



Me² Update and Future Plans



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Why Energy Efficiency is Important

- Energy efficiency makes older cities more competitive
- Investing in energy efficiency means:
 - Local jobs
 - Better Buildings
 - Lower operating costs
 - Better local air quality
- “Rebuild Milwaukee from the Inside Out”
- Cities need economic development tools to support existing buildings, not just new development.
- Reallocate budgets currently used for wasteful and environmentally degrading fossil fuels into building improvements that improve living conditions and reduce energy waste





A Brief History

- Milwaukee, Madison and Racine partnered via Wisconsin Energy Conservation Corporation (WECC) on competitive ARRA program.
- \$20m awarded. Milwaukee's share was \$12m
- US DOE goal – create sustainable financing (loan) programs to leverage private investment in energy efficiency and incentives from the statewide Focus on Energy program
- Homeowner program and Business (Non-residential) Program



Homeowner Program to Date

- Make home energy efficiency retrofits easy and affordable
- 6 Energy Advocates help homeowners understand how to complete energy efficiency projects and access financing and incentives
- Home energy audit is subsidized
- Affordable loans available through Summit Credit Union (backed by Loan Loss Reserve from grant)
- Incentives from statewide Focus on Energy Program
- Me² began using grant funds for incentives in Summer 2011 to increase program uptake
- Participating Contractors must comply with Community Workforce Agreement

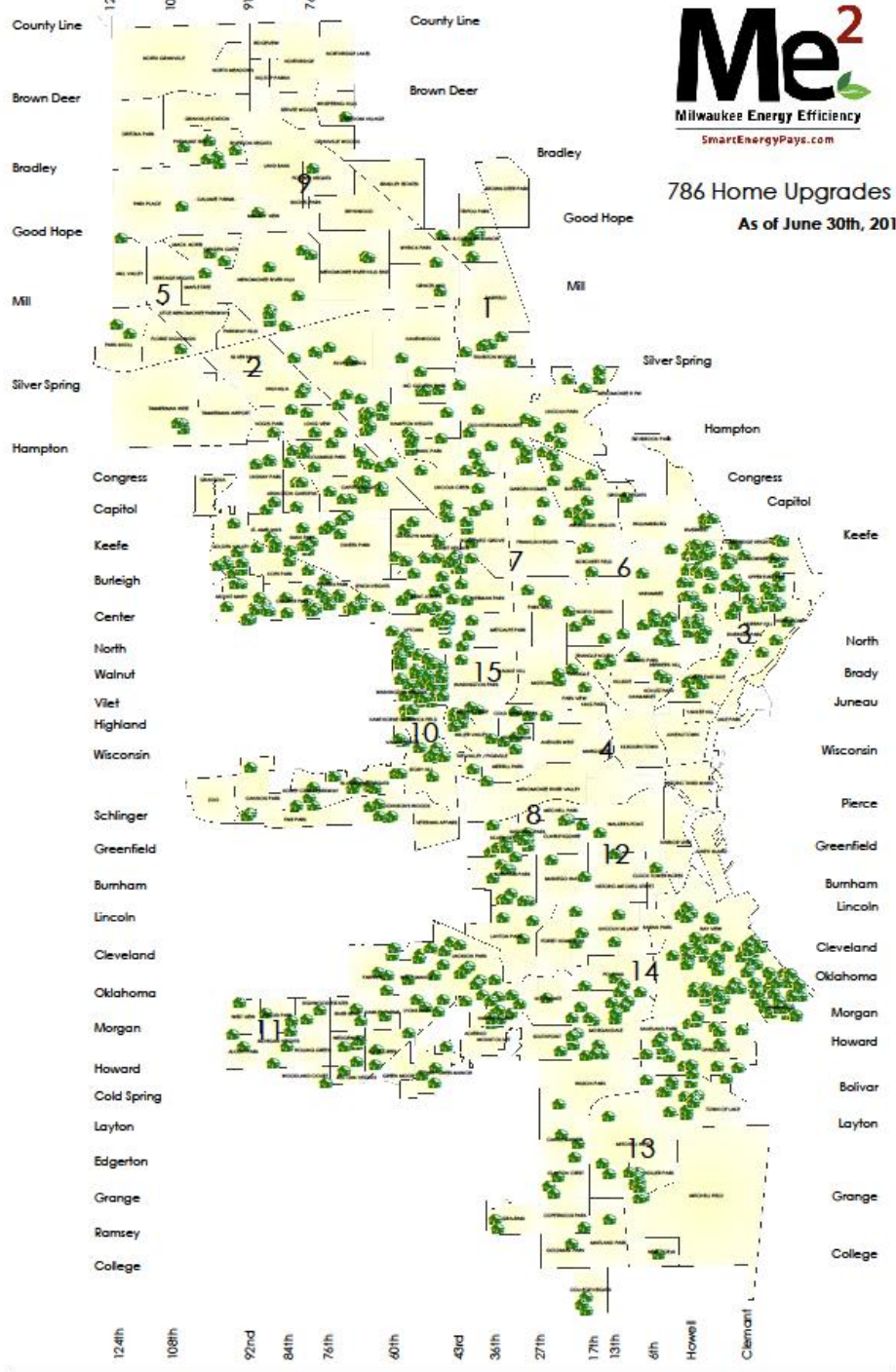


Homeowner Program Results

- ▶ 806 homes upgraded
- ▶ 2,056 home energy assessments
- ▶ 211 loans disbursed through Summit Credit Union
- ▶ Local employment (many through minority owned firms)
- ▶ Milwaukee nationally recognized for our marketing approach and for the program



786 Home Upgrades
 As of June 30th, 2013





Homeowner Program Transition

- ▶ Customers needed to sign up by June 15th, 2013 to receive Energy Advocate support
- ▶ New customers can still access incentives by scheduling directly with a Me² contractor
- ▶ Projects must be completed by August 30th to receive Me² incentives
- ▶ After August 30th, we will still offer Me² financing plus Focus Incentives through Participating Me² contractors, with limited phone support
- ▶ CDBG funds support limited additional incentives for low-moderate income households after August 30th





Business Program

- Keeps existing businesses competitive
- Leveraging local contractors to develop projects
- Better Buildings Challenge
- Three Me2 financing options:
 - Small business loans through Summit Credit Union
 - MEDC gap financing
 - PACE financing
- Business incentives through MEDC offered April 2012-March 2013





Better Buildings CHALLENGE

U.S. DEPARTMENT OF ENERGY

MILWAUKEE

- Lead with government buildings; show private sector how it's done
- Engage with downtown reps & building owners (BOMA)
- Provide something of value for participation (Me² financing)
- Provide Portfolio Manager support





Better Buildings CHALLENGE

U.S. DEPARTMENT OF ENERGY

MILWAUKEE

10 pledges received, plus City government facilities

**TAKE THE
PLEDGE**



City government Buildings

US Bank Building

City Center at 735

A.H. Wells Building

BMO Harris Bank Headquarters

One Park Plaza

100 E Wisconsin Ave

MGIC Building

Columbia Property Trust

The Blue

Milwaukee Athletic Club

Business Program Results

- ▶ \$16.2m in projects approved
- ▶ 133 projects approved, 108 completed to date)
 - ✓ Century City Tower
 - ✓ Wells Building (300 E Wisconsin)
 - ✓ City Center at 735
 - ✓ Alverno College
 - ✓ Milwaukee Brewing Company
 - ✓ Wisconsin Knitwear
 - ✓ Gas Stations
 - ✓ Laundries
 - ✓ Apartments and condos



Me² Historical Arc



Me² going Forward

- PACE ordinance and August education events
- Probable extension of financing programs through November 2014
- Revise cooperation agreement with WECC to accommodate extension, update budget, revise governance, and formalize program offerings going forward
- Improved leveraging of Focus on Energy program using our Me² brand and contractor base
- Implement strategies in the “Energy Chapter” of the Citywide Sustainability Plan



Today's request

Authorize transfer of up to \$1m in grant funds from loan loss reserves at Summit Credit Union to MEDC to cover incentives on approved business projects (Substitute 2)

www.SmartEnergyPays.com