

Neighborhood Power Act of 2007

Creating energy-smart communities

Objective

To enable communities to create **neighborhood-based energy solutions** suited to their unique needs and available resources by combining **low-interest private financing** with **federal technical and financial assistance**.

Description

The *Neighborhood Power Act of 2007* ('NPA') will provide funding for energy-efficiency and renewable energy projects at the local level across the United States. NPA will enable the creation of community bonds that will be **repaid using savings** from increased energy efficiency and **profits** from renewable power generation, which will also lower overall community energy costs and reduce energy-related pollution. Such dual efficiency / generation programs can provide annual returns in excess of ten percent (10%), providing a self-sustaining path for continuing investments. The federal government's primary role will be to seed initial project financing and provide technical assistance.

The NPA will establish the "Local Energy Bond Office" (LEBO) within the Department of Housing and Urban Development (HUD), composed of experts on bond financing structuring and energy efficiency economic analysis. LEBO will assist local and state governments in performing technical surveys, balancing the efficiency and production elements of projects, and offering bond model options.

LEBO's charter will include the structuring of programs so that the value of the project's energy savings and renewable power generation will be greater than the funds required to pay back the loans. NPA project financing will come from:

- Local and state government bonds,
- Local funding, and
- Federal funds of up to ten percent (10%) of total program funds, matching local funding amounts.

A Proven Model

NPA builds on successful precedents around the country where communities have financed energy efficiency and renewable energy programs through bonds structured so that the combination of energy savings and renewable energy production exceeds the value of the bond. San Francisco's 'Vote Solar' program is an example of this model (www.votesolar.org).

Benefits

NPA will:

1. **Create energy-independent communities** across the United States.
2. Allow communities to launch energy **projects suited to local needs** and resources (including weather, availability of commercial resources, residential energy needs, the presence of specialized local competences or industries, etc.).
3. **Reduce pollution** in local communities and throughout the United States.
4. **Enable community ‘resiliency’** in the face of either man-made or natural disasters by providing limited energy availability during emergencies.
5. **Stimulate \$10B per year investments** in local and state energy efficiency and renewable energy production through the allocation of \$1B in federal seed financing.
6. Create **over 50,000 new energy-related jobs**.
7. **Increase tax revenues** at the federal, state, and local levels.
8. **Spur nationwide** development of energy efficiency and renewable energy capabilities to meet both public and private requirements.
9. **Create a knowledge pool** of renewable energy specialists for design, construction, installation, and maintenance.
10. **Build strong awareness and market demand** for new technologies and approaches for energy efficiency and renewable energy in all regions of the United States.

Investment

The Federal Government will invest \$1.1B per year through the NPA, allocated as follows:

- \$1B in matching funds to local and state governments to seed energy projects
- \$100M for program administration and management of the expertise required to assist local and state governments.

Key Messages

1. Creates energy-resilient communities.
2. Reduces community-level energy costs.
3. Builds grassroots support for energy efficiency and renewable energy.
4. Creates over 50,000 new energy-related jobs.
5. Reduces greenhouse gas emissions locally and nationally.

