ENERGY EFFICIENT WEST VIRGINIA

# MEMORANDUM OF SUPPORT: SB 480 / HB 2744

*Local Energy Efficiency Partnership (LEEP) Act*

*Sen. Blair / Dels. Hanshaw, Fleischauer, Lovejoy, Cooper, Ambler, Walters, Isner, Fluharty, R. Miller, Pushkin, and Canestraro*

## Why the bill is needed

**Energy efficiency builds jobs.** Construction jobs making buildings more efficient are made by construction workers in the state. These jobs are well-paying, skilled labor that supplements the work of the contractors, even when demand for new construction is low. Efficient buildings result in lower bills for consumers, making it easier for businesses, industries, and residents to stay in the state.

**LEEP helps local businesses secure financing for the up-front costs for improving building efficiency.** By leveraging energy savings to pay off the investment. LEEP empowers financial institutions to utilize the senior lien status of a property tax assessment in order to finance the purchase for local businesses.

**This helps keep West Virginia businesses in the state.** The bill puts restrictions in place to ensure that the local governments are not “on the hook” for making the efficiency upgrades. Reducing energy costs and making building improvements helps commercial building owners keep tenants and the businesses they run.

**Local governments choose whether to offer LEEP.** The bill creates no risk to tax payers.

## Summary of Provisions

- Authorizes local governments (municipalities and counties) to create a funding mechanism, Local Energy Efficiency Partnerships (LEEPs), to help make buildings in the area more energy efficient.
- A LEEP may be established after a public hearing and adoption by the local legislative body, after making a LEEP plan with sixteen specific provisions and requirements, including:
  - The form contract for LEEP participants,
  - The application process,
  - How the contractor will guarantee that the savings-to-investment ratio is greater than one, and
  - The appropriate ratio for the project cost to the property’s value.
- Authorizes local governments to impose an assessment for building owners to repay the project cost.
- LEEP funds may be procured by:
  - A bond, backed by the energy savings
  - Funds obtained by the local government from other sources
  - Owner-arranged financing from a local bank
- The bonds issued under the program must not be general obligation bonds. Most bonds will be backed by the savings realized on the properties.
- Permitting local units of government to jointly implement a LEEP program.
- Mortgage holding banks have “veto power” as to whether a LEEP lien is permitted.
- Participants must take advantage of applicable utility programs.

Contact: **Emmett Pepper** at 917-617-8208 / emmett@eewv.org