

## Implementing ARRA

### Design Snapshot

# A Chicago-Area Retrofit Strategy: Coordinating Energy Efficiency Region-Wide

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[The Center for Neighborhood Technology](#), a Chicago-area nonprofit promoting urban sustainability, has a long-run vision of a Chicagoland building energy-efficiency system, which, if started up quickly, would help to effectively deploy relevant stimulus dollars in the near-term. Its activities focus on ramping up existing weatherization and retrofit programs in the short-term to take best advantage of current stimulus dollars while at the same time building the institutional capacity to launch and sustain a new regional initiative aimed at coordinating energy efficiency information, financing, and service delivery for the seven-county region over the long-term.

Chicago Area's Building Efficiency System	
<b>Purpose:</b>	Establish a long-run regional building energy efficiency system while using ARRA fund effectively in the short-term
<b>Lead entity:</b>	Regional Nonprofit
<b>Partners:</b>	Cities, counties, regional MPO, philanthropies, community, economic, and workforce development organizations
<b>ARRA focus:</b>	Energy Efficiency Conservation Block Grants, State Energy Program, Weatherization Assistance Program
<b>Scale:</b>	7-county Chicago Metropolitan Statistical Area
<b>Strategies:</b>	Reflects a long-term regional vision; adopts multi-jurisdictional and multi-sectoral approaches; embraces integrated solutions; employs information management, data, and benchmarking
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The Center for Neighborhood Technology (CNT) is using ARRA and other resources to work toward a long-run vision of a sustainable regional energy efficiency system. CNT envisions a centrally-coordinated initiative—either through a new stand-alone entity or a formalized network—to manage the financing, marketing, performance monitoring and certification, information provision, supply chain development, and customer assistance required to efficiently scale up the delivery of retrofit services for all types of buildings across the Chicago region.

To create the conceived regional system, CNT is moving forward on both short and longer-term activities concurrently in order to put immediately available stimulus energy dollars to good use now while also laying the groundwork for sustaining these efforts into the future. For the near-term, to boost regional activity around energy efficiency in response to stimulus provisions, CNT has expanded a few of its current programs. [Energy Efficiency and Conservation Block Grants \(EECBG\)](#) through

the stimulus has enabled CNT to augment its current retrofit loan program for low-income households. CNT has also applied for \$1.5 million from the [State Energy Program \(SEP\)](#), which received a funding infusion from ARRA, to provide added support to existing SEP-funded efforts to grow its standing energy efficiency program for multi-family buildings to also include rental properties with fewer than five units. Further, CNT is building up its network of certified retrofit contractors to meet the expected increase in demand for such services and is advising individual municipalities on implementation strategies for their own EECBG formula allocations.

CNT has also identified additional priorities that it can begin to tackle with its partners in the short-term as the region develops the political consensus and institutional capacity necessary to establish a new regional energy efficiency organization that would eventually take over such work. These immediate needs include, market research to map potential demand for retrofit services, exploring different financing options, establishing common metrics, designing a shared information system, creating a one-stop communications center, and launching public education campaigns.

CNT's efforts involve multiple jurisdictions and its plans rely on multi-institutional collaboration. In providing strategic guidance and technical assistance to local governments regarding EECBG, CNT is convening information sessions, providing planning materials, and conducting individual follow-on workshops to benefit 40 communities across the region that are direct recipients of stimulus formula allocations for this program. One desired goal is that these localities will not only align their individual energy efficiency strategies but may also consider joint applications for the competitive portion of EECBG and choose to work more collaboratively in this policy realm in the future. Indeed, plans for the proposed regional energy efficiency system encompass the entire 7-county Chicago Metropolitan Statistical Area. Developing and implementing this ambitious plan has CNT already working with a broad cross-section of regional and national partners, including municipalities, counties, the regional MPO, philanthropies, community and economic development nonprofits, financing entities, energy efficiency advocates, and workforce training organizations. The organization is monitoring the implementation of Chicago's new ARRA-funded energy efficiency retrofit program to see how it might intersect as these regional efforts progress (described in "Expanding Retrofits with Private Financing," another profile in this Brookings series).

Data and metrics help drive CNT's work. To inform the short-term EECBG guidance that it provides to each community, CNT prepares for each one a local energy profile consisting of basic energy consumption data, a building sector breakdown, and a matrix of energy efficiency strategies by community type. Over the long-run, to help build the regional energy efficiency system, CNT expects to be the lead in mapping the market for energy efficiency demands and creating uniform performance indicators on energy savings, emissions reductions, cost-effectiveness, and economic impact.

To better tackle regional energy efficiency challenges, CNT is simultaneously coordinating different funding resources—stimulus and others—to put dollars to work where they are needed most. When helping Chicago-area municipalities and counties consider uses for their allocation of EECBG formula grants, CNT urges them to use some portion of the funding to do retrofit work on local private residences, not just public buildings (which may be easier to handle programmatically), and aims to align proposed strategies across jurisdictions and with individual and area-wide plans for neighborhood stabilization, where they exist (described in "Coordinating Inter-Suburban Recovery," another profile in this Brookings series). CNT also helps individual localities identify how they might benefit from joint competitive EECBG applications, such as proposed collaborative retrofit programs for older existing homes across those communities where this building type is prevalent. Chicago's south suburbs are eager to

collaborate in this manner and may serve as a model and impetus for the western and northern suburbs to do the same. Whether CNT will help advance just one broadly-inclusive EECBG competitive application for the entire metro area or several covering smaller regions is still an open question, as is exactly how this stimulus resource could promote the concept of a single regional energy efficiency system.

To help effective implementation of the stimulus-expanded [Weatherization Assistance Program \(WAP\)](#), CNT is bringing together local weatherization agencies, public housing authorities, and regional offices of the Housing and Urban Development Department (HUD) to determine the specifics of how the new [federal-level partnership](#) between the Department of Energy (DOE) and HUD will work on the ground, and has been considering technical details like what forms to use, how to select voucher-based Section 8 housing units for participation, and whether every tenant of a public housing building would need to authorize weatherization work. To demonstrate how WAP may be applied to public housing, CNT itself is conducting one pilot project to do the energy audit and ARRA-funded weatherization work in one specific public housing building.

CNT has also focused on ARRA funds available through the SEP and has gained traction with the state energy office in calling for some funding to go toward local capacity building and technical assistance for inter-jurisdictional, inter-institutional coordination. Since February 2009, CNT has developed a good relationship with this state office by regularly hosting joint meetings with them to advise local energy efficiency providers. Additionally, CNT is talking with the City of Chicago to explore how it might apply the stimulus' [Qualified Energy Conservation Bonds](#) to retrofitting small commercial buildings, a building class largely left unaddressed by existing programs.

Beyond ARRA, CNT is involved with other regional leaders in convening key philanthropic groups to consider what programmatic gaps will remain even as new stimulus dollars for energy efficiency flow into the region and whether the philanthropy community can address these in a systematic way. Ideas include having philanthropies provide support to lead entities for managing region-wide coordination or to augment stimulus dollars in seeding any new revolving loan funds for retrofits.

## **The Implementing ARRA Series**

America's current economic crisis is not only a national crisis. It is also a metropolitan crisis. Therefore, it is critical to monitor the progress of creative metropolitan leaders who are leveraging the myriad resources provided by the \$787 billion American Recovery and Reinvestment Act of 2009 (ARRA). To that end, the Metropolitan Policy Program's Implementing ARRA Series is tracking the implementation work of metropolitan leaders, assessing their progress and struggles, and extracting from the innovators' experiences ideas for short- and long-term federal policy reforms. Ultimately it is hoped the series will serve as a resource for best-practice exchange among regions and a source of ideas for designing the next generation of metro-friendly federal policies.

### **For More Information**

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