

## Striving for energy efficiency, one building at a time

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For many property owners, turning their building into a model of energy efficiency is an expensive pipe dream that might never be realized.

That is where the Energy Improvement Corp., a nonprofit composed of mostly Westchester municipalities and headquartered at the former French Hill Elementary School in Yorktown Heights, comes in with its Energize New York program.

The program provides a financing plan for property owners looking to renovate their buildings so they are more energy efficient and to save on energy costs. The corporation is funded through grants from the U.S. Department of Energy and New York State Energy Research and Development Authority (NYSERDA). To date, the corporation has received \$2.625 million in grants.

The Energize New York program, which applies to existing commercial properties, was launched by the corporation in Bedford in January 2011. Twelve municipalities have joined, mostly in northern Westchester, along with Orange County. The program was launched after a New York state law passed in 2009 that empowered municipalities to provide financing for property owners to make energy improvements.

While the Energy Improvement Corp. has yet to complete a project, it is currently talking to property owners and said it hopes to complete several transactions by the end of the year, while also focusing on signing up more Westchester municipali-

ties and obtaining more grants. Joseph Del Sindaco, managing director of commercial programs for the Energy Improvement Corp., said despite not completing any projects, he is satisfied with the nonprofit's progress.

"We've been slow to get going," Del Sindaco said. "We've been dealing with bureaucracy. We can't talk to someone if their municipality is not a member. But property owners are realizing that there are things they can do to reduce costs."

Del Sindaco said he hopes for the Energy Improvement Corp. to become self-sustaining by 2015.

To become eligible for financing, property owners must first have an energy audit of the building done by an engineering firm that specializes in energy efficiency and is vetted by NYSERDA. The cost of the audit is shared by the property owner and NYSERDA, as the auditor does a physical evaluation of the building. For large buildings, audits can cost up to \$25,000.

The auditor presents the property owner with needed improvements to the building as well as the cost, while also showing the energy savings resulting from the improvements. Depending on the size of the building, improvements can run from \$50,000 to \$1 million.

The Energy Improvement Corp. provides the financing via low-interest loans for energy improvements by issuing a series of bonds that are paid back over 15 years on the property owner's municipal tax bill. NYSERDA and the auditor supervise the construction process.

Since municipalities are on the hook if the property owner fails to pay their

taxes, the corporation has also set up a loan-loss reserve fund for any losses a municipality or bondholder may incur.

"Investors like bonds like these," said Del Sindaco. "It's a win for everybody. The property owner gets access to cash at a rate that's lower than what a bank would offer. We have inoculated municipalities from risk."

Mark Thielking, chairman of the board at the Energy Improvement Corp., said it has been a challenge to get the word out, and that many property owners are unaware of what NYSERDA offers.

"They offer so many generous incentives and cost-sharing initiatives," said Thielking. "We have a strong relationship with them."

The Energy Improvement Corp. estimates that Westchester property owners waste in total \$100 million in energy costs each year.

"You're paying for something that you don't need," Thielking said. "This money could be going to your employees or your community rather than the Middle East. It's a staggering sum. You can be cost effective if you have the right things in place."

Del Sindaco said he hopes the program encourages property owners to consider making their buildings more efficient.

"This is a very simple process with viable cost-effective financing," he said. "This is a unique product; nothing like this has been made available."



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