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Rural Energy Savings Program Background

- NRECA - over 900 not-for-profit, member-owned, rural electric utilities, serving 42 million in 47 states.
- 96% of co-ops nationwide operate efficiency programs.
- 70% of co-ops offer financial incentives to promote greater efficiency.
- Midwest Energy (Hays, KS) “How$mart” on-bill financing program saved almost 1.4 million kilowatt hours per year. Became model for Rural Energy Savings Program Act (RESPA)
- “Help My House” Loan Pilot Program in South Carolina saves an estimated: 34% in total energy use (1.35 million kWh) and consumers $288 a year.
- Hoosier Energy (IN) utilized the federal stimulus program to weatherize more than 2,000 homes through consumer home improvement initiatives.
- New Hampshire Electric Co-op runs an on-bill financing program for businesses.
The Rural Energy Savings Program Act

- NRECA supports RESPA that would assist rural electric co-ops in offering or expanding efficiency programs like the South Carolina co-ops offer
  
  - Voluntary program
  - Promotes energy-saving improvements to homes and buildings in rural communities.
  - Assists rural electric co-ops in offering low-interest loans to consumer-members for efficiency improvements
  - Repayment of the loan through monthly electric bill savings
  - Creates jobs
How does RESPA work?

- Individual or state-based groups of co-ops apply to the Rural Utilities Service (RUS) at USDA for loans to fund local energy efficiency programs.

- RUS loans to the co-op for efficiency programs at 0%; the co-op re-lends to consumers at low-interest to defray administrative costs.

- Trained auditors and contractors conduct an energy audit.

- A start-up loan of 4% of the total loan may be provided to the RUS borrower.

- Typical loans will cover sealing, insulation, HVAC systems, boilers, and other improvements tied to the home.

- Consumers repay co-ops through extra charge on their utility bills within 10 years.
Status of the Rural Energy Savings Program:

- 111th Congress, Rep. James Clyburn (D-SC) original author of RESPA
  - H.R. 4785 passed the House on Sept. 16, 2010 (vote: 240-172)

- 112th Congress, RESPA was introduced in the Senate (S. 2216) by former Sen. Lugar (R-IN) and Sen. Merkley (D-OR).

- In 2012 and 2013, a version of RESPA was included in both the House and Senate Farm Bill reauthorizations.

- Maintains bipartisan support