

City of Fort Collins

October 27, 2016




Road to 2020: Forging our Efficient Future
Lindsay Ex, Climate Program Manager

City of Fort Collins

Presentation Tonight

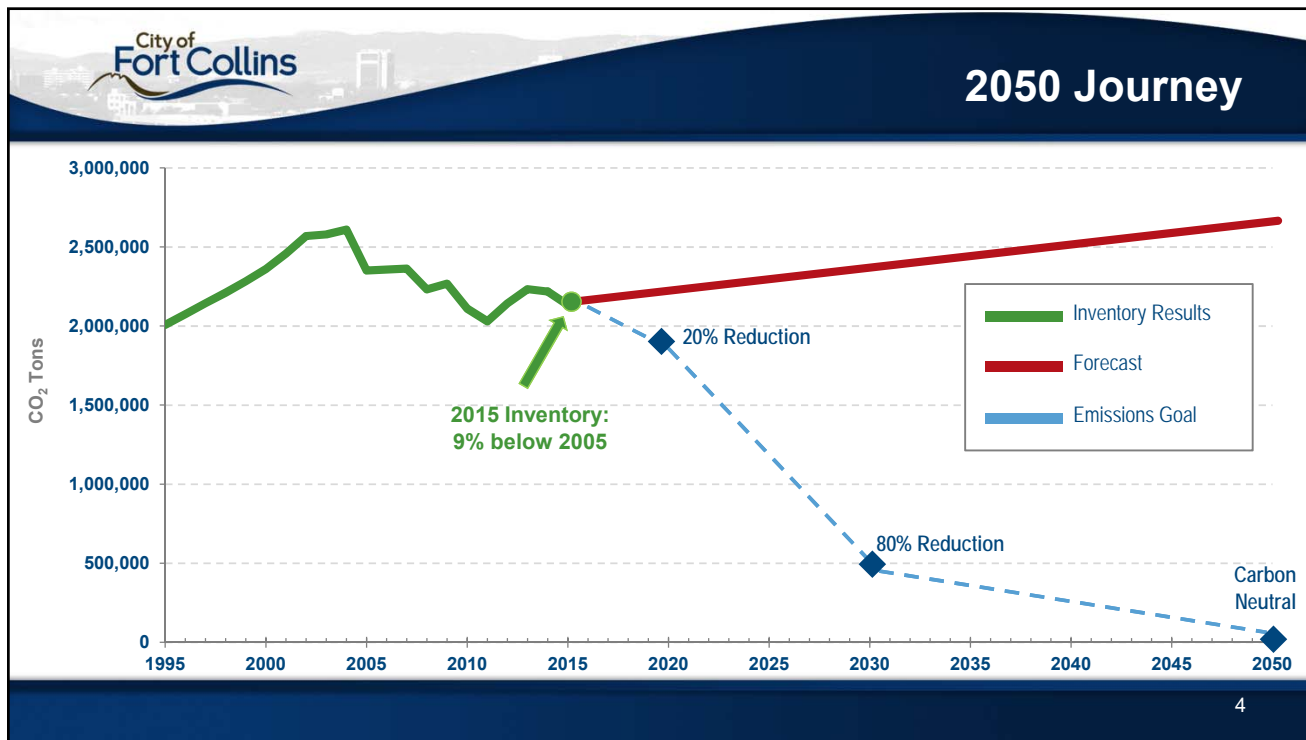
- Share the WHY and Celebrate Progress
- Share the draft plan to 2020
- Innovation in the Climate Arena
- Funding Energy Efficiency and Scaling Up
- Partnerships
- Next Steps



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Why cities?

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Why set goals?

- Global-Local
- Community vision and accountability
- Align resources
- Economic strategy focused on **innovation**



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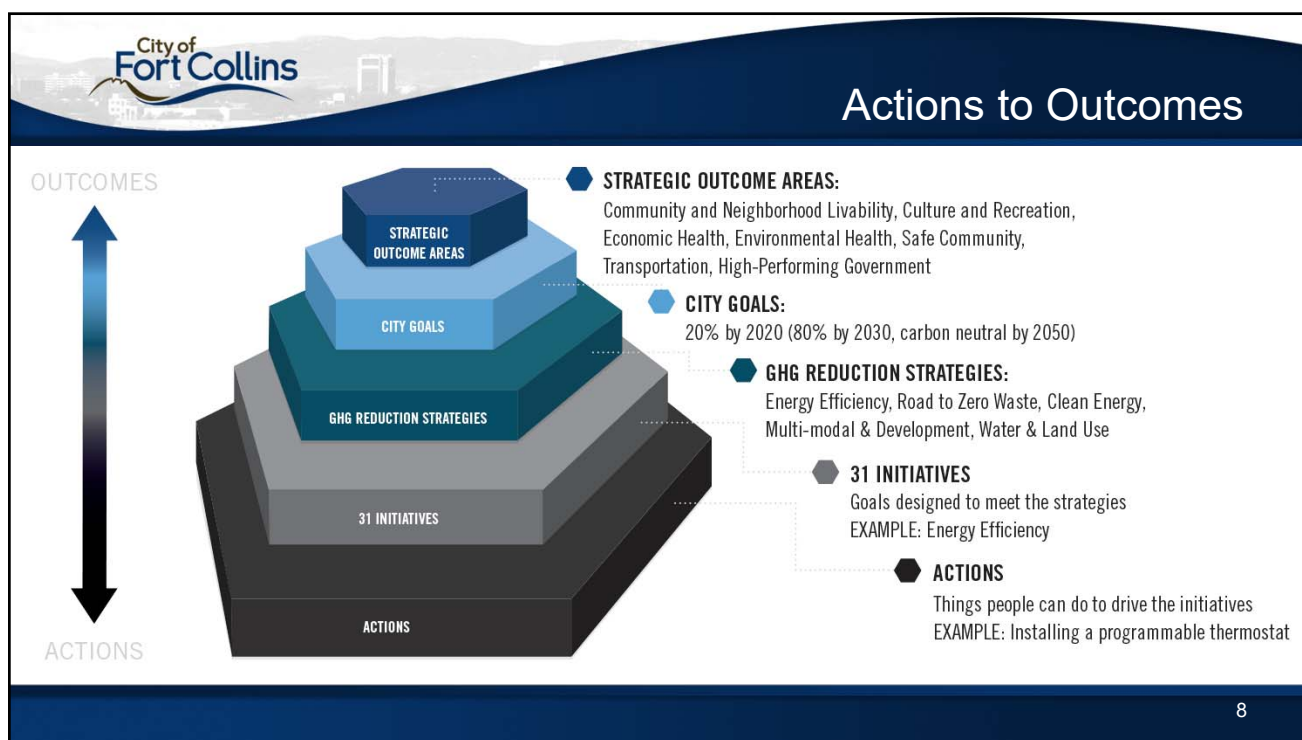
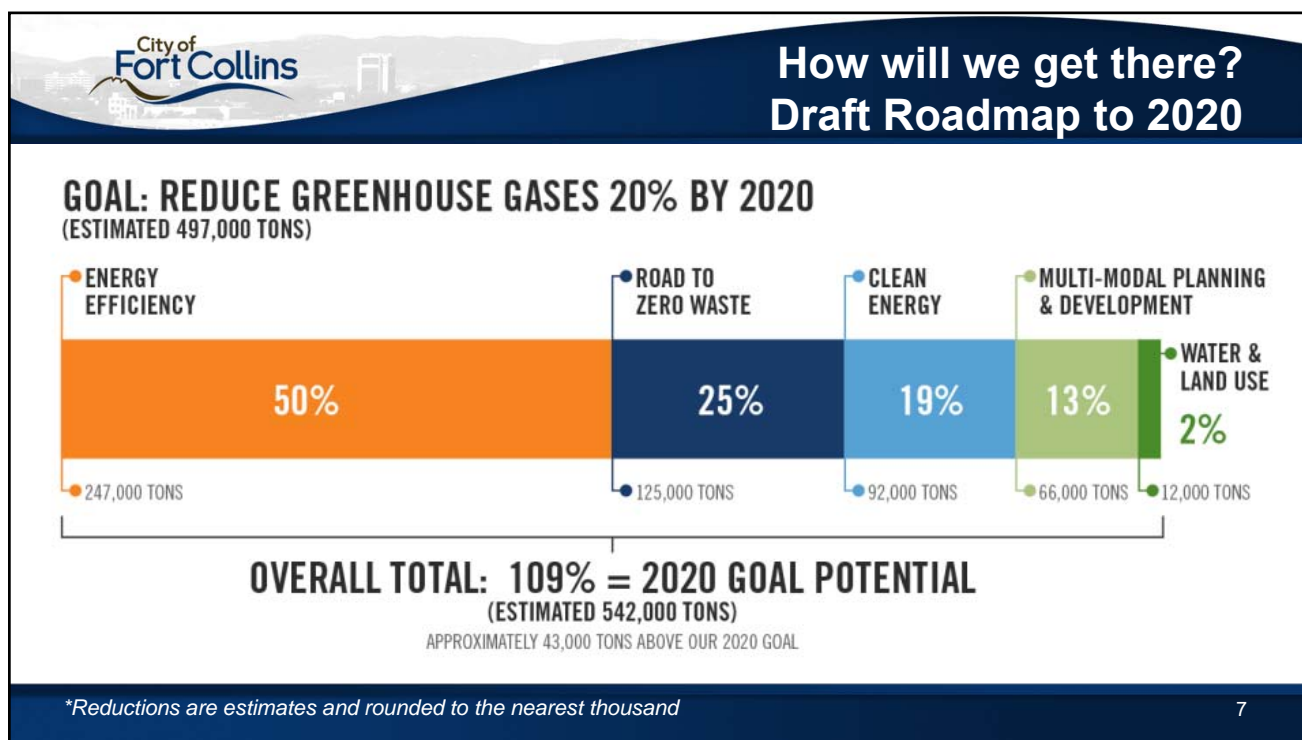


Transitioning CAP

Road to 2020

Forging Our *Efficient* Future

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What everyone should know about the Road to 2020

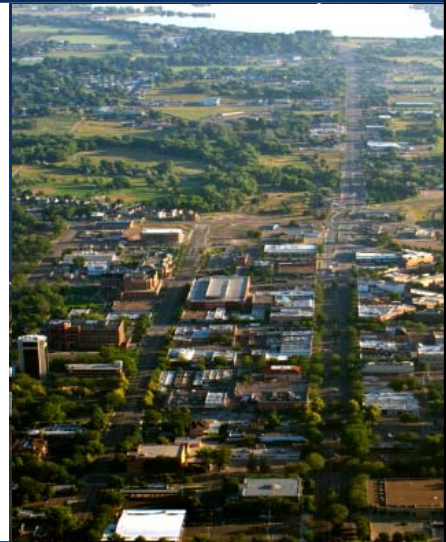
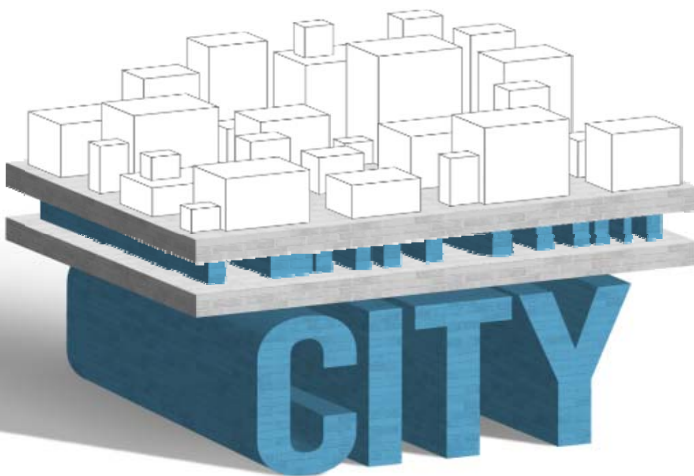
- Investment in Future
 - For every \$1 invested, the community saves \$2.50
- Deep commitment by the City
 - Unanimous Council adoption of goals
 - Organizational Structure
 - Community Advisory Committee
- Ultimately about resilience and quality of life
 - Greatest challenges present the greatest opportunities



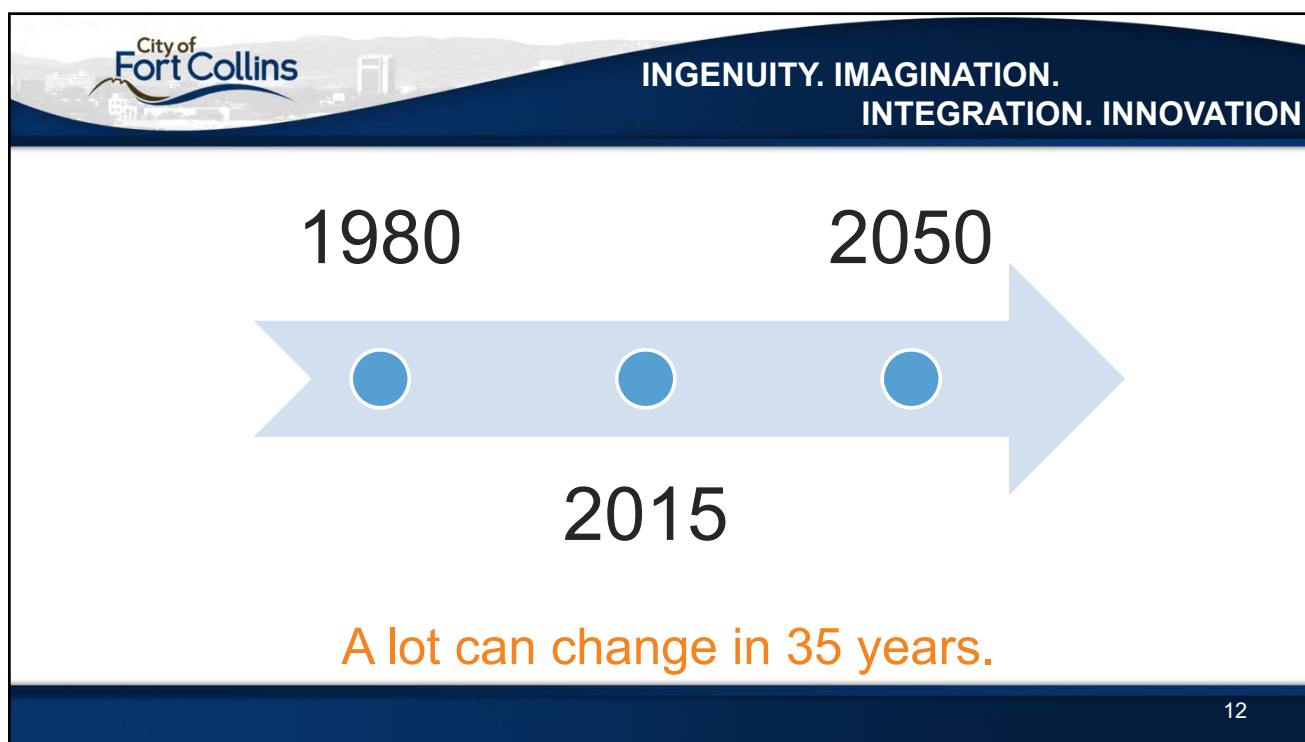
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Fort Collins: A Platform for Innovation



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Changes




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Climate Innovation


TECHNOLOGY




FINANCIAL



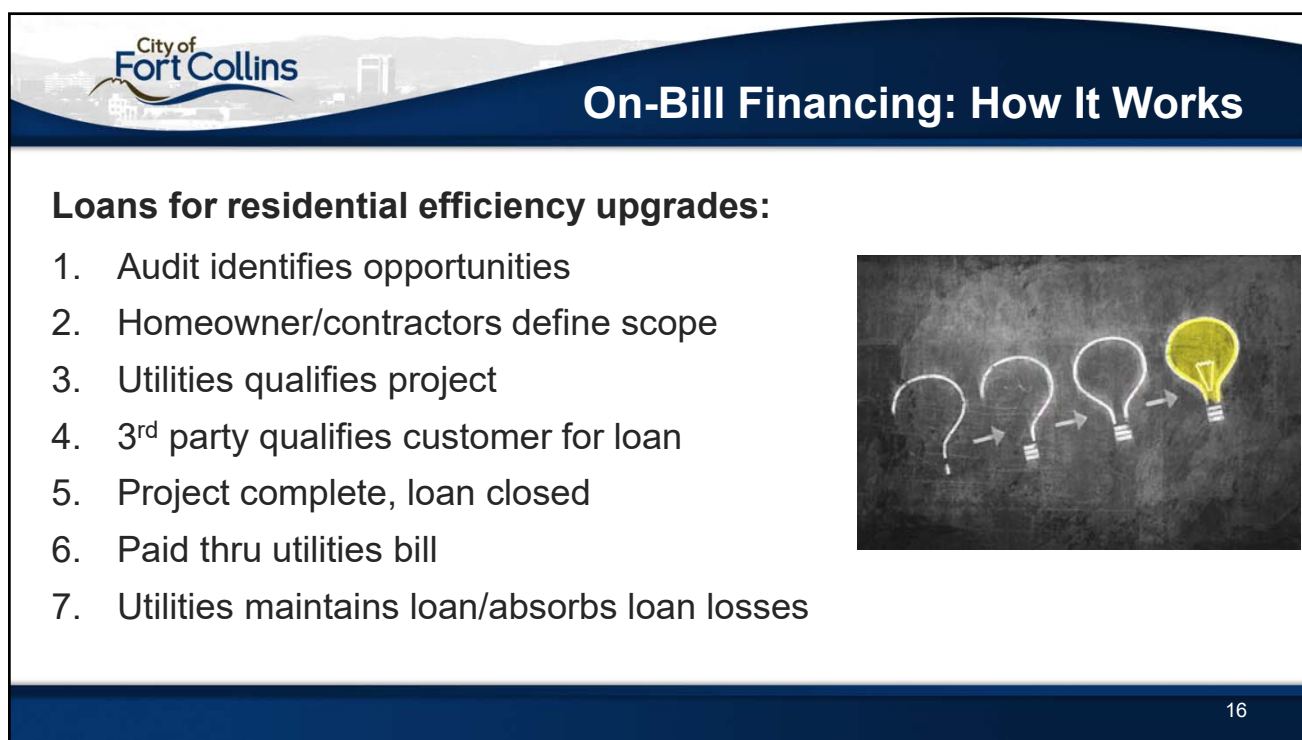
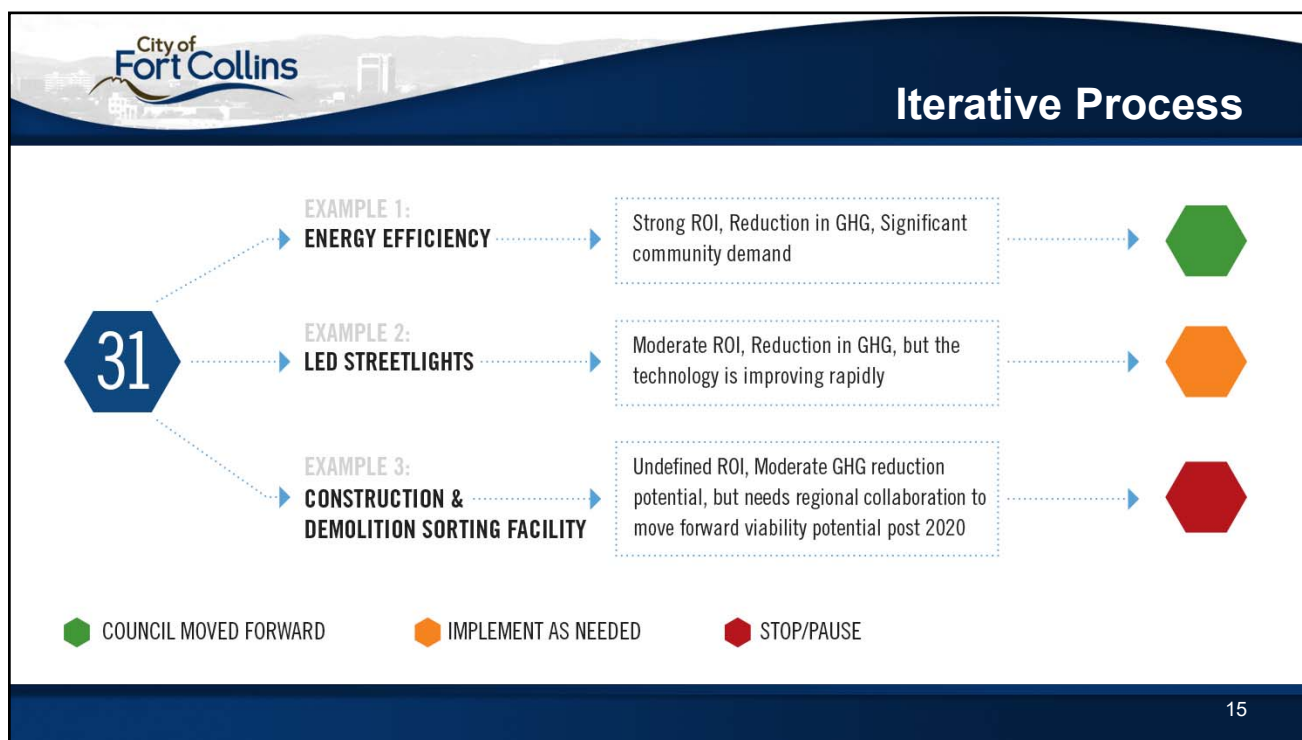
SOCIAL



POLICY/
GOVERNANCE



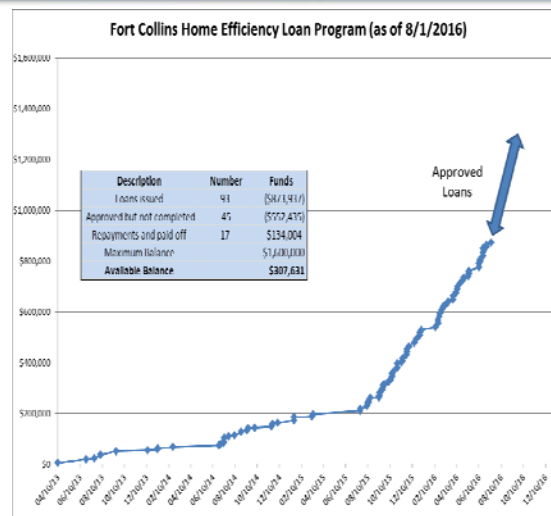
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On-Bill Financing: Results

- Currently \$1.6M funding approved
- Energy Efficiency is an important initiative within overall energy goals
- Will require significant capital to achieve goals
 - 3,000 homes @ \$12k per loan = **\$36M**
 - Beyond the capacity of the City
- Staff issued RFP to solicit 3rd party capital to allow program to scale up as needed



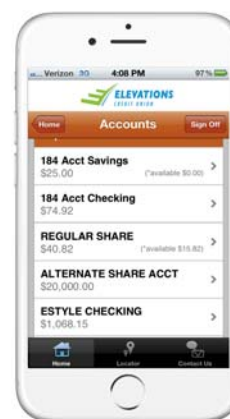
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On-Bill Financing: Elevations Efficiency Financing

Elevations Credit Union Provides 3rd Party Capital and:

- Provides loan/closing support
- Sets interest rate (2.75% to 9.125%)
- Reduces fees
- Loan service TBD - Utility bill or Elevations
- No loan default risk to the City
- Project eligibility process remains the same



Example - City Provides Initial Funding Capital, Develops a Successful Program and then Transitions to 3rd Party Capital to Achieve Scale

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Partnerships with Loveland

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Additional Partnerships

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Next Steps & Questions

- February 28, 2017 Work Session
 - Scenarios to achieve the 2020 goals
- Road to 2020 Branding
- Road to 2020 Dashboard

Thank you!



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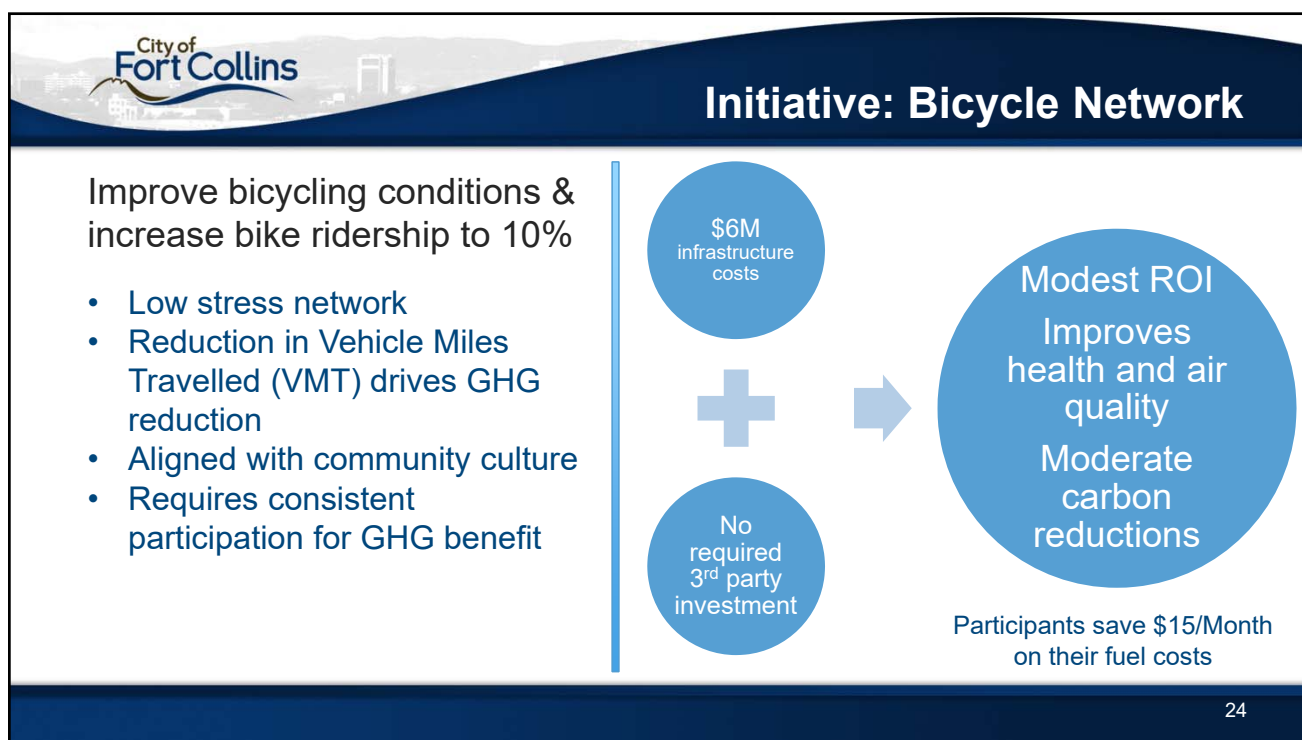
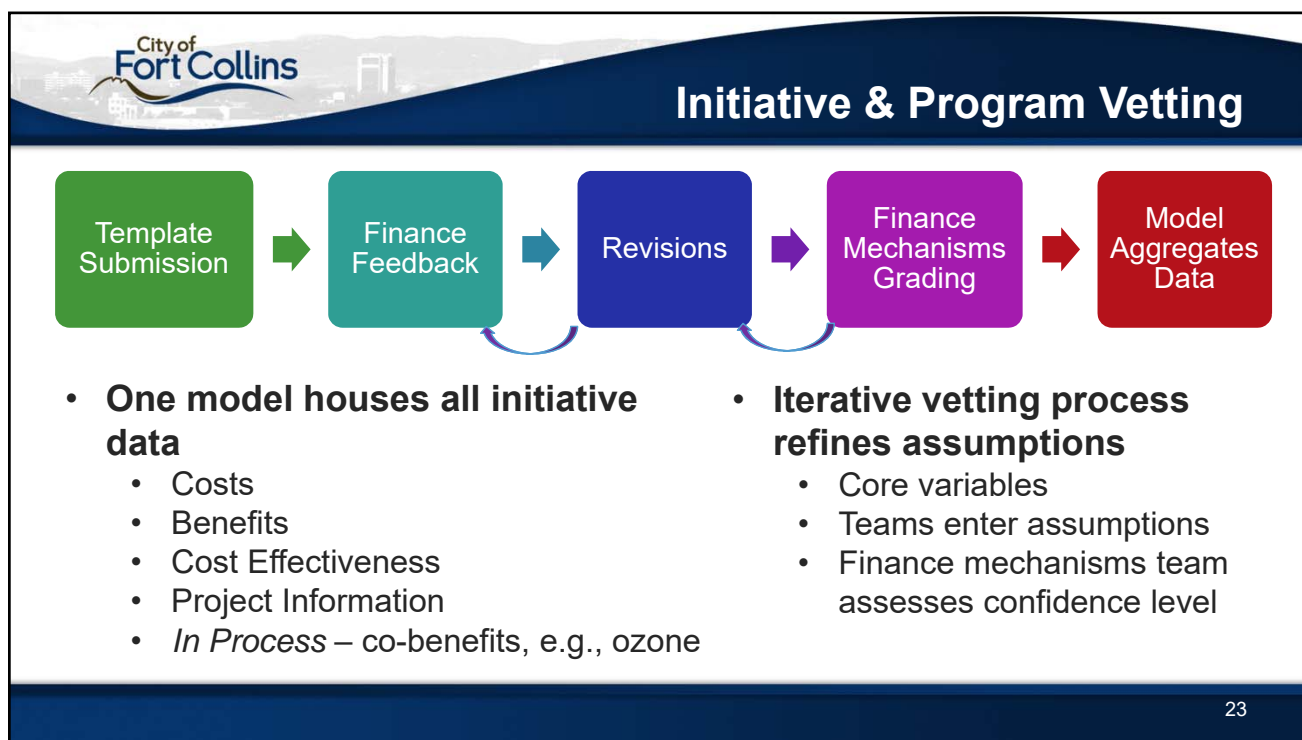


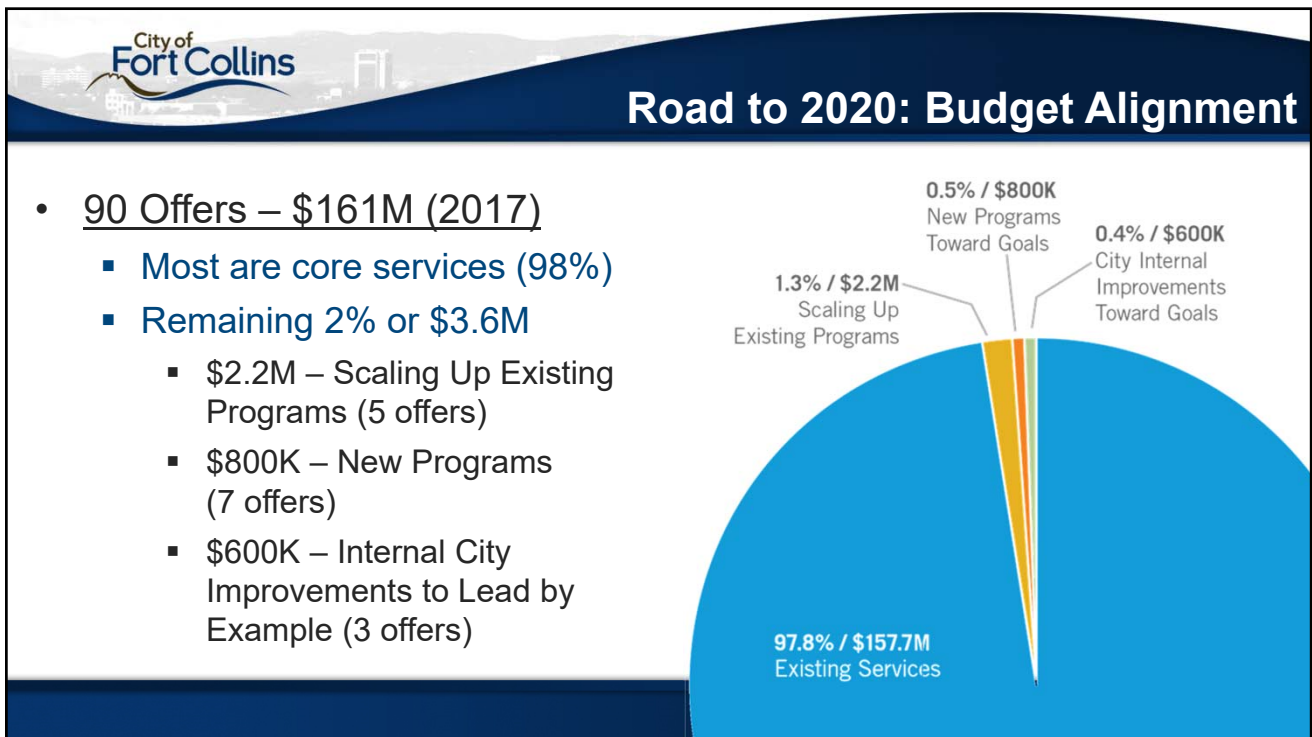
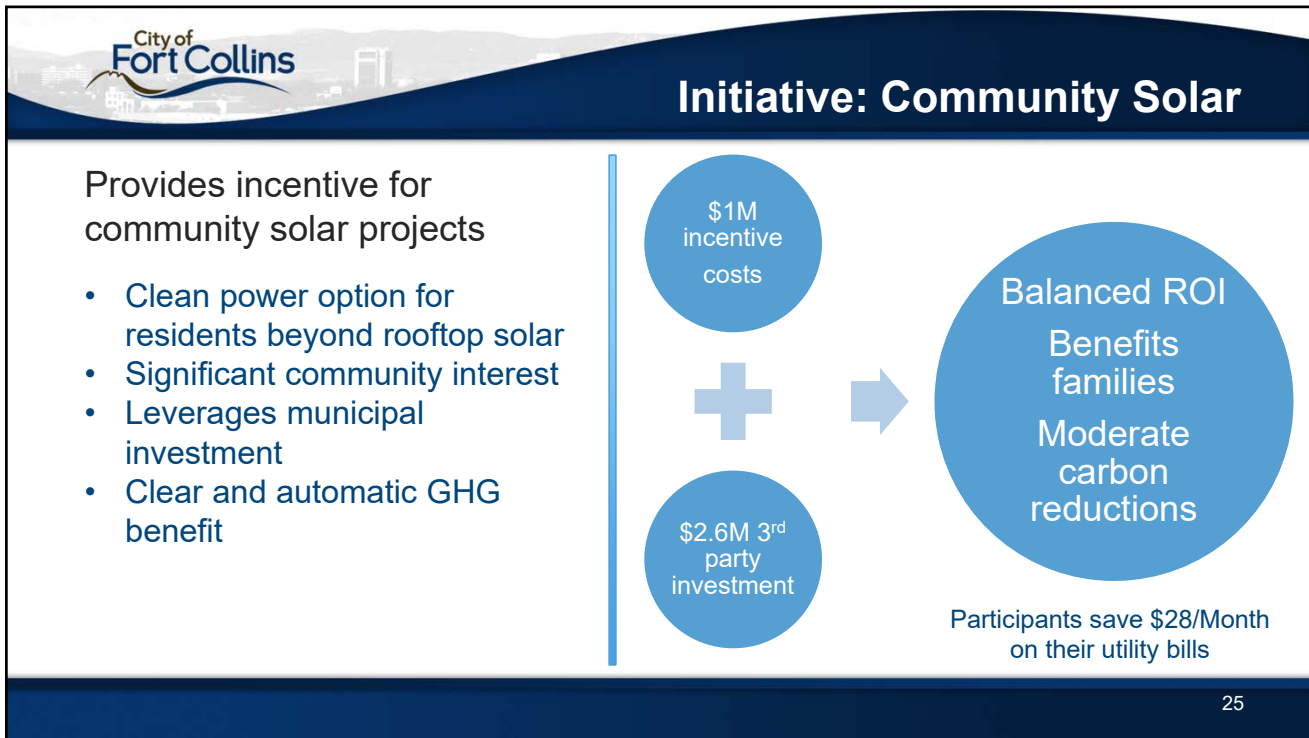
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Proposed 3rd Party Financing

Roles	Current		Proposed		Attribute	Current	Proposed EC
	Utilities	ESP	Utilities	EC			
Customer qualification		*		*	Interest Rates	<ul style="list-style-type: none"> 2.5-10% per rate ordinance Current rate at 4.0% 	<ul style="list-style-type: none"> 2.75% to 9.125% See table below
Project qualification	*		*		Customer qualification	<ul style="list-style-type: none"> Minimum six months bill payment history Credit score minimum of 640 	<ul style="list-style-type: none"> Credit score minimum of 580 Underwriting debt to income ratio
Loan closing		*		*			
Loan servicing	*		Option	*	Fees	<ul style="list-style-type: none"> \$25 for application \$150 for closing \$11 for recording 	<ul style="list-style-type: none"> \$25 member fee \$25 application fee \$10-25 recording fee
Recording		*		*			
Tax information	*			*	Recording	UCC filing recorded with Larimer County	same
Payoff	*			*	Loan term	5, 7, 10, 15, or 20 years	3, 5, 7, 10 or 15 years

ESP – Energy Smart Partners EC – Elevations Credit

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Proposed 3rd Party Financing – Interest Rates

Elevations Credit Union: Interest Rate Table

Using the average credit score and term from active HELP loans would result in an interest rate of 6.625% with the proposed model

Score FICO	36 Months	60 Months	84 Months	120 Months	180 Months
740+	2.750%	3.500%	4.500%	6.000%	6.500%
720-739	2.875%	3.625%	4.625%	6.125%	6.625%
700-719	3.000%	3.750%	4.750%	6.250%	6.750%
680-699	3.125%	3.875%	4.875%	6.375%	6.875%
660-679	3.500%	4.250%	5.250%	6.750%	7.250%
640-659	3.875%	4.625%	5.625%	7.125%	7.625%
620-639	4.375%	5.125%	6.125%	7.625%	8.125%
600-619	4.875%	5.625%	6.625%	8.125%	8.625%
580-599	5.375%	6.125%	7.125%	8.625%	9.125%

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CAP Initiative Template Inputs

1) Select any common/core variables

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- Resource Use (Car) - Diesel - Rate (Average)
- Resource Use (Car) - Gasoline - Rate (Average)
- Resource Use (Light Truck) - Diesel - Rate (Average)
- Resource Use (Light Truck) - Gasoline - Rate (Average)
- Vehicle Miles Traveled (Car) - Diesel
- Vehicle Miles Traveled (Car) - Gasoline
- Vehicle Miles Traveled (Light Truck) - Diesel
- Vehicle Miles Traveled (Light Truck) - Gasoline

2) Enter initiative specific assumptions

Core Variable	User Input	Units			
	Change in Mode Share			0.0075	0.015
	Change in Mode Share (Adjusted)			0.3	0.3
Vehicle Miles Traveled (Car) - Diesel		mile	1,160,538	1171389	1,182,341.31

3) Enter explanations of assumptions and calculations

Explanation of assumptions and calculation for ES_p:

Represents a reduction in VMT from increasing bicycle ridership. Assumes a 10% bike n level of investment in bike infrastructure and programming and achieving success on p based on the mode shift for that year. Because bicycle trips are most likely to replace s



Peer Research: Public Voting

City	Public Vote Explored	Public Vote Taken?	Funding Attached to Vote?	Investment Per Capita
Asheville, NC	✗	✗	✗	\$ \$
Aspen, CO	✗	✗	✗	\$ \$ \$
Austin, TX	✗	✗	✗	\$ \$
Berkeley, CA	✓	✓	✗	\$ \$ \$
Boulder, CO	✓	✓	✓	\$ \$ \$ \$ \$
Denver, CO	✗	✗	✗	\$ \$
Eugene, OR	✓	✗	No, revenue neutral tax for cities and consumers*	\$ \$
Kansas City, MO	✗	✗	✗	\$ \$ \$ \$
Palo Alto, CA	✗	✗	✗	\$ \$ \$
Portland, OR	✓	✗	No, revenue neutral tax for cities and consumers*	\$ \$
Tacoma, WA	✓	November, 2016	No, revenue neutral tax for cities and consumers*	\$ \$

*Tax assessed on energy producers with a nexus at the state level. Has no direct impact on energy consumers or cities



Road to 2020: Budget Alignment

- On/Off Track to meeting the goal