

**The Long Island Green Homes Initiative
Town of Babylon
Long Island, NY**

The Long Island Green Homes Initiative (GHI) is a program that provides residential energy-efficiency home improvements at little or no upfront cost to homeowners. The up-front costs are paid through the city's solid waste fund by classifying carbon as a solid waste and are repaid through a benefit assessment on the property.

When a resident chooses to participate in the program, a private contractor performs an energy assessment on the house. The resident receives a report on what retrofitting would need to be done, a calculation of the cost of different options, and the exact amount of savings they would receive. The town's solid waste fund then pays the up front cost of the improvement, which is assessed against the property. The resident pays for the improvement on a monthly basis over a fixed period of time. The monthly payments are typically lower than the energy savings, resulting in a positive cash flow to the resident. The benefit assessment stays with the property if it is sold.

This case study is current as of May 2009. For more information, please visit www.ligreenhomes.com. You can also contact Babylon Energy Director Dorian Dale, ddale@townofbabylon.com, or GHI Project Director Sammy Chu, schu@townofbabylon.com.

Timeline	Babylon started conversations about the GHI in mid-2007 with ESCOs, nonprofits, and local governments in other parts of the country. The Town Board approved the plan in August 2008.
Region	The program currently serves residents of the Town of Babylon.
Objective	The objective of the program is to make energy retrofitting feasible at the residential level by reducing barriers of scale and capital for contractors.
Partners/Allies	The Town approached the builders' and plumbers' unions before they went ahead with the program to see if it would be feasible for them to do weatherization work at residential rates. Town officials also spoke with training organizations and the local utility company.
What is the source	The upfront costs of weatherization are paid for through the

**This case study is meant to give a snapshot of the program profiled here.
For the most up to date information on this program, please visit their website**

of capital/financing?	town's solid waste fund. The town has allocated \$2 million to the pilot and 84 houses have been retrofitted as of March 2009. After realizing that they had a large amount of reserve funds from their residential and commercial waste fund, Babylon creatively redefined carbon as a solid waste and as energy waste in order access the reserve fund.
What is the payback mechanism?	<p>The payback mechanism is a benefit assessment that stays with the property if it is sold. If residents don't pay the assessment it goes on their property taxes and (worst case scenario) the Town would put a lien on the property. Babylon has found that the benefit assessment both allows them to ensure repayment from residents and assure private capitol investors in the security of the GHI.</p> <p>The Town pays the upfront costs for up to \$12,000 per home and the homeowner pays for the improvements through a monthly benefit assessment fee. The amount of the monthly benefit assessment fee is structured to be less than the monthly savings on a resident's energy bills resulting from the energy-efficient improvements. The Town will cover administrative costs through a 3% administrative fee built into the monthly payments.</p>
How many jobs are being created?	The Long Island GHI is projected to create 6,600 new green-collar jobs in residential energy retrofitting. The town writes the contract for the homeowner and sets requirements and standards for the private contractor who does the work.
Outcome	Babylon has approximately 65,000 single family homes which collectively emit 1.6 million lbs of carbon on a daily basis. The GHI will help reduce carbon emissions by 65,000-130,000 tons; the average resident will reduce his or her energy costs by approximately \$1,160 per year and reduce his or her carbon footprint by 20-40%. For example, the first family to participate in the program anticipates saving \$100 a month on their energy bill and will pay about 80 percent of that monthly to the town for eight years.
What works	<p>Babylon highlights the GHI through a Green Certificate of Occupancy indicating how much more efficient the house is after the weatherization work has been done. This makes a new home more attractive and gives prospective buyers and tenants an idea of how much energy they will be saving.</p> <p>As a municipality, Babylon is able to draw on existing resources</p>

	and infrastructure related to the housing stock and can engage in rapid response. Identifying and qualifying contractors before launching the GHI allowed Babylon to get the program off to a good start.
Challenges	It is a challenge to market the program to residents and ensure them that the GHI will save them money in the long run, especially when energy prices go down. It is also difficult to get residents to follow through once they have expressed interest or made an initial commitment to the GHI.
Reflections	Workers entering apprenticeship programs need a greater incentive to enter the residential field. For example, the duration of apprenticeship programs for commercial and residential weatherization work is currently the same, but there is more money to be made in commercial. Babylon would like to see an alliance of municipal energy retrofitting programs with federal financing and facilitation at the state level, as well as better training programs.
Resources	<p>For more information about the Long Island Green Homes Initiative, see www.ligreenhomes.com.</p> <p>For press coverage of the Long Island GHI, see http://www.nytimes.com/2009/01/18/nyregion/long-island/18greenli.html?_r=1&partner=rss&emc=rss</p>