



Energy Efficiency Program Summary

Long Island Green Homes

Program Sponsor: Town of Babylon	Program Administrator: Town of Babylon
Program Location: New York	Eligibility: Residential
Program Start: 2006	Program Type: Municipally Sponsored/Municipal Capital/On-bill

Program Description:

Babylon, New York, is a large, culturally diverse community located on Long Island. Babylon is home to 216,125 residents, spread across 53 square miles. In 2006, Babylon developed the Long Island Green Homes Program with the idea of promoting energy efficiency to the town’s 65,000 homes to reduce GHG emissions by 65,000 to 130,000 tons.

This program is a self-financing residential retrofit program for upgrading the energy efficiency of existing homes. The program will enable residents to reduce the carbon footprint of their homes at little or no out-of pocket cost. Under the Long Island Green Homes Program, it is estimated that the average resident will reduce home energy costs by \$984 a year.

To finance the program, Babylon developed a revolving loan fund out of a state-mandated solid waste reserve fund. The town was able to tap the solid waste fund because it expanded the definition of solid waste to include the carbon content of energy waste. A total of \$2 million dollars from the solid waste reserve fund was allocated for the Long Island Green Homes program.

The program works when a homeowner contacts the town indicating that they are interested in a home energy audit. The resident is then asked to fill out a home inventory form that denotes some basic energy use information about the home. From here, the town sends a licensed, Building Performance Institute (BPI)-accredited energy auditor to the home to conduct a home performance evaluation. The resident receives a detailed report explaining the findings from the home performance evaluation along with a list of measures and their associated cost that the homeowner could undertake to increase their home efficiency. The homeowner decides which measures to pursue, signs a contract with the Town of Babylon, and receives financing through a Benefit Assessment Charge that is tied to the homeowner’s property. A Benefit Assessment Charge can be established when a municipality provides a specific improvement on a parcel of property for a public purpose, assessing the cost of the benefit against the property. Residents pay off the Benefit Assessment Charge via monthly payments on their monthly trash bill that are determined based on the projected energy savings they will achieve from the retrofits. Projected energy savings are estimated by Home Check™ (a software program used by the Long Island Power Authority).

Homeowners who qualify can receive up to \$12,000 worth of energy-efficient work. If residents are delinquent in paying their monthly bill, the Benefit Assessment Charge is transferred to the homeowner’s property tax bill. The interest rate for the program is 3%, which covers administrative costs. The contractors who undertake the work are paid directly by the Town of Babylon out of the revolving fund.

The town has found this financing mechanism to be significantly more attractive to private investors than on-bill utility financing because of the security from attaching the lien on the property.

Financing & Financial Products:	<p>Town provides up to \$12,000 per home, with homeowner repaying the amount through monthly Benefit Assessment Charge on trash bill. It is not a loan.</p> <p>Because the Benefit Assessment Charge is established with projected energy savings specific to the individual's home, the monthly amount and the term of repayment will vary among homeowners.</p> <p>Town charges a 3% administrative fee, which is built into the monthly Benefit Assessment Charge.</p>
Marketing:	<p>The Town of Babylon does much of the marketing through public events.</p>
Enrollment Process:	<p>Homeowner contacts the town staff and completes home self-assessment, which requires some basic energy use information.</p> <p>Babylon sends a licensed, BPI-accredited energy auditor to the home to conduct a home performance evaluation.</p> <p>The homeowner receives a detailed report explaining the findings from the home performance evaluation, along with a list of measures and their associated cost, which the homeowner could undertake to increase their home efficiency.</p> <p>The homeowner decides which measures to pursue, signs a contract with the Town of Babylon, and receives financing through a Benefit Assessment Charge that is tied to the homeowner's property.</p> <p>Homeowners pay off the benefit assessment via monthly payments on their monthly trash bill that are determined based on the projected energy savings they will achieve from the retrofits.</p>
Audits:	<p>A Town of Babylon licensed and BPI-certified contractor performs comprehensive home energy audit.</p> <p>The audit cost is \$250, which is applied to the cost of the improvements if the homeowner enrolls. Otherwise, the homeowner must pay the fee out of pocket.</p>
Implementation Criteria:	<p>Improvements typically include lighting, weatherization, insulation, and HVAC.</p>
Contractors, Training & Accreditation:	<p>Contractors must be BPI-certified and licensed by the town.</p>
Contracts:	<p>Town of Babylon enters into contracts with licensed and accredited contractors.</p> <p>Town of Babylon enters into contracts with homeowners.</p>
Repayment, Collection & Flow of Funds:	<p>Babylon pays the contractor for the entire cost of energy efficiency improvements.</p> <p>The Town uses HomeCheck™ to project annual savings and determine the payment schedule, with the monthly payment (Benefit Assessment Charge) being less than the projected savings.</p> <p>Payment schedule is customized to each home.</p> <p>Benefit Assessment Charge stays with home until repaid, even if home changes hands.</p> <p>If homeowner is delinquent in paying monthly bill, the Benefit Assessment Charge is transferred to the property tax bill.</p>

**Program
Sustainability:**

All components of this model may not be scalable, as it requires the municipality to have state authorization to revolving loan fund and a solid waste or energy improvement district.

Town has found this financing mechanism to be more attractive to private investors than on-bill utility financing because of the security of attaching the lien to the property.

Program structure shares similarities with PAYS[®]. For example, projected energy savings are used to determine monthly Benefit Assessment Charge, with Babylon establishing the monthly Benefit Assessment Charge at a rate less than the projected energy savings (similar to the 75% rule in PAYS[®]).

LONG ISLAND GREEN HOMES PROGRAM

Program Schematic

