | On-Going | | | | | | | | | | | | |
| 2.6 Program verification / reporting | CEE/Utilities | | | | | | Report | | | | Report | | | Report |
| 3 Training / workforce development | | | | | | | | | | | | | | |
| 3.1 Coordinate existing programs | Workforce Cmte | On-Going | | | | | | | | | | | | |
| 3.2 Insulation contractor on-the job training | Workforce Cmte | | *Training* | | | | *Training* | | | | *Training* | | | |
| 3.3 Create insulation contractors cooperative | CEE | | | | Execute | | | | | | | | | |
| 4 Culture of Energy Savings - tracking and display | | | | | | | | | | | | | | |
| 4.1 Implement tracking system | CEE | Draft | | Execute | On-Going | | | | | | | | | |
| 4.2 Integrate home energy labeling into program delivery. | | | | | | | | | | | | | | |
| 4.2.1 Develop labeling system | CEE/Utilities | Draft | | | | Execute | On-Going | | | | | | | |
| 4.2.2 Integrate into Truth in Housing program | Cities | | | | Draft | | | | Execute | On-Going | | | | |
| 5 Conduct robust measurement of energy savings and evaluation of program results. | | | | | | | | | | | | | | |
| 5.1 Ensure robust data is collected from various programs | CEE/Utilities | On-Going | | | | | | | | | | | | |
| 5.2 Complete final report | Cities | | | | | | | | | | | | Draft | Submit |
| | | Year 1 | | | | Year 2 | | | | Year 3 | | | | Year 4 + |
| QUARTERLY SPENDING | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | |
| New EECBG Spending (Millions) | | $1.4 | $2.4 | $2.9 | $2.9 | $2.6 | $3.3 | $3.3 | $3.9 | $4.4 | $3.7 | $3.7 | $2.9 | |
| Leverage Spending (Millions) | | $13.0 | $16.6 | $18.4 | $18.4 | $18.8 | $21.5 | $21.5 | $24.3 | $25.7 | $22.7 | $22.7 | $19.7 | |

**3.3 Table 5: Overcoming Barriers.**

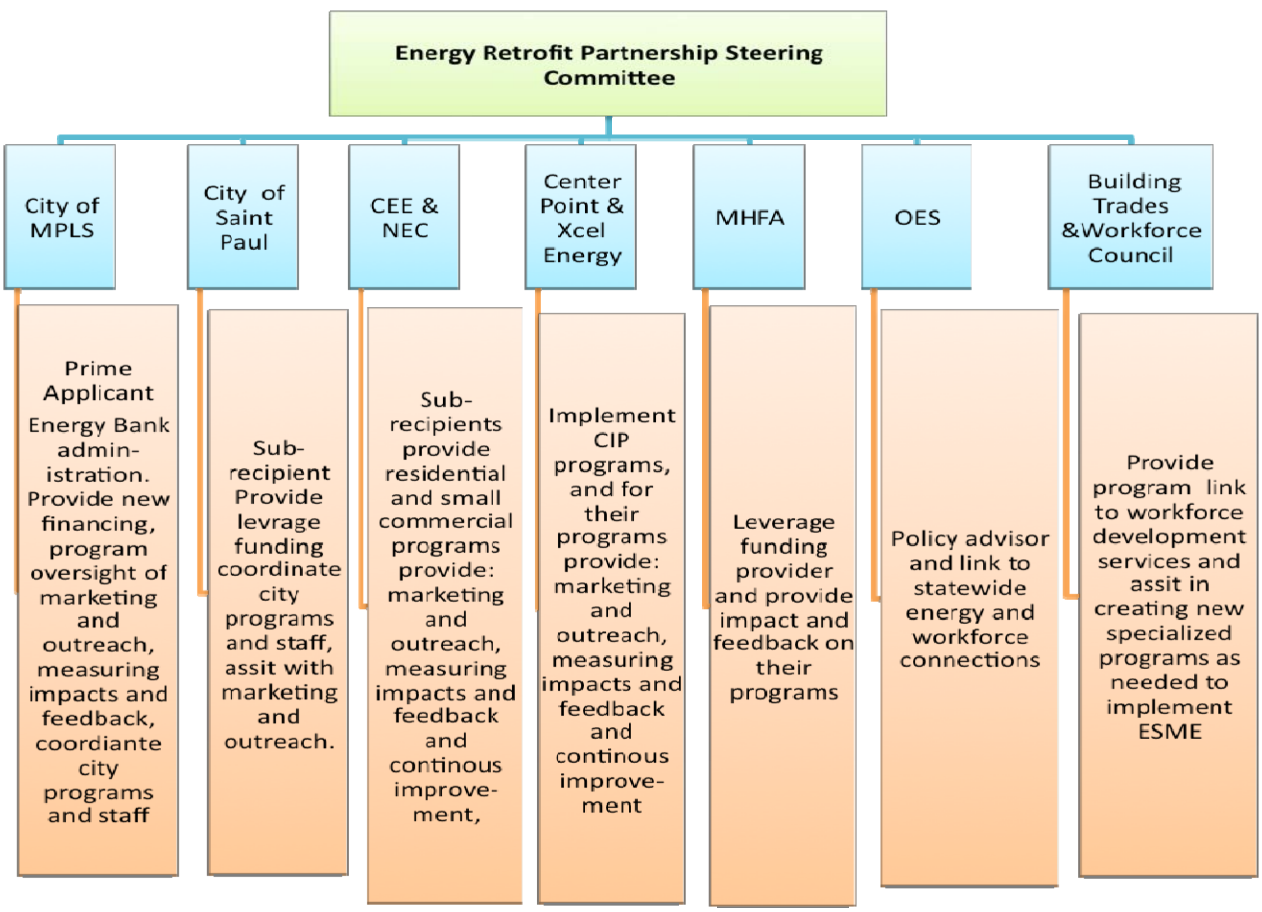
| Classes | Identified Barrier | Solution |
|---|---|---|
| **Residential Small Business** | Inefficient delivery system. Current energy efficiency efforts are delivered based on customer requests. | This proposal seeks funding to display a 'block by block' strategy where trucks and crews will provide services a block at a time, much like a street paving effort, avoiding travel time, improving quality control, and creating neighborhood excitement and confidence around conservation efforts. |
| | Adverse selection of clients/inefficient delivery | The 'block by block' neighborhood approach is designed to recruit the majority of buildings on a block with an easy one-stop approach for the customer. This will incorporate participants not captured with existing programs. |
| | Services are not bundled due to cost effectiveness objectives and are too complex. | ESME offers simple, full service delivery of: information, audit, blower door and infrared tests, quick fixes, financing, qualified contractor links, and ongoing feedback to participants. This bundled 'block by block' delivery approach will prove more cost effective than existing models and change the delivery standard for this service. |
| | Data on comprehensive programs is not available. | The ESME program will maintain a comprehensive cost effectiveness analysis to replace existing delivery models in the residential and small business market with a comprehensive, one-stop 'block by block' model. |
| | Clear benchmarks for existing buildings are not established. | ENERGY STAR labeling is available for new buildings or larger commercial properties but a standard benchmark for existing homes is not established. ESME will undertake establishing a 'Point of Sale' label as a benchmark that will be reported to all homeowners and on all home sales. |
| **Multi-Family Housing** | Existing finance options fail to adequately address the property owner tenant issue. | The ESME program will begin by targeting the many non-profit multi-family housing owners in our cities. With the proven results in hand, the Cities will explore energy upgrades to rental properties as part of the licensing process. |
| **Large Commercial Institutional Industrial** | Many 1-7 year payback projects are not being implemented either due to availability of capital or existing capital allocation. | The Cities will create a new Commercial Industrial Energy Efficiency Revenue Bond program that will provide advantageous low interest and subordinate loan financing options to participants so capital that was not previously available is made ready for those investments. |
| | Key programs are not understood in the marketplace. | Funds will be provided to implement 2-4 Exergy projects to demonstrate results and expand public awareness. The pilots (Science Museum of Minnesota and Hennepin County) seek to create awareness of advanced heat recovery and reuse. |

**3.4 NEPA Plan**

The City of Minneapolis and its partners will fully comply with the NEPA requirements. Since the proposed project involves retrofitting buildings in urban areas, there would be no changes in the existing land use and no construction of new buildings. The project will not affect any unique landforms and the project areas are not near national parks. Special care will be taken on the disposal of waste generated by the retrofits so that the Mississippi River and the Twin Cities chain of lakes are not impacted. No wastewater is expected to be generated by the construction activities so there will be no additional wastewater discharges to the local treatment facility. All construction activities will follow the applicable building codes and permitting procedures. Any work performed under a permit must be inspected and approved by the local government's regulatory services staff. Any hazardous materials (such as lead paint or asbestos) impacted by the retrofits will be safely disposed by following federal, state and local requirements so that the natural environment, as well as the health and safety of the building occupants, are protected. Finally, contractors who will design and install the building retrofits will first obtain the approval of the State Historic Preservation Office and/or the local government's heritage preservation entity if the building falls in either of these categories: Buildings that are on the National Register of Historic Places and/or, buildings that are designated by the local government as significant historical, archeological or cultural sites.

## Criterion 4: Partnership Structure and Capabilities

**4.1-4.2 Broad Coalition; Roles & Responsibilities.** The structure of the organization is represented below:



Additionally, the Partnership has four working sub committees: Marketing and Outreach, Finance, Integrated System Delivery and Measurement, and Workforce.
A **Joint Powers Agreement** will be created to empower the work of the ESME partnership. This agreement will institutionalize the roles and responsibilities of the partner organizations.

**The Leadership Team/Steering Committee**

- **Local government**—The City of Minneapolis is the lead applicant and will administer the Energy Bank, implement new revenue bond financing and administer the revolving loan and rebate programs. Both cities will coordinate with their housing, business finance, employment and training, public works, and other staff. Both cities have extensive experience managing federal grants and associated funding requirements. **Steering committee membership (2)**: Anne Hunt, City of Saint Paul and Cathy Polasky, City of Minneapolis, serving as principal investigator.

- **State of Minnesota Commerce Department, Office of Energy Security (OES)** – The OES has received a sizable infusion of ARRA funds for low-income residential weatherization activities as well as EECBG and SEP funds. $5 million of these funds were legislatively allocated to support the proposed Trillion BTU commercial/industrial energy efficiency program described above. $4.5 million will be granted through the OES to fund additional energy efficiency work in the commercial sector. OES will also play a significant role in providing program consistency with public policy and linking to workforce training and other statewide programs. **Steering committee membership (1)**: Janet Streff, Minnesota Office of Energy Security.

- **Finance: Minnesota Housing Finance Agency** – The State's housing agency will play an important role in this effort as a conduit for federal Neighborhood Stabilization Program dollars to both cities. A portion of this funding is slated for rehab work on foreclosed homes that will incorporate energy efficiency upgrades, which are required to follow Minnesota Green Communities guidelines for "green" affordable housing. The state housing agency also has low-interest loan and financing mechanisms that will be accessed for residential portions of this joint cities effort. **Steering committee membership (1)**: Janet Blankenship, Minnesota Housing Finance Agency.

- **Utilities: Xcel Energy and CenterPoint Energy** – As the local electric and natural gas utility companies serving Minneapolis and Saint Paul, both Xcel Energy and CenterPoint Energy have legislatively mandated Conservation Improvement Program (CIP) for energy-efficient equipment/technology, services and rebates that will be harnessed under this grant. Besides the CIP programs, the utilities provide considerable assistance in marketing, monitoring and evaluation and act as the lead in bringing large commercial industrial customers to the table. **Steering committee membership (2):** Greg Palmer, Xcel Energy and Todd Berreman, CenterPoint Energy.

- **Center for Energy and Environment (CEE) and Neighborhood Energy Connection (NEC)** – CEE and NEC are the two significant nonprofit energy conservation service providers for ESME's residential and small commercial programs. Both have long track records administering energy efficiency programs and building strong relationships with the Cities, utilities and neighborhood organizations and are already scaling up to implement the ESME programs. **Steering committee membership (2)**: Sheldon Strom, CEE and Chris Duffrin, NEC.

- **Workforce Development, Training, and Education Partners** – The Twin Cities area has a strong Workforce Council system, which, in part, oversees and funds the network of services for low-income and displaced workers. This system depends on a wide network of workforce service providers, community-based training partners and educational institutions. Key participants identified for this effort include the community and technical colleges, local construction unions (including the Minneapolis Building and Construction Trades Council and the Saint Paul Trades and Labor Assembly*)*, and community-based employment and training service providers working with low-income and minority workers. **Steering committee membership (2)**: Mike Hawthorne, Minneapolis Building and Construction Trades Council and Carolyn Roby, Minneapolis Workforce Council.

**Supporting organizations**

**Local Governments -** supporting the cities are other local government partners: The Saint Paul Port Authority has begun implementation of the commercial/industrial Trillion BTU program and Hennepin County is on board to coordinate county retrofit efforts in our target area and to implement a significant PBEEP project.

**Finance –** Private and non-profit lenders are providing loans and advising on proposed new financing vehicles. These include: Central Bank, Western Bank, US Bank and CRF. Their involvement is crucial to helping this program become sustainable over the long term.

**Private Partners & Industry Trade Associations** – Critical to the success of this new effort are partnerships with local industry and trade associations to assist with program design, implementation, and outreach to their members. The Building Owners and Managers Associations of Saint Paul and Minneapolis and Chambers of Commerce will be key industry partners. Other association partners are indicated in their attached letters of support.

**Foundations** – Living Cities has provided financial support and guidance to the collaborative effort through its Green Boot Camp, webinars, and ongoing resource provision. McKnight Foundation is providing advice and access to resources.

**Community Partners –** Neighborhood groups and neighborhood-based business associations will be key partners in conducting outreach; marketing and deploying new and existing energy efficiency retrofit programs and resources to local businesses and homeowners. For example, the rollout of the "one stop" residential energy service program described above involves close coordination with neighborhood associations in several targeted areas of the two cities. In addressing energy upgrades and retrofits for the small business community, the team will work closely with neighborhood-based business associations to assess needs and opportunities along commercial corridors and nodes. The Cities have already begun discussions with local business associations to begin identifying needs and barriers, and elicit business opinions on the types of assistance tools that would benefit them. And as mentioned above, Xcel Energy and District Energy, in collaboration with City staff from Saint Paul and Minneapolis, are actively working with businesses and residents along the "Energy Innovation Corridor" to develop an outreach, marketing, and implementation strategy for energy efficiency upgrades and retrofits.

**Leadership Team Qualifications.**

The ESME partnership is made up of leaders who bring extraordinary depth (20-30 years each) of experience in creating and implementing successful programs that transform communities. **Anne Hunt**, now the Environmental Policy Director in the Saint Paul Mayor's Office, began her career in 1988 by leading the Neighborhood Energy Consortium (NEC). Along with the implementation of environmental and energy conservation programs, Hunt's work at NEC moved citizens in Saint Paul from a throw away to a recycling culture. Hunt will provide overall direction to all energy retrofit programs in Saint Paul. **Greg Palmer,** Director Account Management for Xcel Energy, has 28 years of utility expertise. Palmer is responsible for the development and implementation of the Energy Innovation Corridor: A collaboration effort between government, non-profit, business and utilities that advances renewable energy, smart technology, energy efficiency and transportation electrification within Minnesota. For years Palmer and his colleagues at Xcel have been at the forefront of creating and implementing programs that change energy use behavior. Palmer will lead the implementation of the commercial and industrial projects that his company serves. **Janet Streff,** Manager, OES has been working to improve the building construction and renovation processes her entire 30-year career. Now as a State policy leader, Streff offers broad national perspective and advice to ensuring that ESME programs are workforce connected and can be replicated across the state, region and nation. **Sheldon Strom** is President of the CEE, a non-profit organization that promotes the responsible use of natural and economic resources. Strom is respected nationally for his 30 years of leadership, advocacy and implementation of innovative programs that have served more than 70,000 homes and businesses with energy efficiency programs. Strom will provide overall direction for CEE programs implemented by this grant.

The ESME partnership's energy expertise is supported by business acumen second to none. **Cathy Polasky** at the City of Minneapolis since January, 2008, will serve as principal investigator for this grant. She adds to the team exceptional leadership skills along with over 15 years of creating and implementing new, innovative financing programs in the private banking sector. Historically a manager of superior performance collaborative teams, Polasky will oversee the Energy Bank creation and delivery along with all Minneapolis based programs. Other leaders in government, non-profits, labor and industry round out the leadership of the ESME partnership. Their resumes are also attached.

## Project Plan & Timetable: See Criterion 3.2, Table 4, Page 15

## Relevance & Outcomes/Impacts: See Criterion 2, Pages 5-6

## Roles of Participants: See Criterion 4, Pages 17-20

## American Recovery and Reinvestment Act of 2009, P.L. 111-5 (Recovery Act) Information: See Criterion 2, Table 2, Pages 5-6

**Minneapolis**
*City of Lakes*

**Office of the Mayor**

**R. T. Rybak**
Mayor

350 South 5th Street - Room 331
Minneapolis MN 55415-1393

| | | |
|---|---|---|
| Office | 612 | 673-2100 |
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December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Commitment for Minneapolis–Saint Paul's Energy Efficiency and Conservation Block Grant Application, DE-FOA-0000148

Dear Ms. Bahan:

I am pleased to provide this letter of commitment on behalf of the City of Minneapolis for Minneapolis–Saint Paul's Energy Efficiency and Conservation Block Grant Application, DE-FOA-0000148.

Over the past decade, businesses, utilities, community and environmental organizations have worked to make the Minneapolis–Saint Paul region a leader in sustainability and protecting our urban environment. The City of Minneapolis has positioned itself at the forefront of these efforts. Minneapolis has made a commitment to attracting the kind of private investment that will make the city a center for energy-efficient and clean-energy technology, products and services, and a "green collar" workforce. We have begun active conversations with local financial institutions about innovative lending products and financing tools for energy-efficiency work. We've also garnered initial seed funding from Living Cities, a national philanthropic collaborative of foundations and financial institutions, to support our energy-efficiency program development.

With the help of an initial round of federal economic-recovery dollars, along with additional private and public funds, Minneapolis has begun making substantial inroads and investments in energy-efficient building retrofits. The City dedicated our maximum allowable Formula EECBG dollars to create an energy-efficiency revolving-loan fund for small businesses along our commercial corridors, and together with Saint Paul and other partners, we are supporting a Community Energy Services program to deliver a large suite of residential energy-efficiency services to homeowners in targeted neighborhoods in the two cities.

We see energy efficiency retrofits as a core strategy to reduce energy consumption and emissions, create green jobs, and ease financial burdens on homeowners, businesses and local government though energy-cost savings. The aging housing and building stock in the Minneapolis–Saint Paul region, combined with our cold climate, present tremendous needs and opportunities. EECBG funding can have a tremendous impact.

Accordingly, together with the City of Saint Paul and other partners, we are seeking additional EECBG funding to scale up a comprehensive building energy-retrofit program in the two cities for homes, commercial and industrial buildings in the public and private sectors. The Cities of Minneapolis and Saint Paul have assembled a remarkable team for this effort including our utility companies (Xcel

Energy and CenterPoint Energy), State and County agencies, local energy-service nonprofits, workforce-training providers, and neighborhood and business associations, among others. Your support will help us take our work to the next level in creating a large-scale and seamless service-delivery and financing system to retrofit tens of thousands of homes and buildings in our community.

Thank you for your consideration of our application. For any additional information about our proposal or with questions, please contact Cathy Polasky, City of Minneapolis Director of Economic Development, at 612-673-5159 or cathy.polasky@ci.minneapolis.mn.us.

Sincerely,

Mayor R.T. Rybak
City of Minneapolis

CITY OF SAINT PAUL
*Christopher B. Coleman, Mayor*

*390 City Hall*
*15 West Kellogg Boulevard*
*Saint Paul, MN 55102*

*Telephone: 651-266-8510*
*Facsimile: 651-266-8513*

December 10, 2009

Karen Bahan, Grants Officer
EMCBC
U.S. Department of Energy
EM Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

Re: **Letter of Commitment for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148**

Dear Ms. Bahan:

I am pleased to provide this letter of commitment of on behalf of the City of Saint Paul for the U.S. Department of Energy's Retrofit Ramp-up Program (Funding Opportunity Announcement Number DE-FOA-0000148).

Over the last decade, businesses, utilities, community and environmental organizations have worked to make our region a leader in energy efficiency, sustainability and protecting our urban environment. The Cities of Saint Paul and Minneapolis have assembled for this application a remarkable team including Xcel Energy, Center Point Energy, the Minnesota Office of Energy Security, the Minnesota Housing Finance Agency, Hennepin County, Saint Paul Port Authority, Center for Energy and Environment, Neighborhood Energy Connection, and the McKnight Foundation.

Together we are seeking funds to demonstrate the value of integrating current local efforts into an intense regional investment of energy efficiencies and conservation. Our existing collaborations between utilities, non profits and local governments make us stand out as a region committed to smart energy efforts. Campaigns such as our Home Energy Squad program, installation of heat recovery systems, and commercial/industrial retrofits will come together as a cohesive regional effort with the support of this grant.

If you need additional information about the grant application, please contact Anne Hunt, Deputy Policy Director – Environment, at 651.266.8520 or anne.hunt@ci.stpaul.mn.us. Let me thank you in advance for your consideration of this request. Your support will advance our efforts significantly.

Sincerely,

Christopher B. Coleman
Mayor

office of energy security
Minnesota Department of Commerce

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December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Commitment (or Support) for Minneapolis-Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

Dear Ms. Bahan:

The Office of Energy Security (OES) is pleased to provide this letter of project support for the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program.

In 2007, the State of Minnesota created aggressive renewable energy, energy conservation, and greenhouse gas reduction goals. First, Minnesota set a standard for electric generation of 25% renewable energy by 2025 for all its utilities, with the exception of the state's largest utility, Xcel Energy. Xcel, which provides half of the state's electricity, must achieve 30% by 2020. Second, beginning in 2010, all electric and natural gas utilities, including municipal utilities and coops, have an annual energy savings goal of 1.5% of their annual retail sales. We anticipate that, to reach this goal, utilities will initially double their current efforts, which historically have been just over $100 million each year

Minnesota's utility conservation programs have consistently ranked high nationally in terms of program policies and practices. Over the past two decades, Minnesota utilities, through its ratepayers, have invested hundreds of millions of dollars in the Conservation Improvement Programs (CIP) to make its residences and commercial and industrial buildings more energy efficient. OES has regulatory oversight over CIP, whose multiple programs provide a portion of the basis for this grant application. This project melds the work our utilities plan for these communities with a strong plan for ongoing and increasing retrofits within our communities.

This summer, as part of The Living Cities "Green Boot Camp: Recovery through Retrofitting," OES, a member of the Minneapolis-St. Paul team, joined more than 120 leaders from cities across the country for an intensive training and peer networking to discuss their leading-edge efforts to create jobs and reduce greenhouse gas emissions through large-scale building energy efficiency retrofit initiatives. The Minneapolis-Saint Paul team (now known as the Green Boot Camp 10 or GBC10), determined to reach its goal of making half of the buildings in the two cities more energy efficient, has continued to meet after the Boot Camp.

The GBC10, as a steering committee for this grant solicitation, understands the need to integrate efforts and provide solutions that deepen energy conservation efforts through collaborative partnerships with utilities, foundations, government agencies, corporations and citizen groups. It understands the need to replicate this process across other areas of the state. OES's enthusiasm for this effort stems from our confidence in the broad and experienced coalition brought together to develop and implement the program with its significant program goals.

The program goal of reducing energy consumption in buildings by making it easy and affordable to implement best practices in our buildings aligns perfectly with our aggressive state goals. Providing real-time feedback on substantial ongoing annual savings is the key to achieving our aggressive goals. Finally, providing the appropriate training to ensure adequate job creation to reach these goals will only help improve the competitiveness and profitability of companies in our state and region.

We believe this program will be transformative in our market and will serve as a national model to be replicated broadly.

Sincerely,

William L. Glahn

William L. Glahn
Director, Office of Energy Security
Deputy Commissioner, MN Department of Commerce

Xcel Energy®
RESPONSIBLE BY NATURE™

414 Nicollet Mall
Minneapolis, Minnesota 55401-1993

December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

Xcel Energy is pleased to provide this letter of support to the Cities of Minneapolis and Saint Paul and their joint application to the U.S. Department of Energy for the Mass Building Retrofit Ramp-up program. As the largest provider of energy efficiency services in the state of Minnesota, Xcel Energy has a long history of advancing energy efficiency efforts by providing cost-effective conservation services through established partnerships with local and state governments, non-profit and community-based organizations and private companies.

Our targeted goal in supporting this effort is to enhance energy efficiency in Minnesota by collaborating on the development and demonstration of a new, comprehensive model for energy conservation delivery. Successful implementation of this effort may establish a new and innovative model for services that could be incorporated into our conservation portfolio and deployed throughout our Minnesota service area.

Xcel Energy estimates that our efforts should achieve the following conservation achievements for Minneapolis and St Paul over the 2010 to 2012 timeframe:

- Gas savings:
  - $2.5 million (367,175 dkt @ $7.00/dkt)
  - 42.8 million lbs $CO_2$ (367,175 dkt x 116.6 lbs/dkt)
- Electric savings:
  - $11.8 million (147,418,379 kWh @ $0.08/kWh)
  - 188 million lbs $CO_2$ (147,418,379 kWh x 1.275 lbs/kWh)

We believe this effort could also achieve the following:

- Provide a new model for energy efficiency delivery based on strong community based partnerships and grassroots implementation.
- Incorporate new program components into our conservation portfolio for more widespread deployment.

- Contribute to energy efficiency as a competitive advantage for our local economy.

Xcel Energy fully supports this program as outlined within the grant application, and we will deliver on programs that have received all necessary regulatory approvals.

The broad coalition of partners and the successful implementation of the programs identified within our grant proposal provide the framework and working relationships necessary to meet and possibly exceed these goals beyond what was deemed possible just a short time ago.

Sincerely,

Laura McCarten

Laura McCarten
Regional Vice President
Northern States Power – Minnesota Company

CenterPoint® Energy

**David Baker**
Division Vice President
Regional Gas Operations
Minnesota

December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U.S Department of Energy
EM Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

Dear Ms. Bahan:

I am writing this letter in regards to Minneapolis/Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148.

On November 23, 2009, the Director of the Office of Energy Security in the Minnesota Department of Commerce approved CenterPoint Energy's 2010 – 2012 Triennial Conservation Improvement Program ("CIP Program") and the Center for Energy and the Environment's Proposal for inclusion of their One-Stop Community Energy Services program in CenterPoint Energy's 2010-2012 Triennial CIP Program. CenterPoint Energy is strongly committed to providing the residential and commercial conservation programs represented in the 2010-2012 program years. In this CIP Program, CenterPoint Energy anticipates spending approximately 15-16% of its program dollars on customers within the City of Minneapolis. This would represent approximately $2.6 million in 2010, $2.9 million in 2011 and $3.3 million in 2012, based on the approved CIP Program budget.

In addition, upon receipt of the Minnesota Public Utilities Commission's written order approving CenterPoint Energy's decoupling proposal as part of its recent rate case proceeding (expected in January 2010), CenterPoint Energy will implement additional incremental cost-effective spending on energy conservation programs, subject to regulatory approval by the Minnesota Department of Commerce.

Sincerely,

David Baker
Division Vice President – Minnesota Operations

C: Jeff Daugherty
Doug Peterson

**Center for Energy and Environment**

212 3rd Avenue North, Suite 560 • Minneapolis, MN 55401 • (612) 335-5858 • (612) 335-5888

December 11, 2009

Cathy Polasky
Economic Development Director
City of Minneapolis
105 Fifth Avenue South #200
Minneapolis, MN 55401

Dear Ms. Polasky:

The Center for Energy and Environment (CEE) is pleased to support the Cities of Minneapolis' and Saint Paul's joint application for Energy Efficiency and Conservation Block Grant (EECBG) competitive funds from the U.S. Department of Energy by contributing funding for the residential and small business programs described in the EECBG application.

***Residential program support - $1.355 million***

CEE has recently launched a pilot program, "Community Energy Services," which started in the fall of 2009. In development for over 2 years, this pilot program was designed with nearly identical goals to those described in the EECBG application. The program utilizes community-based social marketing to recruit participants. CEE here uses its long-standing relationship with Minneapolis neighborhood groups to leverage local interest in energy efficiency, train block leaders to go door-to-door to promote the program, conduct neighborhood workshops, and follow-up with an in-home visit. Use of a customer interaction technique that is informed by behavioral change research results in no-cost savings through homeowner habit change and high follow-through on recommended actions. Integrated financing offerings, quality control measures, and highly trained professional staff also contribute to providing a high closure rate on the implementation of identified energy retrofits. CEE has received funding from the Minnesota Environment and Natural Resources Trust Fund and City of Minneapolis formula EECBG funds for this pilot program, and estimate $1.355 million of this will be spent during the DOE grant project period. In addition, we were recently approved for an Office of Energy Security (OES) Alternative Conservation Improvement Program, which will add additional cost-share dollars. EECBG funding will enable us to dramatically expand this pilot program to serve 20,000 households in Minneapolis.

***Small business program support - $3 million***

Since 2000, CEE has run one of the most successful small business energy efficiency programs in the country, the One-Stop Shop Lighting Efficiency Program. The program consistently achieves high closure rates in getting businesses to follow-through on recommended retrofits through a full-service approach. In fact, this full-service approach was the model for developing the residential program. Last year, the program saved over 30 GWh of electricity from over 800 small businesses. Although the program focuses solely on lighting (the most cost-effective retrofit), DOE funds will allow an expansion of the program model to include other retrofit opportunities (HVAC being the largest opportunity), while partnering with local organizations to implement a targeted marketing approach. This will leverage our planned $3 million in spending within the Minneapolis and Saint Paul target communities during the grant project period.

Sincerely,

Sheldon Strom

Sheldon Strom
President

**Neighborhood Energy Connection**
*tools for energy-efficient living*

Home Energy
Energy Improvement Financing
HOURCAR
Saint Paul Classic Bike Tour

December 11, 2009

Karen Bahan, Grants Officer
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Commitment (or Support) for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

Dear Ms. Bahan:

The Neighborhood Energy Connection (NEC) strongly supports the Minneapolis and Saint Paul Retrofit Ramp-up program joint application to the U.S. Department of Energy. The two cities have demonstrated tremendous leadership and collaboration with an experienced and proven group of organizations to submit this proposal.

The NEC is a nonprofit organization based in Saint Paul with a 24-year history of providing residential energy efficiency programs. Since its inception, the NEC has delivered tens of thousands of energy audits to Minnesota homeowners. The NEC has also managed several residential weatherization programs, including turn-key whole house retrofit programs and utility rebate programs. The NEC employs RESNET-certified energy auditors, contracts with 15 other certified energy auditors and works closely with dozens of local contractors. In addition to the general residential population, the NEC also provides services to nonprofit and for-profit housing developers and low-income households. The NEC manages the state's largest Home Performance with ENERGY STAR® contract and is Minnesota's second largest provider of ENERGY STAR rating services.

In addition to home energy services, the NEC is one of Minnesota's major community-based lenders for residential energy efficiency improvements. The NEC originates Minnesota Housing Finance Agency loan products including the Fix-up Fund and the Minnesota Energy Loan. The NEC also manages a deferred loan program that combines a mortgage secured loan and insulation and heating system replacement contract management for the homeowner. Providing energy efficiency programs with loan programs allows the NEC to provide homeowners with a seamless service from audit to retrofit while providing a secure, low-interest and low-risk loan to finance the improvements.

Together with Xcel Energy and the Center for Energy and the Environment, the NEC designed the new Home Energy Squad program. The Home Energy

Squad installs low-cost energy efficiency measures directly into people's homes while working with customers to address larger retrofit opportunities. As part of this grant, the NEC will be able to widen the scope of this program to offer households a free blower door test and insulation diagnostic services, deepen rebates and offer people simple low-cost financing through the Energy Bank. The NEC has already served 300 homes in its pilot program and is preparing to serve over 10,000 households in Saint Paul in the next three years.

The NEC recently received a grant commitment from the Minnesota Office of Energy Security to promote energy stimulus programs in the Twin Cities. We will use $320,000 of that grant in the ESME target area that can help promote this program.

We are excited to collaborate with Minneapolis and Saint Paul to deliver more enhanced services in a concentrated area. By focusing on key neighborhoods, pulling people into community settings to discuss their energy use, and providing feedback reporting, we can take full advantage of the peer pressure strategies that behavioral scientists have shown to be effective in moving energy consumers toward conservation behaviors.

We appreciate the leadership that the Cities of Saint Paul and Minneapolis have demonstrated in bringing together this coalition. We are confident that this proposal can significantly transform the delivery of energy efficiency services in these cities and serve as a model for the nation.

Sincerely,

Chris Duffrin
Executive Director

CRF
USA

Community Reinvestment Fund, USA
801 Nicollet Mall, Suite 1700 West
Minneapolis, Minnesota 55402
800 475.3050 / 612 338.3050 tel
612 338.3236 fax www.crfusa.com

Capital for Communities –
Opportunities for People

December 11, 2009

Karen Bahan
Grants Officer, EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Minneapolis-Saint Paul Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

Dear Ms. Bahan:

On behalf of the Community Reinvestment Fund, USA, I am pleased to confirm our support for Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program. I am also happy to supply this letter committing $10 million of capital to the ESME Energy Bank for low-cost loans to primarily small businesses as part of the Retrofit Ramp-up program.

CRF is a Minneapolis-based nonprofit organization that supplies loan capital for community development projects around the country. To date, CRF has supplied more than $1 billion for such projects over the 21 years of our existence. CRF, either directly or through one of its affiliated subsidiaries, is a U.S. Treasury Department certified "Community Development Entity" and a U.S. Treasury Department certified "Community Development Financial Institution". We have regularly received New Markets Tax Credit allocations from the Treasury Department. CRF will use New Markets Tax Credit allocations it has in hand to provide capital for these loans.

Earlier this year at a meeting of the Capital Markets Partnership at the New York Stock Exchange, CRF announced the development of our new Green Building Loan for Business product. Our work on developing that product will enable us now to quickly deploy the loan capital to the businesses in Minneapolis and Saint Paul. These loans will directly contribute to the achievement of the cities' goal of reducing energy consumption in 100,000 buildings.

CRF
USA



To fund these loans in the neighborhoods of Minneapolis and Saint Paul, CRF will continue its long-time relationships with its local lending partners, the City of Minneapolis Business Finance Division, the Saint Paul Planning and Economic Development Department, the Port Authority of Saint Paul, the Metropolitan Consortium of Community Developers and the Twin Cities Community Capital Fund. With these experienced organizations acting as our agents, this successful collaboration has resulted over the years in CRF's lending $39.3 million to more than 300 business projects in Minneapolis and Saint Paul.

CRF has a history of working with governmental and non-governmental entities in the Twin Cities. Our "backyard" has long been a laboratory for piloting new products and services that we then roll out nationally. Seeing the many other excellent organizations participating in ESME makes me confident of the success of this program and that it will provide a great platform for CRF to roll out its green loan products nationwide. CRF is very excited to be a part of this initiative.

Sincerely,

Frank Altman
President & CEO

FA/kf

Minnesota Housing Finance Agency

400 Sibley Street | Suite 300 | Saint Paul, MN 55101-1998 | 651.296.7608
800.657.3769 | fax: 651.296.8139 | tty: 651.297.2361 | www.mnhousing.gov
*Equal Opportunity Housing and Equal Opportunity Employment*

December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

Minnesota Housing is pleased to provide this letter of support for the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program. As finance partner for both homeowner and multifamily rental residential retrofits, we are thrilled to explore innovative approaches to reach deeper into the residential market and overcome some of the barriers to making energy efficiency improvements. With nearly 40 years as a leader in providing affordable financing to low- and moderate-income Minnesotans, we work closely with our partners to enhance quality of life and foster strong communities.

Minnesota Housing is committed to improving the sustainability of affordable housing, including increasing energy efficiency to both reduce carbon emissions and make home operating costs more affordable. For homeowners, our Fix-up Fund home improvement loan program offers affordable financing to households with incomes under $96,500 (115% AMI) and is frequently used to finance energy-saving upgrades. For owners of rental property, Minnesota Housing offers a variety of financing options, including low-interest loans to preserve affordable housing and improve energy efficiency.

Minnesota Housing was also one of the first state housing finance agencies in the nation to voluntarily adopt the Green Communities criteria, with a Minnesota Overlay, for many of our investments in new construction and rehabilitation. The criteria addresses energy efficiency and conservation, in addition to siting near transit and services and using materials and techniques that contribute to a healthy home. In one recent multifamily rehabilitation project in southwestern Minnesota,

Minnesota Housing finances and advances affordable housing opportunities for low and moderate income Minnesotans to enhance quality of life and foster strong communities.

the property achieved a 46% reduction in energy consumption, as measured by an independent analysis, due to the implementation of these criteria. We know that energy retrofits not only make sense for the environment, but also make financial sense for property owners.

Our involvement in the program will be to assist in the distribution of residential program elements by providing financing to homeowners and rental property owners in conjunction with incentives funded through EECBG. Minnesota Housing will work in partnership with the Neighborhood Energy Connection and Center for Energy & Environment to implement the single family residential programs over the next three years and beyond. At least $25 million in financing is available from Minnesota Housing for rental properties over the next three years and would be leveraged with $5 million in EECBG funds to test incentives to overcome the "split incentive" challenge. We will also utilize our relationships within the multifamily housing sector to improve outreach to property owners.

Our enthusiasm for this effort stems from our confidence in the broad and experienced coalition brought together to develop and implement the program along with the program goals so significant to us:

- Make it easy and affordable to implement energy best practices in homes
- Reduce energy consumption in 100,000 buildings, most of them residential
- Create thousands of jobs and provide training and workforce development services to support the employers and ensure the quality of work performed
- Provide these annual savings:
  - Annual savings gas = 360,000 dkt @ $7.00/dkt = $2.52 million/year
    Carbon = 360,000 dkt x 116.6 lbs/dkt = 41,976,000 lbs $CO_2$
  - Annual savings electric = 50 GWh; 50,000,000 kWh @ $0.08/kWh = $4 million/year
    Carbon = 50,000,000 kWh x 1.275 lbs/kWh= 63,750,000 lbs $CO_2$

This program aligns with our goals to preserve affordable housing in Minnesota and promote sustainability in all of our investments.

Finally, we believe this program will be transformative in our market, especially in some of the innovative approaches to the residential sector, and will serve as a national model to be replicated broadly.

Sincerely,

Daniel M. Bartholomay

Daniel M. Bartholomay
Commissioner

**Hennepin County Administration**

Richard P. Johnson, County Administrator
A2303 Government Center
300 South Sixth Street
Minneapolis, Minnesota 55487-0233

612-348-7574
FAX: 612-348-8228
TDD: 612-348-7367
www.hennepin.us

December 8, 2009

Karen Bahan, Grants Officer
EMCBC
US Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, Ohio 45202

Re: Letter of Support for Minneapolis and Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

Dear Ms. Bahan:

Hennepin County is pleased to support the Cities of Minneapolis and Saint Paul's joint application to the Department of Energy for the Retrofit Ramp-Up program. We are confident that the combined experience of the broad coalition of City and County governments, State agencies, not-for-profit organizations, and utility companies participating in this application will ensure the success of the program.

Hennepin County is an area leader in energy conservation and greenhouse gas reduction. Hennepin County has demonstrated its commitment to addressing the challenges of energy reduction and climate stabilization, both by the County Board which signed on to the Cool Counties climate stabilization initiative, and by the actions of County employees, more than 1,100 of whom pledged to replace incandescent light bulbs with compact fluorescents helping the County to win the top NACo "Change a light bulb, change the World" award.

An important goal for the County is the reduction of energy use in its buildings. The County has established an aggressive building recommissioning plan and lighting retrofit program to maximize the efficiency of its buildings. The County has also demonstrated a commitment to renewable energy by installing one of the largest solar PV arrays in the state on top of the public works facility.

Using the funding assistance from the Cities of Minneapolis and Saint Paul program, Hennepin County hopes to install an advanced heat recovery system at our district energy plant that will reduce the energy use of several large public buildings in downtown Minneapolis, including the Government Center, the Public Safety Facility, and Hennepin County Medical Center. Hennepin County's proposed Capital Improvement Program includes funding for retrofits and recommissioning of County owned buildings, which will contribute to the energy reduction goal of the Cities of Minneapolis and Saint Paul's program. In addition, as part of the County's HUD funded Lead Hazard Reduction Program residential properties in Minneapolis are being retrofitted with energy efficient windows.

The Cities of Minneapolis and Saint Paul program closely aligns with the County climate stabilization and energy reduction goals

Based on Hennepin County's proposed 2010 five-year Capital Improvement Program (CIP), it is estimated that over the next three years the County will spend over $11 million on activities that will contribute toward the goals of the Cities of Minneapolis and Saint Paul program. These activities include:

| | |
|---|---|
| Recommissioning CIP: | $3,000,000 |
| Lighting Retrofits CIP: | $370,000 |
| EECBG formula grant (DOE): | $2,100,000 |
| District Energy Center CIP: | $2,736,250 |
| Residential Retrofits (HUD): | $3,400,000 |

Any questions regarding Hennepin County's involvement in the Cities of Minneapolis and Saint Paul program or this letter of support can be directed to Dr. Andrew Leith at (612)348-8993.

Sincerely,

Richard P. Johnson

Richard P. Johnson
County Administrator

AMY KLOBUCHAR
MINNESOTA

COMMITTEES:
AGRICULTURE, NUTRITION, AND FORESTRY
COMMERCE, SCIENCE, AND TRANSPORTATION
ENVIRONMENT AND PUBLIC WORKS
JOINT ECONOMIC COMMITTEE
JUDICIARY

# United States Senate

WASHINGTON, DC 20510

December 10, 2009

The Honorable Steven Chu
Secretary, United States Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585
Re: Letter of Support for Minneapolis – St. Paul's Energy Efficiency and Conservation Block Grant Application, DE-FOA-0000148

Dear Sec. Chu,

I am writing to express my support for the joint grant application submitted by the Cities of Minneapolis and Saint Paul to the U.S. Department of Energy (DOE) for the Retrofit Ramp-up Program. This opportunity is offered through DOE's competitive solicitation under the Energy Efficiency and Conservation Block Grant Program (DE-FOA-000148), as authorized and funded by the American Recovery and Reinvestment Act (ARRA).

My support for this effort stems from my confidence in the broad and experienced coalition brought together to develop and implement this program, along with the program goals so significant to us. Namely to make it easy and affordable to implement energy-saving best practices in homes, commercial and industrial buildings in the public and private sectors; integrate energy labeling into buildings in our market; and reduce energy consumption in 100,000 buildings. In doing so we will reduce carbon emissions by over a 100 million pounds of $CO_2$ annually, create new jobs and provide training and workforce development services to support the employers and ensure the quality of work performed, ultimately, improving the competitiveness and profitability of our economy.

As a United States Senator from Minnesota, a state with a long history of environmentally responsible policies and actions, I understand the importance of a large-scale energy innovation initiative and collaboration such as this. Investing in building energy retrofits and creating green jobs is not only good for our environment, but our economy as well.

For these reasons, I encourage your strong consideration of this application. If you have any questions or need additional information, please contact Jake Spano in my office at 612-727-5227 or jake_spano@klobuchar.senate.gov.

Sincerely,

Amy Klobuchar

Amy Klobuchar
United States Senator

cc: Karen Bahan, Grants Officer, EMCBC, U.S. Department of Energy

AL FRANKEN
MINNESOTA

SUITE
SH-320
202-224-5641

# United States Senate

WASHINGTON, DC 20510-2309

December 14, 2009

The Honorable Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Chu:

I am writing to express my support for the joint grant application submitted by the Cities of Minneapolis and Saint Paul to the U.S. Department of Energy (DOE) for the Retrofit Ramp-up Program. This competitive grant application was submitted through DOE's Energy Efficiency and Conservation Block Grant Program (DE-FOA-000148).

In the Twin Cities a strong base of industry leading programs and competent providers has come together to establish a community-wide partnership, called Energy Savings Made Easy (ESME). This grant would enhance and expand current energy-efficiency programs into a personalized "one-stop shop" program for energy saving services, thus maximizing the impact and sustainability of energy conservation efforts. ESME will benefit our communities, our environment, and our economy, by:

- Making it easy and affordable to implement energy-saving best practices in homes, and in commercial, industrial, and public buildings
- Reducing energy consumption in 100,000 buildings, and reducing carbon emissions by over a 100 million pounds of $CO_2$ annually
- Creating thousands of jobs, and providing training and workforce development services to support employers and ensure quality work

As a United States Senator from Minnesota, a state with a long history of environmentally responsible policies and actions, I understand the importance of a large-scale energy innovation and collaboration initiative. I request full consideration of this application. Please keep me up to date on the status of the awards. If you have any questions or need additional information, please contact Charlie Poster in my office at 651-221-1016 or Charlie_poster@franken.senate.gov.

Sincerely,

Al Franken

Al Franken
United States Senator

cc: Karen Bahan, Grants Officer, EMCBC, U.S. Department of Energy

KEITH ELLISON
5TH DISTRICT, MINNESOTA

1122 LONGWORTH HOUSE OFFICE BUILDING
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ellison.house.gov

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES

FINANCIAL SERVICES COMMITTEE
SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND CONSUMER CREDIT
SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY
SUBCOMMITTEE ON DOMESTIC MONETARY POLICY AND TECHNOLOGY

FOREIGN AFFAIRS COMMITTEE
SUBCOMMITTEE ON INTERNATIONAL ORGANIZATIONS, HUMAN RIGHTS, AND OVERSIGHT
SUBCOMMITEE ON MIDDLE EAST AND SOUTH ASIA

December 11, 2009

The Honorable Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Re: Letter of Support for Minneapolis – St. Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

Dear Secretary Chu,

I am writing to express my support for the joint grant application submitted by the Cities of Minneapolis and St. Paul to the U.S. Department of Energy (DOE) for the Retrofit Ramp-up Program. This opportunity is offered through DOE's competitive solicitation under the Energy Efficiency and Conservation Block Grant Program (DE-FOA-000148), as authorized and funded by the American Recovery and Reinvestment Act (ARRA). The Cities of Minneapolis and St. Paul are requesting $31,500,000.00 to deliver a two-city, multi-sector building energy retrofit system built upon strong existing programs that will provide personalized, comprehensive and effective energy services through an easy-to-use, one-stop approach.

The Cities of Minneapolis and St. Paul have a long history of creating policies and programs in support of energy efficient goals. The Retrofit Ramp-Up Program will target four commercial corridors and adjacent neighborhoods (representing a broad cross section of buildings, uses, income, and ownership structures) with the goal of integrating proven programs with new offerings, into a one-stop, community-based delivery system delivering energy efficient gains to a large fraction of the buildings in the two cities. The project management team states that the program will reduce carbon emissions by over 100 million pounds of $CO_2$ annually, and create 3,000 jobs.

I am particularly interested in this effort because of the broad and experienced coalition coming together to develop and implement this program, along with the other significant program goals:

- Affordable implementation of energy-saving best practices in homes, commercial and industrial buildings in the public and private sectors,
- Integration of energy labeling into buildings in our market,
- Reduction of energy consumption in 100,000 buildings
- Provision of training and workforce development services to support employers and ensure the quality of work performed,
- Real time feedback on energy savings, and
- Improved competitiveness and profitability of companies in our regional economy.

Investing in building energy retrofits and creating green jobs in not only good for our environment, but our economy as well. For these reasons, I urge your support for this application and thank you in advance for your consideration of this request.

Please keep my office informed of the status of this grant application by directing your correspondence to Darlynn Benjamin, a member of my staff, via email at darlynn.benjamin@mail.house.gov, or via fax at (612) 522-9915.

Sincerely,

Keith Ellison

KEITH ELLISON
Member of Congress

KME:dmb

cc: Karen Bahan, Grants Officer, EMCBC, U.S. Department of Energy
Gene Ranieri, City of Minneapolis

BETTY McCOLLUM
4TH DISTRICT, MINNESOTA

1714 LONGWORTH HOUSE OFFICE BUILDING
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www.house.gov/mccollum

UNITED STATES
HOUSE OF REPRESENTATIVES

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION
SUBCOMMITTEE ON LEGISLATIVE BRANCH
SUBCOMMITTEE ON STATE DEPARTMENT AND FOREIGN OPERATIONS

COMMITTEE ON THE BUDGET

SENIOR DEMOCRATIC WHIP

CONGRESSIONAL GLOBAL HEALTH CAUCUS, CO-FOUNDER

December 11, 2009

The Honorable Steven Chu
United States Department of Energy
1000 Independence Ave., SW
Washington, D.C. 20585

RE: City of St. Paul's Energy Efficiency and Conservation Block Grant Application
Funding Opportunity Number: **DE-FOA-0000148**

Dear Secretary Chu:

I write in support of a joint application submitted by the Cities of Saint Paul and Minneapolis to the U.S. Department of Energy (DOE) for a $31.5 million grant under the Retrofit Ramp-up Program. This funding opportunity is offered through DOE's competitive solicitation under the Energy Efficiency and Conservation Block Grant Program (DE-FOA-0000148), as authorized and funded by the American Recovery and Reinvestment Act (ARRA).

I support the goals and objectives of both cities to develop and implement energy-saving best practices in homes, commercial and industrial buildings in the public and private sectors. Funding support from DOE is critical to both cities' retrofit initiatives to reducing energy consumption, reducing carbon emissions, creating thousands of new green jobs and improving the competitiveness of our Midwest regional economy.

I urge your support of this grant application, and thank you for your consideration of this request.

Sincerely,

Betty McCollum
Member of Congress

cc: Karen Bahan, Grants Officer, EMCBC, U.S. Department of Energy

BM: CL

THE McKNIGHT FOUNDATION

710 South Second Street
Suite 400
Minneapolis,
Minnesota 55401
612-333-4220
612-332-3833 fax
www.mcknight.org

December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis-Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

The McKnight Foundation is a Minnesota-based family foundation with great interest in and a history of active support for advancing the natural and built environments, carbon reduction and energy security, and a vital metropolitan region which fosters economic opportunity and sustainable places for people to live, work, and play. Our philanthropic investments range from a focus on affordable housing to transit and transportation, preservation of open spaces, vital neighborhoods, and regional growth management in the Twin Cities region. The Foundation also supports efforts to mitigate climate change and accelerate our shift to a low-carbon economy. We wholeheartedly support the joint application of the Cities of Minneapolis and Saint Paul to the U.S. Department of Energy for the Retrofit Ramp-up program.

McKnight has supported the Cities' collaboration since its inception in response to the Obama administration's comprehensive approach to environmental quality, energy, housing, surface transportation, and comprehensive regional urban transformation. Through the leadership of Living Cities, of which McKnight is a member, we have supported, and intend to continue our support of, the formation and strategic and operational development of this integrative, impactful, mission-driven business development. Specifically, we endorse the "cradle to career" workforce capacity assembled as well as the entrepreneurial Green sector "triple bottom line" development strategies conceived and advanced. We have applauded the public-private partnership bringing key public investment and regulatory roles together with community-based, market engaged delivery systems. We have encouraged our housing and community-based grantees and partners to align their work with the Minneapolis-Saint Paul Retrofit initiative as it comes to scale with potential to expand within the Twin Cities region.

Our support stems from the strategies and successes to date which this collaboration has achieved and which could be brought more quickly to scale and impact with the DOE's support:

- Development of a sector strategy to market and implement energy "best practice" in homes and commercial and industrial buildings in the public and private sectors.
- Specified energy consumption reduction targets and timelines.

- Workforce training and workforce services for low-income participants through proven providers with access to and credibility with employers.
- Engagement of a community-based marketing and delivery system through neighborhoods, neighborhood organizations, and community engagement partners with expertise and connections at the grass-roots level.
- Established methodology for computing annual savings and judging performance:
  - Annual savings gas = 360,000 dkt @ $7.00/dkt = $2.52 million/year
    Carbon = 360,000 dkt x 116.6 lbs/dkt = 41,976,000 lbs $CO_2$
  - Annual savings electric = 50 GWh; 50,000,000 kWh @ $0.08/kWh = $4 million/year
    Carbon = 50,000,000 kWh x 1.275 lbs/kWh= 63,750,000 lbs $CO_2$
- Accountability to its customers and investors.

The Minneapolis-Saint Paul Retrofit initiative is the model and potential success story to catalyze expanded efforts in the Twin Cities and Minnesota as well as throughout the country. DOE's selection and support will accelerate that substantial public good.

Thank you for consideration of McKnight's perspective on this important decision.

Sincerely,

Kate Wolford

Kate Wolford
President

Carolyn H. Roby
Vice President

Wells Fargo Foundation Minnesota
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Minneapolis, MN 55479
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December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

As Chair of the Minneapolis Workforce Council, I am pleased to provide this letter of support for the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program. The Minneapolis Workforce Council is responsible for helping the City of Minneapolis grow a sustainable city by growing a competitive workforce. The City of Minneapolis has a dynamic and highly regarded performance-based employment program which addresses career and work readiness issues for youth, as well as training and employment placement for low-income residents and displaced workers.

Minneapolis also strives to grow a sustainable city by focusing its attention, resources and expertise on the needs of specific industry sectors. In March 2009, Minneapolis Mayor R.T. Rybak announced the creation of the Green Jobs Institute to train and place workers into new green jobs. The City is working with Minneapolis Community and Technical College, Dunwoody College, and Summit Academy to develop a training curriculum with the Center for Energy and the Environment for three growing green job areas: home weatherization, energy audits and green buildings.

The City and the Minneapolis Workforce Council have worked hard to design and create green sector training programs, and believe that there are many more Minneapolis residents ready to work in green sector jobs, than there are jobs available. It is critical that we focus our efforts on the implementation of energy reduction strategies for homes, commercial and industrial buildings. In spite of the fact that Minneapolis is ranked 8th in the nation for cities with the most EnergyStar-qualified buildings, there is so much more work to do to reduce our carbon footprint. The workforce is ready, we now need the resources to respond to the demand we know is there.

Our enthusiasm for this effort stems from our confidence in the broad and experienced coalition brought together to develop and implement the program along with the program goals so significant to us:

- Create thousands of jobs and provide training and workforce development services to support the employers and ensure the quality of work performed;
- Make it easy and affordable to implement energy best practices in homes, commercial and industrial buildings in the public and private sectors
- Integrate energy labeling into buildings in our market
- Reduce energy consumption in 100,000 buildings
- Provide these annual savings:
  - Annual savings gas = 360,000 dkt @ $7.00/dkt = $2.52 million/year
    Carbon = 360,000 dkt x 116.6 lbs/dkt = 41,976,000 lbs $CO_2$
  - Annual savings electric = 50 GWh; 50,000,000 kWh @ $0.08/kWh = $4 million/year
    Carbon = 50,000,000 kWh x 1.275 lbs/kWh= 63,750,000 lbs $CO_2$
- Provide real time feedback on energy savings
- Improve the competitiveness and profitability of companies and our regional economy

Finally, the Minneapolis Workforce Council believes this program will be transformative in our market and will serve as a national model to be replicated broadly.

Sincerely,

Carolyn Roby

Carolyn H. Roby
Vice President

1900 Landmark Towers
345 St. Peter Street
Saint Paul, Minnesota
55102-1661

SAINT PAUL PORT AUTHORITY

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December 10, 2009

Karen Bahan, Grants Officer
EMCBC
U.S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: **Letter of Commitment for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148**

Dear Ms. Bahan:

The Saint Paul Port Authority is pleased to provide this letter of support for the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up Program. We do so as a redeveloper with more than 75 years experience using environmentally friendly and energy efficient methods to clean up inner-city pollution and carve out space for expansion-minded businesses to grow and prosper. To date, we have 19 fully developed business centers in Saint Paul, providing space for more than 325 companies and their more than 30,000 employees.

For more than 30 years, beginning with development of our Energy Park Business Center in 1979, the Port Authority has encouraged redevelopment projects to reduce energy consumption and to utilize green building practices that include state of the art energy efficiency and water quality techniques. Currently, we pay for energy audits for every one of the new businesses in our most recent centers and have obtained some dramatic results.

We are preparing to launch a unique program that will make it easier for large energy users to finance the energy-conservation improvements needed to keep their businesses viable in today's marketplace. Our Trillion Btu Energy Efficiency Program will leverage federal stimulus dollars with other investors, including Xcel Energy, and local Economic Development Associations such as Minneapolis' Community Planning and Economic Development Agency and the City of Saint Paul, to provide revolving loans to these businesses. The loans, in turn, would be repaid by the businesses' energy cost reductions.

Our enthusiasm for the Cities' Energy Savings Made Easy Program stems from our confidence in the broad and experienced coalition brought together to develop and implement the program along with program goals of reducing energy consumption in 100,000 buildings, which is our main focus as a redeveloper of manufacturing land for reuse.

Finally, we believe this program will be transformative in our market and will serve as a national model to be replicated broadly.

If you have further questions, please feel free to contact Peter Klein, Vice President of Finance, at pmk@sppa.com or (651)204-6211. Thank you for your consideration.

Sincerely,

Louis F. Jambois
President

49564.v1

Community **Action**

December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis/Saint Paul Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

Community Action Partnership of Ramsey & Washington Counties is pleased to provide this letter of support for the Minneapolis/Saint Paul joint application to the U.S. Department of Energy for the Retrofit Ramp-up program. We do so as a partner in the collaboration, as a member of the project steering committee and as an agency with 30 years' experience in energy conservation and weatherization services. We are the federal weatherization and energy assistance provider for the Saint Paul area.

The coalition will provide a seamless service to all identified neighborhoods, regardless of income level, because of the partners involved. Community Action's involvement in the program will be to work with other energy partners in fulfilling referrals for energy efficiency retrofitting of houses owned by low-income families and individuals. The Saint Paul Central Corridor identified for the effort highly correlates with our target aid area for low-income households. Our goals for the program include:

- Implementing energy best practices in low-income households
- Reducing energy consumption in 750 households in the target area with annual heat savings of 20%-25%
- Creating a feedback loop that provides energy savings information to both participants and coalition partners
- Seamless coordination with our energy partners (Xcel, NEC and other partners)
- Ensuring the implementation of a "one stop" services delivery, regardless of income
- Establishing a supplemental deferred loan program for low-income households, should they desire to make additional improvements

This program also aligns with our goal to ensure that low-income households in Saint Paul have access to energy efficiency retrofit deferred loans and grants. The fund would be accessed by low-income households in Saint Paul that cannot qualify for more conventional loans.

Finally, we believe this program will serve as a national model to be replicated broadly.

Sincerely,

Clarence Hightower
Executive Director

Cc: Catherine Fair, Director of Energy Assistance

Community Action
Partnership of Ramsey
& Washington Counties

450 Syndicate Street N
Saint Paul, MN 55104

Web Site: caprw.org

Tel: 651-645-6445

**Science Museum** of Minnesota

*Get fascinated*

December 4, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, Ohio 45202

The Science Museum of Minnesota (SMM) is pleased to provide this letter of commitment for the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program (DE-FOA-0000148). SMM has much to offer to this application. We reach large regional and national audiences; we are currently developing a major energy and environmental exhibit; we are in the midst of a comprehensive exergy building analysis; and we intend to serve as an important role in communicating the benefits of exergy to large regional and national audiences.

Exergy analyses of a diverse range of facilities (e.g. semiconductor manufacturing, food processing, health services) within Xcel Energy's service area have yielded astonishing energy savings and concomitant economic and environmental benefits. With funding from Xcel Energy, SMM has embarked on an exergy analysis of its facility to determine how it can capture and reuse waste energy generated by normal museum operations. SMM then will use the results of the analysis to guide a retrofit of its facility and inform its development of exergy educational exhibits and programs.

Following the study and implementation of exergy at SMM, the Museum then will be in an excellent position to use itself as a case study to advance awareness of low exergy systems for high-performance buildings and communities as described in Annex 49 of the Energy Conservation in Buildings and Community Systems project of the International Energy Agency. SMM has the skills, networks and connections to play a major role in helping to inform large audiences about exergy locally, regionally, and nationally:

- As a popular public destination with over 800,000 visitors annually, SMM is an ideal venue in which to showcase through exhibits, workshops and model installations the significance of exergy. A special target audience will be decision makers—government, business, non-profit, and community leaders—who are becoming increasingly aware of energy issues and are seeking opportunities to understand the implications of these issues on policy decisions they influence.

- The National Science Foundation (NSF) in 2008 awarded the museum $3 million for its Future Earth Initiative. This project is a partnership between SMM and six NSF-supported global change research centers across the U.S. Exergy will be included as a topic in the Future Earth exhibit that opens at the Museum in 2011.

120 West Kellogg Boulevard
Saint Paul, MN 55102
*tel.* (651) 221-9444 *fax* (651) 221-4777

www.smm.org

- The University of Minnesota's Institute on the Environment works to focus the environmental research of departments and colleges throughout the system. Patrick Hamilton, SMM's Director of Environmental Science and Earth-system Science is a fellow of the Institute and thus in an excellent position to bring the concept exergy to the attention of a major land-grant university.

- The Science Museum recently submitted a grant proposal to NSF for the National Anthropocene Education Network. This project, if funded, will organize 26 leading science museums and university-based environmental institutes into a U.S. network that would be an ideal vehicle by which to inform large numbers of citizens and decision makers nationally about exergy.

In the early 1990s, Northern States Power Company (now Xcel Energy) helped SMM to design and implement major energy efficiency improvements. These initiatives were unprecedented at that time in the scope and scale of the energy efficiencies achieved. The combination of building retrofits with educational exhibits and outreach resulted in major awards and acknowledgements at both the state and federal level. SMM and Xcel Energy are again poised for another major partnership with significant benefits for the communities and constituents that we serve. Exergy as codified in the International Energy Agency's publication Annex 49 offers enormous potential for our nation's energy future. It is a concept that deserves to be disseminated as quickly as possible.

Best regards,

Eric J Jolly

Eric J. Jolly, Ph.D.
President

BOMA
Saint Paul
Federated with Building Owners & Managers Association International

Greater Saint Paul
**Building Owners &**
**Managers Association**

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December 10, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

On behalf of the Greater Saint Paul Building Owners and Managers Association (BOMA) I am pleased to provide this letter of support for the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program.

The Greater Saint Paul Area BOMA is one of over 100 local chapters of BOMA International. In addition to the myriad of benefits our members derive from BOMA International, locally we strive toward an enhancement of knowledge of the office building professional, and an atmosphere that will enable the most effective development, operation and marketing of office space. BOMA's mission is to provide leadership, education, research and advocacy to the commercial real estate industry.

Most recently the Greater Saint Paul BOMA worked closely with the City of Saint Paul to pass new city ordinances encouraging citywide green building policies. December 16th, 2009, will mark an important day in Saint Paul, that will place energy efficiency and other sustainability factors in high importance when moving forward on publicly assisted development. It is imperative to our community that we continue to move forward with sustainable practices.

BOMA believes the program goals identified by the applicants complement our efforts by making it easier and more affordable to implement energy conversation systems in businesses and their buildings. This in turn will encourage competitiveness and the profitability of our companies in local commercial corridors.

Thank you for your consideration.

Sincerely yours,

Richard H. Zehring
Chairman of the Board
Saint Paul BOMA

Matthew R. Anfang
President
Saint Paul BOMA

Central Bank

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**Golden Valley**
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**Stillwater**
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December 11, 2009

Karen Bahan, Grants Officer
EMCBC
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250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Commitment (or Support) for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

Our organization ,Central Bank is pleased to provide this letter of commitment (or support) for the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program. We do so as a potential financial partner as we have participated in other programs such as the Xcel Energy rebate program administered through the Center For Energy in Minneapolis.

Our involvement in the program will be to participate in the in the small commercial program elements in the targeted areas which would be feasible to fund.

Our enthusiasm for this effort stems from our confidence in the broad and experienced coalition brought together to develop and implement the program along with the program goals so significant to us:

- Make it easy and affordable to implement energy best practices in homes, commercial and industrial buildings in the public and private sectors
- Integrate energy labeling into buildings in our market
- Reduce energy consumption in 100,000 buildings
- Create thousands of jobs and provide training and workforce development services to support the employers and ensure the quality of work performed
- Provide these annual savings:
  - Annual savings gas = 360,000 dkt @ $7.00/dkt = $2.52 million/year
    Carbon = 360,000 dkt x 116.6 lbs/dkt = 41,976,000 lbs $CO_2$
  - Annual savings electric = 50 GWh; 50,000,000 kWh @ $0.08/kWh = $4 million/year
    Carbon = 50,000,000 kWh x 1.275 lbs/kWh= 63,750,000 lbs $CO_2$

- Provide real time feedback on energy savings
- Improve the competitiveness and profitability of companies and our regional economy

Finally, we believe this program will be transformative in our market and will serve as a national model to be replicated broadly.

Sincerely,

Joseph R Jensen,
Sr Vice President
Central Bank

MINNEAPOLIS
REGIONAL Chamber of Commerce

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December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

On behalf of the 1,500 businesses of the Minneapolis Regional Chamber of Commerce (MRCC), I am pleased to provide this letter of support for the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program.

The MRCC encourages its members to seek out resources to become more energy efficient in their workplace and have underway several initiatives that assist in this effort. Specifically, we developed the Minneapolis Area Green Business Network in partnership with the City of Minneapolis. This online forum allows employers to seek out best practices and support from like-minded colleagues in the area of conservation. The *Greening Your Business Expo*, the first business-to-business expo focusing on incorporating sustainable practices in the workplace in the region, is another Chamber program that supports employers in this area.

The MRCC believes the program goals identified by the applicants compliment our efforts by making it easier and more affordable to implement energy conversation systems into commercial and industrial buildings. This in turn will help improve the competitiveness and profitability of our companies and the regional economy.

The MRCC is very confident in the broad and experienced coalition brought together to develop and implement the program. Their efforts align with our goal of creating powerful partnerships that unite and grow businesses in the region.

Sincerely,

Todd Klingel

Todd Klingel
President & CEO

East Side Neighborhood
Development Company, Inc.
925 Payne Ave., Suite 201, St. Paul, MN 55130
Phone (651) 771-1152 Fax (651) 771-7739

December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
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250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis, Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

The East Side Neighborhood Development Company (ESNDC) is pleased to provide this letter of support for the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program. We offer our support as a community partner working in a neighborhood that faces many challenges with its housing stock and would benefit greatly from such a program. ESNDC is a neighborhood based CDC that is dedicated to creating wealth and well being in a thriving and engaged multi cultural neighborhood. We do this through both housing and commercial development, but also with a human development department and through a comprehensive community engagement initiative.

We are particularly interested in the Retrofit Ramp Up program because the East Side of Saint Paul contains the necessary pieces that would make such a program successful; an aging housing and commercial building stock, a large low income and diverse population, and a healthy mix of owner occupied and rental properties. These conditions are combined with a great interest by community stakeholders in "going green" to rebrand a neighborhood that has been hit hard by recent economic events. Residents and business owners have expressed a great interest in improving energy efficiency as one way to create a more sustainable neighborhood that will be more attractive to new home and business owners. On the East Side, an energy retrofit program would be easily applicable as well as very well received by the community.

Being a neighborhood based CDC, we hope to partner with the City of Saint Paul to market and administer the residential and commercial program elements in our service area to make the best use of funds. Through our intensive community engagement efforts, we have established close relationships with a wide variety of area stakeholders that will prove effective in spreading program information as well as locating participants. We also anticipate combining this program with other area redevelopment efforts to substantiate the effect in creating a more eco-friendly neighborhood.

Our enthusiasm for this effort stems from our confidence in the broad and experienced coalition brought together to develop and implement the program along with the program goals significant to us including:

- Make it easy and affordable to implement energy best practices in homes, commercial and industrial buildings in the public and private sectors
- Integrate energy labeling into buildings in our market
- Reduce energy consumption in 100,000 buildings
- Create thousands of jobs and provide training and workforce development services to support the employers and ensure the quality of work performed
- Provide considerable annual savings:
    - Annual savings gas = 360,000 dkt @ $7.00/dkt = $2.52 million/year
      Carbon = 360,000 dkt x 116.6 lbs/dkt = 41,976,000 lbs $CO_2$
    - Annual savings electric = 50 GWh; 50,000,000 kWh @ $0.08/kWh = $4 million/year
      Carbon = 50,000,000 kWh x 1.275 lbs/kWh= 63,750,000 lbs $CO_2$
- Provide real time feedback on energy savings
- Improve the competitiveness and profitability of companies and our regional economy

This program also aligns with our organizational goals of:

- Raise awareness of energy and sustainability issues
- Create a safer, healthier, more sustainable neighborhood
- Provide high quality, affordable housing options
- Attract and retain new businesses to improve commercial viability
- Establish partnerships to collectively invest in the neighborhood
- Engage the community in creating positive change

We believe this program is positively necessary and will be transformative in our communities. Once implemented, the program will serve as a national model to be replicated broadly. We fully support this application and hope that it is considered seriously.

Sincerely,

Mari Bongiovanni

Mari Bongiovanni
Executive Director
East Side Neighborhood Development Company

FAMILY
HOUSING
FUND

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MINNESOTA 55402

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December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
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250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

The Family Housing Fund, on behalf of Minnesota Green Communities is pleased to provide this letter of support for the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program. We do so as a supporter and potential partner working on energy efficiency retrofits for existing affordable multifamily housing.

Minnesota Green Communities is a statewide collaboration of the Greater Minnesota Housing Fund, the Family Housing Fund, and Enterprise. Minnesota Green Communities has been working with affordable housing developers, the Minnesota Housing Finance Agency, as well as cities, nonprofits, and other governmental agencies to facilitate and promote construction and rehabilitation of affordable housing that is energy efficient. To date, our work has resulted in policy changes at Minnesota Housing and other funders that require projects to meet the Green Communities Criteria as a threshold standard for funding, and more than 3,000 homes and apartments are somewhere in the process to achieve that, with more than 1,000 completed, nearly another 1,000 under construction, and 1,000 more fully funded and committed to the standard. Over the last five years, we have hosted numerous training sessions on energy efficient housing, partnering on local and regional conferences as well as workshops to thousands of attendees. We are providing training for builders rehabilitating foreclosed properties. We are currently developing a program to retrofit existing affordable multifamily buildings to meet or exceed the Green Communities standards.

Our involvement in the program includes a commitment to assist in outreach and marketing to a specific submarket – existing affordable multifamily properties throughout Minneapolis and Saint Paul. We also will continue to work with the project team to develop a program that is functional for affordable multifamily buildings, which have some unique challenges. Challenges we have already identified include less extensive expertise in evaluating and verifying improvements in multifamily buildings, designing a delivery system that will be accessible to a wide variety of types of building owners, addressing the unique challenges of "split incentives" where improvements are made by building owners but savings are experienced by tenants who pay their own utilities, and complex financing structures.

Our enthusiasm for this effort stems from our confidence in the broad and experienced coalition brought together to develop and implement the program along with the program goals so significant to us:

- Make it easy and affordable to implement energy best practices in affordable multifamily buildings in the public and private sectors
- Reduce energy consumption in 100,000 buildings
- Create thousands of jobs and provide training and workforce development services to support the employers and ensure the quality of work performed
- Provide these annual savings:
    - Annual savings gas = 360,000 dkt @ $7.00/dkt = $2.52 million/year
      Carbon = 360,000 dkt x 116.6 lbs/dkt = 41,976,000 lbs $CO_2$
    - Annual savings electric = 50 GWh; 50,000,000 kWh @ $0.08/kWh = $4 million/year
      Carbon = 50,000,000 kWh x 1.275 lbs/kWh= 63,750,000 lbs $CO_2$
- Improve the financial stability of affordable apartment buildings and the financial stability of the families on limited incomes living in affordable buildings

This program aligns with our goals to facilitate the green retrofit 10,000 units of existing affordable housing throughout Minnesota.

Finally, we believe this program will be transformative in our market and will serve as a national model to be replicated broadly.

Sincerely,

Thomas P. Fulton

Thomas P. Fulton
President

Kingfield Neighborhood Association
3754 Pleasant Ave. S. #101, MPLS MN 55409

KINGFIELD

*phone: 823-5980*
www.kingfield.org <*kfna@email.com*>

December 9, 2009

Dear Bob Miller,

Kingfield Neighborhood Association (KFNA) is strongly in support of the Home Energy Assessment Program as currently being administered by the Center for Energy (CEE) and the Environment.

KFNA entered into partnership with CEE in August to provide the community organizing and support aspect of this project. While we have spent a fair share of time doing this, we have received benefits far beyond the time committed. KFNA kicked off the project by talking to neighbors at their block parties on National Night Out and secured 68 people on our 100 blocks that were excited enough about the program that they performed personal outreach to their neighbors. These 68 people engaged 350 additional residents in just 5 weeks to register for the workshops. 192 home assessments have already occurred in just two months following the workshops.

The networking between neighbors on this program has been invaluable as they encourage those they know to get involved and make a change in their home habits and systems. The competitive nature of block against block to bring in the most people has fired people up to attend the workshops. We hope the this connection continues to grow as neighbors share results with each other and KFNA, and we can help facilitate changes in the habits and homes and shrink the carbon footprint on Kingfield.

Sincerely,

Sarah Linnes-Robinson, Executive Director
Kingfield Neighborhood Association

# Lake Street Council

US Bank Building
919 East Lake Street
Minneapolis, MN 55407

www.lakestreetcouncil.org

Phone: 612-822-0232
Fax: 612-821-6219
Email: jwisdom@lakestreetcouncil.org



December 9, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis-Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

Lake Street Council is pleased to provide this letter of support for the Minneapolis-Saint Paul joint application to the U.S. Department of Energy for the Retrofit Ramp-Up Program. On behalf of our small business community, we support this collaborative effort. We have provided substantial input into the process to create a program that will reduce the energy usage in properties that up to now have lacked available resources to implement such change.

Lake Street Council represents over 2000 businesses within the 5-mile Lake Street commercial corridor that traverses 13 neighborhoods. We take our responsibility to engage, serve and represent this business community seriously. That sense of responsibility is borne out in the value our organization and our commitment to programs such as this provides.

Our enthusiasm for this effort stems from our confidence in the broad and experienced coalition brought together to develop and implement the program. Our expectation of this program is that it will make it easy and affordable to implement energy best practices in homes and commercial and industrial buildings in both the public and private sectors, reducing energy consumption and providing financial savings.

The aspect of the program to provide real time feedback on energy savings is critical to our ability to put this program into use in our community. The program aligns with many of our organizational goals and our vision for the future of our commercial corridor and others in need of revitalization across the U.S.

Finally, all of this has brought us to our belief that this program will be both transformative in our local market and will also serve as a national model.

Sincerely,

Joyce B Wisdom

Joyce Wisdom
Executive Director

Lake Street Council Mission: Engaging, serving and representing Lake Street businesses and their communities to create and ensure ongoing vitality and prosperity for the commercial corridor, the front door of 13 Minneapolis neighborhoods.

www.visitlakestreet.com

Neighborhood Development Alliance
Wabasha Center, 481 South Wabasha St.
St. Paul, MN 55107
Ph. (651) 292-0131 Fax. (651) 292-0925
www.nedahome.org

December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

Neighborhood Development Alliance (NeDA) is pleased to provide this letter of support for the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program. NeDA writes this letter as a supporter and potential partner in the program.

This program aligns with NeDA's mission to strengthen the vitality of lower-income neighborhoods within the City of St. Paul, by creating and preserving housing and business opportunities for residents of all income levels. One of NeDA's long-term goals is the systematic rehabilitation of residential properties focusing on major gateways and concentrations of poverty and disrepair. The majority of St. Paul's housing stock -- in its low and moderate income neighborhoods -- was built before World War II. These homes are often in desperate need of insulation, improved/upgraded mechanicals to bring them into the 21st century.

For the past four years, NeDA has worked with St. Paul's neighborhoods to provide deferred loans to make home rehab loans that focus on energy improvements/upgrades. We have used CDBG funds from the City of St. Paul. This program has proved very popular and within a couple months of receiving our last award, all funds are under contract. We are also conducting a study on the impact these loans have made. We collect utility information for the year prior to rehab and then collect utility information for the year after completion of rehab. We are working with Neighborhood Energy Connections to develop a report on usage and costs. NeDA also provides home owners an informational packet and training on running a more energy efficient home. We are interested in expanding our program to offer solar energy as a way to help low and moderate income families decrease energy and heating costs.

In February 2009, NeDA's new twin homes were awarded LEED Gold. These are the first LEED Gold homes built for sale to low-income families, in St. Paul. These homes have active solar hot water heaters. We will be working with the new home owners on tracking energy usage. We will compare their energy usage with families in comparably built homes, without solar panels, over the next two years. (NeDA's achievement to LEED Gold did not essentially change the nature of NeDA's already stringent building requirements. We have used an Energy Star builder for many of our new construction homes we've built over the last 10 years.) NeDA secured a grant from the Minnesota Pollution Control Agency to install these demonstration panels.

We hope to become involved in the program to deliver a full spectrum of energy saving options to residents living in our modest income neighborhoods. Our goal would be to decrease home owners' energy costs thus making home ownership more affordable to families currently residing in St. Paul and prospective new home owners. We believe that the City's (and NeDA's program) can serve as a national model to be replicated broadly.

Sincerely,

Karen Reid
Executive Director
kreid@nedahome.org

NORTHEAST MINNEAPOLIS
Chamber of Commerce
An Affiliate of the Minneapolis Regional Chamber of Commerce

December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

On behalf of the 150 businesses of the Northeast Minneapolis Chamber of Commerce (NEMCC), I am pleased to provide this letter of support for the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program.

The NEMCC's mission is to assist member businesses and those in our commercial corridors (Central Avenue and others) to become more viable. As an affiliate of the Minneapolis Regional Chamber of Commerce (MRCC), we promote and encourage our members to seek out resources to increase energy efficiency in the workplace. We actively support several initiatives that the MRCC has implemented to assist in this effort.

Specifically, the Minneapolis Area Green Business Network in partnership with the City of Minneapolis. This online forum allows employers to seek out best practices and support from like-minded colleagues in the area of conservation. The *Greening Your Business Expo*, the first business-to-business expo focusing on incorporating sustainable practices in the workplace in the region, is another Chamber program that supports employers in this area.

The NEMCC believes the program goals identified by the applicants compliment our efforts by making it easier and more affordable to implement energy conversation systems in small businesses. This in turn will encourage competitiveness and the profitability of our companies in local commercial corridors.

Sincerely,

Christine Levens

Christine Levens
Executive Director
Northeast Minneapolis Chamber of Commerce
*An Affiliate of the Minneapolis Regional Chamber of Commerce*

December 10, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

I am writing to you to strongly support the application of Minneapolis and Saint Paul for an Energy Efficiency and Conservation Block Grant. As the Director of the Minneapolis Neighborhood Revitalization Program (NRP) for almost 18 years I have been privileged to see first hand the difference interested, committed and enthusiastic residents can make in improving the quality of life in their neighborhoods and the City. Improving energy efficiency and conserving energy have been priorities of our neighborhoods and residents for years and the importance of helping to address these national priorities is more present now in the resident developed NRP Neighborhood Action Plans (NAP's) than it has ever been.

NRP was selected as one of the 100 best programs in the world for "improving the living environment" by the second Habitat Conference of the United Nations Centre for Human Settlement (Habitat) and the Dubai Municipality of the United Arab Emirates. This was an award for which you were nominated. You could not submit an application and we never knew who had submitted NRP as a nominee. Two separate independent teams reviewed the program in 1999. The first team was to narrow the list of programs that would be "finalists" and the second submitted the reports from which the Technical Advisory Committee of international representatives selected the best 100. The award was for "Outstanding Contribution Towards Improving the Living Environment" and was given in September 2000 as part of the international Habitat II Conference. The Review Team, in their report, cited NRP's contribution to empowering residents and achieving real change in local areas.

Every neighborhood in the City of Minneapolis is a participant in NRP and has created their own unique NAP. The funds that NRP has provided have been used to address priorities included in these NAP's. Energy efficiency and conservation have present in NAP's since the first plan was approved in 1992. Neighborhood efforts have focused on residential lighting, dwelling insulation, heating and cooling system improvements, low cost measures and education. As a member of the Urban Consortium Energy Task Force for almost 15 years I have been pleased to see the reception that neighborhoods have given to improving their environment and reducing energy use.

Green building techniques are highlighted in NRP's Minneapolis and Saint Paul Home Tour. This major event lasts two days, opens more than 50 Minneapolis and Saint Paul homes to visitors, and attracts more than 5,000 people annually who are looking for ways to improve their homes. Energy efficiency is an emphasis of many of these home projects.

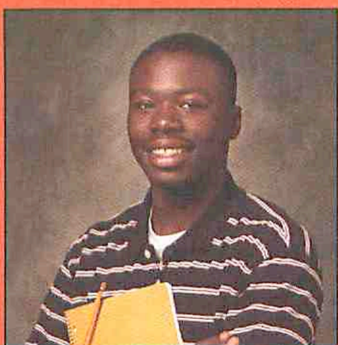
Our neighborhoods and residents are enthusiastic about the opportunity to participate in this exciting grant application. We will continue to make energy efficiency and conservation a priority in our efforts to improve the housing stock in our neighborhoods but the resources of NRP can only go so far and do so much. We need the investment of the Federal government and their partnership to leverage the civic infrastructure that we have created and build on the investments we have already made.

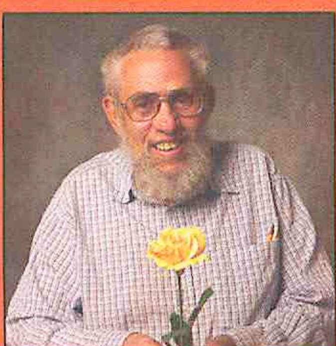
Our neighborhoods have invested over $ 150 million in improving the housing stock in the City and with your support and assistance, their efforts can continue and make an even greater dent in our energy consumption patterns.

I strongly encourage you to support and fund this application by the city's of Minneapolis and Saint Paul for an Energy Efficiency and Conservation Block Grant.

Sincerely,

Robert D. Miller
Director, NRP





SAINT ANTHONY PARK COMMUNITY FOUNDATION

P.O. Box 8038
St. Paul, MN 55108

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SAPFoundation.org

December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

Dear Ms. Bahan,

On behalf of the board of the Saint Anthony Park Community Foundation, I have been asked to send this letter in support of the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program. We do so as an organization and neighborhood that has a deep interest in comprehensive solutions to energy efficiency and conservation.

Over the past two years, the Foundation has granted $10,000 to support a local Green Neighborhood program which has sponsored twenty-five events with a total attendance of 574, providing St. Anthony Park residents with the information, training, service and materials they need to help increase the sustainability and greening of this neighborhood.

Our involvement in the program will allow us to expand our reach to include more residents and businesses by participating in the Energy Savings Made Easy (ESME) program. We look forward to implementing all energy improvements resulting from the analysis which are appropriate to our local situation.

We are also excited by the opportunity to work with such a diverse and experienced coalition representing broad expertise and the capacity necessary to guarantee the success of this initiative.

This program aligns with our goals to reduce District 12's carbon footprint by promoting block clubs, cooperation, and face to face interactions in the neighborhood. These will also address the need to help residents and businesses retrofit their buildings for energy efficiency. They will help to meet our goals of reducing the harmful environmental impact on the neighborhood by educating the residents and business owners about best practices.

Finally, we believe this program will be transformative in our market and will serve as a national model to be replicated broadly. Thank you for your consideration of this grant application.

Sincerely,

Jon Schumacher
Executive Director

**Minneapolis**
*City of Lakes*

**Regulatory Services**

**Environmental Management & Safety**

250 South 4th Street – Room 414
Minneapolis, MN 55415

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December 11, 2009

Karen Bahan, Grants Officer
EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis/Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

Healthy Homes and Lead Hazard Control (a unit within the Regulatory Services Department of the City of Minneapolis) is pleased to provide this letter of support for the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program. We are delighted that Healthy Homes is integrated into this grant project.

As a HUD Lead Hazard Control grantee with 10 years grant program experience; a two-time recipient of HUD Healthy Homes Demonstration grants; staff certified as Healthy Home Practitioners and experienced in home assessment, we would be delighted at this chance to collaborate:

- In outreach and education events to provide knowledge of lead hazards and lead safe work practices
- Offer HUD grant funds for qualified property owners for energy efficient and lead safe window sash replacements, up to $8000 per residential unit.

This program aligns with our goals to reduce the number of properties with lead hazards that threaten the long-term health of our children and to increase the lead safe affordable housing market.

Finally, we believe this program will be transformative in our market and will serve as a national model to be replicated broadly.

Sincerely,

Lisa Smestad, REHS
Manager Environmental Services
lisa.smestad@ci.minneapolis.mn.us
612-673-3733

United Labor Centre
312 Central Avenue, Suite 556
Minneapolis, Minnesota 55414

MINNEAPOLIS BUILDING AND CONSTRUCTION TRADES COUNCIL

Phone: (612) 379-4234
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Boilermakers #647
Bricklayers & Allied Craftworkers #1
Cabinet Makers & Millmen #1865
Carpenters #851
Carpenters & Floorlayers #1644
Carpet, Linoleum, Resilient Tile Layers, Terrazzo Workers & Finishers #596
Cement Masons #633
City Employees #363
Construction & General Laborers #563
Electrical Workers #292
Elevator Constructors #9
Glaziers & Glassworkers #L-1324
Heat & Frost Insulators & Allied Workers #34
Iron Workers #512
Iron Workers Shopmen #535
Lathers #9190L
Millwrights #548
Operating Engineers #49
Painters #386
Pile Drivers & Dock Builders #1847
Pipefitters #539
Plasterers #265
Plumbers #15
Roofers #96
Sheet Metal Workers #10
Sign, Display & Allied Workers #880
Sprinkler Fitters #417
Teamsters #120

December 14, 2009

Karen Bahan, Grants Officer - EMCBC
U. S. Department of Energy
E M Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, OH 45202

RE: Letter of Support for Minneapolis Saint Paul's Energy Efficiency and Conservation Block Grant Application DE-FOA-0000148

The Minneapolis Building and Construction Trades Council, is pleased to provide this letter of support for the Cities of Minneapolis and Saint Paul's joint application to the U.S. Department of Energy for the Retrofit Ramp-up program. We do so as an organization whose membership is trained, experienced and ready to provide skilled workers to perform energy efficiency building retrofit work to projects large and small in the two cities.

Our support for this effort stems from our confidence in the broad and experienced coalition brought together to develop and implement the program along with the program goals so significant to us, including the creation of nearly 1300 jobs.

This program aligns with our goal to put workers back to work quickly and productively, while helping residents and business owners reduce their energy use.

We appreciate the opportunity to collaborate and believe this is a model that should be replicated by others.

Sincerely,

Michael A. Hawthorne,
Business Manager

MAH/drm – opeiu #12 afl-cio