

Move needle on efficiency

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Despite various hurdles, we can start transforming our market for energy efficiency in the state and create economic opportunities for our citizens. While utilities should, and do, promote greater energy efficiency for customers, other strategies can be deployed and leveraged that need equal and urgent attention now. Urgent because families across the state face unaffordable energy bills resulting from inefficient homes, high energy use, and the highest retail electricity prices in the Southeast.

“Market transformation” for energy efficiency is the ultimate goal that delivers consumer demand for housing upgrades, long-term cost savings for consumers, and jobs for contractors, service providers, and product manufacturers. This goal must be achieved through a mixed bag of approaches that includes removing identified barriers, providing leverage opportunities, and forming scalable solutions.

The Sustainability Institute’s Charleston WISE program has worked closely together with utility programs to provide homeowners with expert advice, rebates and other incentives that bring down the cost of home energy efficiency investments. More than 466 customers have been served by the program in just 16 months, generating up to 55 percent in cost savings for customers and more than \$1 million in revenue for local contractors. These programs should be scaled to service ratepayers across the state.

Clean energy jobs in South Carolina grew 16 times faster than total jobs from 1998 to 2007. These are good-paying jobs in a fast-growing industry where higher education is not a prerequisite for employment.

Broadening “on-bill financing” programs could be one of the most effective ways to reach both urban and rural areas across the state; participating utilities directly finance efficiency upgrades —through a one-time loan —for qualified customers who then repay the loan gradually through energy savings on their monthly utility bill. A 2010 economic impact study indicated that lending \$750 million to retrofit roughly 200,000 homes could generate more than 7,000 new jobs in South Carolina by 2030.

The Community Development Block Grant program annually distributes funds to rural areas for community development, yet historically these funds have been used for water and sewer projects, road and highway construction or repair, or large housing development projects. Let’s restructure the program so that energy efficiency and clean energy projects are eligible uses of these funds.

The state’s Rural Infrastructure Authority provides grants and loans for improving infrastructure in rural areas. Broadening the definition of “infrastructure” to incorporate “the energy efficiency retrofitting of buildings and homes” while expanding the definition of “eligible applicants” would provide greater impact to rural communities struggling from unemployment and exorbitant utility bills.

Community Development Financial Institutions could also serve as primary funding sources for energy efficiency. For example, the S.C. Energy Efficiency Financing Fund —still in the development stage —if capitalized at \$7.5 million could finance the retrofit of roughly 1,500 homes through while offering low-interest, revolving loans.

With the right mix of community-based programs, robust workforce training efforts, and efficiency financing options, we can create a true market transformation for energy efficiency in the state, position South Carolina as an emerging leader, and help alleviate the crippling energy costs that disproportionately burden our low-income communities.

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