



Public Housing Energy Conservation Clearinghouse News

March 2006

This monthly e-mail update is brought to you by HUD's Public Housing Energy Conservation Clearinghouse (PHECC). It features news and resources to help public housing authorities manage energy and water costs. To see past issues of this newsletter, and to access more information and tools for public housing authorities, visit the Public Housing Energy Conservation Clearinghouse Website at <http://www.hud.gov/offices/pih/programs/ph/phecc/>.

To contact the Public Housing Energy Conservation Clearinghouse email pheccinfo@drintl.com or call 1-800-955-2232.

Looking for Funding?

Visit the [Alliance to Save Energy](#), which lists funding, tax credits, and energy-saving tips by state. PHECC has also updated its list of [funding sources](#).

News:

- Two New Resources Help with Energy Performance Contracts
- National Association of Home Builders Awards Energy-Conscious Builders
- Federal Tax Incentives Could Mean PHA Savings

Events:

- NAHRO Energy Seminars. *April through September. Atlanta; Indianapolis; Denver; Washington, DC.*

Success Stories:

- Buffalo Housing Authority Uses Energy Performance Contract to Replace Heating System

ENERGY STAR® in Focus:

- Utah's ENERGY STAR Policy Provides Model for Other States

Websites Worth a Click

- PATH Technology Inventory: Find the Latest Housing Innovations

Two New Resources Help with Energy Performance Contracts

Contact [alternative financing representatives \(AFRs\)](#) at the [Federal Energy Management Program \(FEMP\)](#) for assistance with energy performance contracts (EPCs) and access to FEMP resources. FEMP also teaches EPC workshops and telecourses.

PIH is offering a new PowerPoint presentation to explain the review process. This presentation was developed for a workshop held in Washington, DC, on February 28 and March 1. The workshop attendees learned about the new, standardized procedures and approval process. The presentation will be available on the [PHECC Website](#) on March 15. For more information, contact John Miller at John_H._Miller@hud.gov.

EPCs At a Glance

- With an energy performance contract, a PHA can use non-HUD funding and keep 100% of the energy- and water-cost savings from improvements for the duration of the loan.
- Energy services companies (ESCOs) and other contractors offer EPCs. A PHA can even act as its own ESCO for an energy project financed by a loan.
- The ESCO assumes the performance risks; compensation is tied to the savings achieved.
- HUD approval must be obtained before a PHA contracts with an EPC.
- HUD [EPC procedures and training resources](#) are available on the Web.

National Association of Home Builders Awards Energy-Conscious Builders

At this January's International Builders' Show in Orlando, 17 builders received EnergyValue Housing Awards (EVHA) for building homes that incorporate energy-efficient, environmentally friendly features. Of these, five builders received honors for their affordable homes:

- [Aspen Homes of Colorado, Inc.](#)
- [Applegren Construction, Inc.](#)
- [Chisholm Creek Development, LLC](#)
- [Skyline Homes, Inc.](#)
- [TJ Bednar Homes](#)

These builders incorporated advanced features not often found in affordable housing, including energy-recovery ventilators and geothermal heating, cooling, and water heating. [Read about the EVHA winners.](#)

Federal Tax Incentives Could Mean PHA Savings

While most of the federal tax credits in the Energy Policy Act of 2005 apply to homeowners, some incentives may also benefit PHAs:

- Tax deductions are available for new or renovated buildings that save at least 50% of projected annual energy costs for heating, cooling, and lighting compared to model national standards. Partial deductions apply for efficiency improvements to individual lighting, HVAC and water heating, or envelope systems.
- Tax credits are available to eligible contractors for the construction of a qualified energy-efficient home.
- For those housing authorities able to justify some of the more advanced technologies, tax credits are available to make combined heat and power (CHP), solar equipment, fuel cells, and microturbines a little

more cost effective.

A tax credit reduces the amount of tax paid by a specified dollar amount; a deduction eliminates a percentage of taxable assets. Generally, a tax credit is more valuable.

[Learn more](#) about these incentives. Read a [full list of the federal tax credits](#) and search for [state tax credits](#).

EVENTS

NAHRO Energy Seminars

April through September

Atlanta; Indianapolis; Denver; Washington, DC

The National Association of Housing and Redevelopment Officials (NAHRO) is holding an energy seminar on asset management, energy load management, and energy performance contracting on April 26 in Atlanta, May 17 in Indianapolis, July 12 in Denver, or September 21 in Washington, DC. [Learn more](#).

SUCCESS STORIES

Buffalo Housing Authority Uses Energy Performance Contract to Replace Heating System

Last June, the Buffalo Municipal Housing Authority (BMHA) entered into an energy performance contract (EPC) with Siemens Building Technologies, Inc. Not only has the housing authority installed new natural gas boilers in its 656-unit Kenfield Homes development and undertaken energy upgrades in its 310-unit Langfield Homes, but the EPC is projected to save BMHA up to \$7 million beyond project repayment costs over the next 12 years.



BMHA installed natural gas boilers in each building of its Kenfield Homes development. The housing authority was spending more than \$250,000 per year to run an outdated coal burning central steam system.

A recently completed physical-needs assessment recommended that BMHA spend over \$18 million in capital funds to fix the Kenfield heating system. Using HUD's energy incentives, Siemens and BMHA, with the support of the New York State Energy Research and Development Authority (NYSERDA) and the HUD Field Office in Buffalo, developed a better solution. With over \$750,000 in guaranteed annual utility savings from the EPC, an estimated \$2.35 million in NYSERDA incentives, and \$500,000 from the Western New York Low-Income Energy Efficiency Program, BMHA's out-of-pocket costs for the improvements were reduced to \$6.4 million. The HUD Field Office provided technical assistance and contract review for this project.

[NYSERDA's Assisted Multifamily Program](#) provides a range of technical and financial incentives to low- and moderate-income multifamily residential properties in New York State for capital projects

involving energy-efficiency improvements. For more information about the BMHA project, contact Modesto Candelario at (716) 855-6711, mcandelario@bmha.ci.buffalo.ny.us, or Rich Carroll at (770) 279-4818, rich.carroll@siemens.com.

ENERGY STAR® IN FOCUS

Utah's ENERGY STAR Policy Provides Model for Other States

The Utah Department of Community and Culture's Division of Housing and Community Development (DHCD) has developed an ENERGY STAR policy that allows part of its \$61.1 million Olene Walker Housing Loan Fund (OWHLF) to cover the cost of upgrading new and rehabilitated housing to ENERGY STAR qualifications. Through this program, single-family homes are saving \$200 a year with only an \$85 increase in loan payments. The program is currently funding 211 units. The OWHLF includes both state legislative appropriations and [HOME program](#) allocations.



Key features of the program include:

- Partnership with the Utah Energy Conservation Coalition, a nonprofit HERS provider, to develop estimates for loan increments needed to raise unit efficiencies to ENERGY STAR levels.
- Partnership with Utah Power and Light for rebates that partially offset rating and energy-efficiency costs.
- Adoption of a loan policy allowing an additional \$2,850 per single-family unit and \$2,250 for multifamily units to become ENERGY STAR qualified.



[ENERGY STAR](#) uses the HERS rating system to qualify homes. Financed by Utah's program, the HERS score of this 27-unit Ritz development in Salt Lake City increased by 20 points. The project also includes solar photovoltaic panels to supply 10% of household electrical needs.

DHCD also worked with the Utah Housing Corporation, which administers Utah's state and federal low-income housing tax credits, to develop new tax-credit scoring criteria.

PHAs in Utah can [apply for an OWHLF loan](#). For more information, contact Mike Glenn of DHCD at (801) 538-8666 or mikeglenn@utah.gov.

WEBSITES WORTH A CLICK

PATH's Technology Inventory: Find the Latest Housing Innovations

The PATH (Partnership for Advancement of Technology in Housing) [Technology Inventory](#) provides practical information on innovative construction products and practices that can improve housing performance. Search the inventory of over 160 proven technologies — from advanced framing techniques to white LED lighting — that demonstrate great potential for improving housing performance.

Domestic Hot Water Temperature

The February '06 PHECC Newsletter advocated a domestic hot water setpoint of 120 degrees F. However, larger hot water systems found in multifamily buildings are at a higher risk for bacteria and should be set at 140 degrees F. For both single and multi-family homes, remember to check your local code first.

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