

Testimony to the Energy Efficiency Advisory Council, DOER
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The current methods of persuading homeowners to make substantive improvements in their home's energy efficiency are not working. A pitifully small percentage of people who have had energy audits in recent years have gone on to implement many of the auditor's recommendations. As climate change increases summer heat stress, asthma, and the threats of catastrophic storms, and as declining fossil fuel reserves increases energy costs, we must speed up dramatically our transition to the a clean energy economy. The first step is to increase homeowner and tenant engagement and investment in energy efficiency.

It's wonderful that we've been able to pass laws to create this Council and compensate the utilities for demand reduction efforts, but we need homeowner and tenant buy-in to cut carbon as deeply and quickly as we know our generation has to.

If we are to reach the decarbonization goals that scientists tell us is needed to avoid the worst consequences of climate change, we must remove the impediments that are preventing people from taking full advantage of the utility energy efficiency programs.

In the energy conservation and carbon-reduction classes that we have been offering in various Boston neighborhoods, we have heard many times from homeowners who would love to be able to insulate, or air seal, or install solar energy, but they do not have the funds to cover the large initial costs. Many of these steps would pay for themselves in 5 or 10 years so they make sense financially if they can get financing. While it is possible to get home loans for

these types of projects, the application process and the tightness of the credit market make this option too difficult for people without both abundant free time and sterling credit worthiness.

The appeal of on-bill financing is that the utility companies already have extensive payment history on the ratepayers, so the homeowner's credit worthiness has already been documented. The billing system is already in place, so little extra cost is incurred in administration of the loan. And it's very simple for the homeowner to understand and access. The auditor's report shows cost of the loan, years of payback, and how that cost relates to current and future energy bills. The prospect of substantially reduced bills, once the loan is paid off, will certainly increase the uptake of auditor recommendations.

On-bill financing is already being offered to small businesses in Boston. Now it needs to be offered to residential ratepayers as well. We can't stop global warming without them!