



The State Policy and Program Landscape for Multifamily Energy Efficiency – Examples from States' Comprehensive Energy Plans

Nearly 10 million people live in affordable multifamily housing in the United States. These buildings, many of which were built more than 50 years ago, are largely inefficient, and their waste leads to higher bills for residents. According to a recent report, energy efficiency programs in multifamily affordable housing could cut energy usage by as much as 32 percent and natural gas by 24 percent.ⁱ The potential volume of energy efficiency improvements in low-income multifamily housing in the United States could be as much as \$30 to \$50 billion, which would translate to energy savings of \$4 billion to \$7 billion annually and a significant reduction in energy generation needs.ⁱⁱ

Recognizing the potential for significant energy, economic, and financial savings, State Energy Offices (SEOs) are launching programs to support energy efficiency in multifamily housing. According to a keyword-search, 14 SEOs have mentioned “multifamily” in their State Energy Plans, and 10 outline new energy efficiency programs or offer recommendations to improve efficiency in multifamily housing. Many of these plans outline multifamily loan programs offered through the state, utilities, or partner organizations.ⁱⁱⁱ Others describe rebate programs, educational programs, or others aimed at promoting efficiency. For example:

- California’s Energy Plan describes “Retrofit Bay Area,” a \$10.7 million community-scale building retrofit program aimed at upgrading up to 15,000 single-family and 2,000 multifamily residences with energy efficiency measures, including a website and regional call-center where consumers can access information about the benefits of retrofit improvements, homeowner incentives, and qualified contractors;
- Maine’s Energy Plan outlines the “Low Income Home Energy Assistance Program,” which will deliver approximately \$37.7 million in heating assistance for roughly 50,000 households, as well as “Efficiency Maine,” which offers a program to install cold climate heat pumps in multi-family units; and
- Minnesota’s Energy Plan describes the “Minnesota Solar Hot Water Rebate,” which promoted investment in solar domestic hot water systems, with state matching funds of up to \$2,500 for a single-family home and up to \$10,000 for multi-family dwellings.^{iv}

These programs and others highlight the potential for State Energy Offices to reduce energy consumption by encouraging and supporting energy efficiency in multifamily buildings. However, a variety of policy and programmatic options are available, and SEOs may wish to explore best practices when pursuing multifamily efficiency measures. Key questions for SEOs to explore in this arena include:

- Is the regulatory/utility environment friendly to multifamily energy efficiency initiatives?
- Has your office determined the level of demand and appetite for multifamily projects?
- What are the major informational gaps and data needs to help make a better case to stakeholders and decision makers in your state?
- What strategies and partnerships are most challenging and most promising in your state?

ⁱ Optimal Energy (on behalf of the Natural Resources Defense Council). *Potential for Energy Savings in Affordable Multifamily Housing*. May 2015. <http://www.energyefficiencyforall.org/potential-energy-savings>

ⁱⁱ Energy Programs Consortium. *Multifamily Energy Efficiency: What We Know and What's Next*. <http://www.naseo.org/data/sites/1/documents/publications/EPC-Report-Multi-Family-Housing.pdf>

ⁱⁱⁱ A sample of multifamily loan programs are described in Appendix A.

^{iv} The \$100,000 program was fully reserved after five months.