



# KHP Overview

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[www.KYHomePerformance.org](http://www.KYHomePerformance.org)

# KHP Program Results – Phase I



- **EPA Home Performance with Energy Star Partner of the Year 2012**
- **Honorable mention State and Local Energy Report's 2013 Residential Efficiency awards**
- **NCSHFA Program Excellence Award 2013**
- **1 of 10 statewide HPwES programs – 5th in production in 1 year**
- **Served 120 KY counties with jobs completed in 71 counties**
- **Over 25 participating utility partners**
- **Average energy efficiency achieved = 26% per job**
- **Developed successful contractor network:**
  - **Orchestrated BPI trainings statewide**
  - **Introduced KHP software**
  - **KHP Field Best Practices**

# KHP Program Results To Date



- **Completed and paid jobs = 1016 including 116 with TVA**
- **Rebates = 939**
- **Loans = 77**
- **Whole-House evaluation rebates paid – 1,071**
  - *Plus an additional 338 with TVA contractors*
- **Completed 70 jobs with MACED On-Bill Pilot (\$102,267.00)**
- **76% conversion rate of evaluations to completed jobs**
- **Total development of jobs to date - \$10,817,929**
- **Subsidy leverage per job = 5-1**
- **Created a new industry in Kentucky**

# KY Home Performance – Phase II



- **\$3.3 million in funding**
- **Estimated leverage \$12.5 million**
- **1-4 leverage ratio for subsidy**
- **Provides loans for EE with competitive rates**
- **Can be used with utility or manufacturer rebates**
- **State and federal tax credits may apply**
- **Other rebates and subsidy may apply**

# What is KY Home Performance?



- **Designed to generate energy efficiencies**
- **Designed to create jobs**
- **Provides training**
- **Provides quality assurance**
- **Provides detailed program tracking**
- **Provides statewide measurable outcomes**
- **Housing Affordability – “keep people in their homes”**

# Kentucky Housing Corporation



- **Focus is on contractors and auditors**
- **Utilizes ENERGY STAR branding**
- **Provides statewide:**
  - Auditor training and mentoring
  - Proctoring of contractor certification exams
  - Contractor training, mentoring and incentives
  - Quality assurance program on audits (5%)
  - Energy efficient market rate loans

# Program Elements



- **National certification requirements of auditors (and installers, eventually)**
- **Strong marketing/homeowner education component**
- **Quality assurance (QA) program to ensure standards**
- **Software that tracks entire process**
  - Screening based on homeowner input, energy usage data, weather, etc.
  - Test-in data
  - Test-out data, measures actually installed
  - QA verification results
- **Contractor incentives after successful completion of required number of homes**

# KHP Phase II Program Overview



- **Financing - Unique Financing Options**

- Unsecured – KHP PowerPlus Loans – Up to \$15K
- Secured – HUD PowerSaver Loan – Up to \$25K

Note: no cost to contractors to offer KHP Financing

- **Cutting-Edge EE Software and Program Design**

- Software for Whole-House or Single-Measure Jobs
- Free to Contractors
- New Tablet-based Evaluation Software Now Available
- Homeowner Reports – Easy and Effective for Consumers
- Job Tracking for Jobs in Process
- Automated Job Approval for Contractors

- **KHP Nationally Recognized Training and Program Operation**

- New Single-Measure BPI-Affiliated and RESNET Contractor Training
- HPwES 2.0 Pilot for National Programs Approved by DOE
- Utility Integration Benefits – Easy to Access Rebates
- Affiliation with a State Backed Finance Program for Consumers

# KHP Phase II Loan Products



## ■ **Jobs and Loan Types**

- Whole-House (*Phase I minimum requirements*)
- Single-Measure (*No blower door required if envelope is not affected by individual improvement*)

## ■ **Secured Loans – HUD PowerSaver**

- Up to 15-year secured loan rate: 6.99% (\$7,500 up to \$25,000)
- 25% of loan available for non-energy

## ■ **Unsecured Loans – KHP PowerPlus**

- Single Measure
- 10-year unsecured loan rate: 9.99% (\$2,500 up to \$15,000)
- Whole House or Geothermal
- 5-year unsecured loan rate: 3.99% (\$2,500 up to \$15,000)
- 10-year unsecured loan rate: 6.99% (\$2,500 up to \$15,000)

# KHP Program Phase II Contact Information



## UNSECURED LOAN KHP POWER PLUS

Loan Amount	3.99%* 60 Months	6.99%* 120 Months	9.99%* 120 Months
\$3,000	\$55.24	\$34.82	\$39.63
\$4,000	\$73.65	\$46.42	\$52.84
\$5,000	\$92.06	\$58.03	\$66.05
\$6,000	\$110.47	\$69.63	\$79.26
\$7,000	\$128.88	\$81.24	\$92.47
\$8,000	\$147.30	\$92.85	\$105.68
\$9,000	\$165.71	\$104.45	\$118.89
\$10,000	\$184.12	\$116.06	\$132.10
\$11,000	\$202.53	\$127.66	\$145.30
\$12,000	\$220.94	\$139.27	\$158.51
\$13,000	\$239.36	\$150.87	\$171.72
\$14,000	\$257.77	\$162.48	\$184.93
\$15,000	\$276.18	\$174.09	\$198.14

\* Monthly payments are estimates only. Actual rate and payment subject to program selected and credit approval by AFC First. Rates subject to change. All loans are made directly to the consumer by AFC First, a national energy-efficiency lender.

## SECURED LOAN HUD POWERSAVER

Loan Amount	6.99%* 180 Months
\$7,500	\$67.37
\$8,000	\$71.86
\$9,000	\$80.84
\$10,000	\$89.83
\$11,000	\$98.81
\$12,000	\$107.79
\$13,000	\$116.78
\$14,000	\$125.76
\$15,000	\$134.74
\$16,000	\$143.72
\$17,000	\$152.71
\$18,000	\$161.69
\$19,000	\$170.67
\$20,000	\$179.65
\$21,000	\$188.64
\$22,000	\$197.62
\$23,000	\$206.60
\$24,000	\$215.58
\$25,000	\$224.57

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# KHP Financing Benefits



**Loan Amount = \$7,500**

## **Estimated Monthly Payments by Financing Types**

- **36 Month Same as Cash = \$208.33**
- **10 Year Single Measure KHP Power Plus Unsecured 9.9% = \$98.70**
- **5 Year Whole-house or Geo Thermal KHP PowerPlus Unsecured 3.99% = \$138.09**
- **10 Year Whole-house or Geo Thermal KHP PowerPlus Unsecured 6.99% = \$87.04**
- **15 Year KHP Secured PowerSaver or Geo Thermal KHP PowerSaver 6.99% = \$67.37**

**Loan Amount = \$10,000**

## **Estimated Monthly Payments by Financing Types**

- **36 Month Same as Cash = \$277.78**
- **10 Year Single Measure KHP Power Plus Unsecured 9.9% = \$132.10**
- **5 Year Whole-house or Geo Thermal KHP PowerPlus Unsecured 3.99% = \$184.12**
- **10 Year Whole-house or Geo Thermal KHP PowerPlus Unsecured 6.99% = \$116.06**
- **15 Year KHP Secured PowerSaver or Geo Thermal 6.99% = 89.93**

# KHP Financing Benefits



- **No Cost to Contractor Offer KHP Financing**
- **Contractor can Save 5% or More Offering KHP Financing vs Other Financing Provider's Products**
- **Example \$5 Million Annual Financed = \$250,000 Savings**
- **Long Term Fixed Rates – No 36 Month Balance to be Paid Issues for Customers**
- **Low Monthly Payments through KHP**
  - **50% or more lower monthly payments then 36 month same as cash financing options.**
  - **Can help consumers afford more EE higher quality equipment**
  - **Can help quote lower monthly payments than competitors who do not offer KHP Financing helping closing rates**

# KHP Financing Benefits – Value Proposition



- **No Prepayment Penalties**
- **Immediate Approvals for KHP Unsecured Power Plus**
- **Software to Help Improve Closing Rates with Free Loan Calculator**
- **No Blower Door on Single Measure Jobs if Envelop not Affected**
- **Easy Access to Utility Rebates**
- **KHP Technical Assistance Support – No Charge**

# Integrate and Leverage Available Utility Rebates



- **KY Home Performance works with over 25 utility providers statewide, including the following:**
  - Atmos
  - Blue Grass Energy
  - Columbia Gas
  - Duke Energy
  - Delta Gas
  - East Kentucky Power
  - LG&E-KU
  - TVA

## Software

### PERFORMANCE SYSTEMS DEVELOPMENT

- Integration with lender
- Whole-House and Single-Measure Evaluations
- Tie-ins with national initiatives
  - Energy Scorecards™
  - National certificate program
  - HPXML
- Program Management
  - Contractor management
  - Job management
  - Energy reduction reporting
  - Economic development reporting
- Tablet-based evaluations

## Financing

### Partnership



### Secured Loans



### Unsecured Loans



## Training

### Whole House

### Single Measure



### Training Facilities and Workforce Development Grant Funds



## KY HOME PERFORMANCE

## Integration



+ 23 Additional Utility Providers

## Contractors

- Outreach to homeowner community
- Utilize specialized training
- Offer specialized services
- House-specific home performance consumer education and detailed reporting
- CEU's

## Special Initiatives

### On-Bill Pilot



Metropolitan Association for Community Economic Development

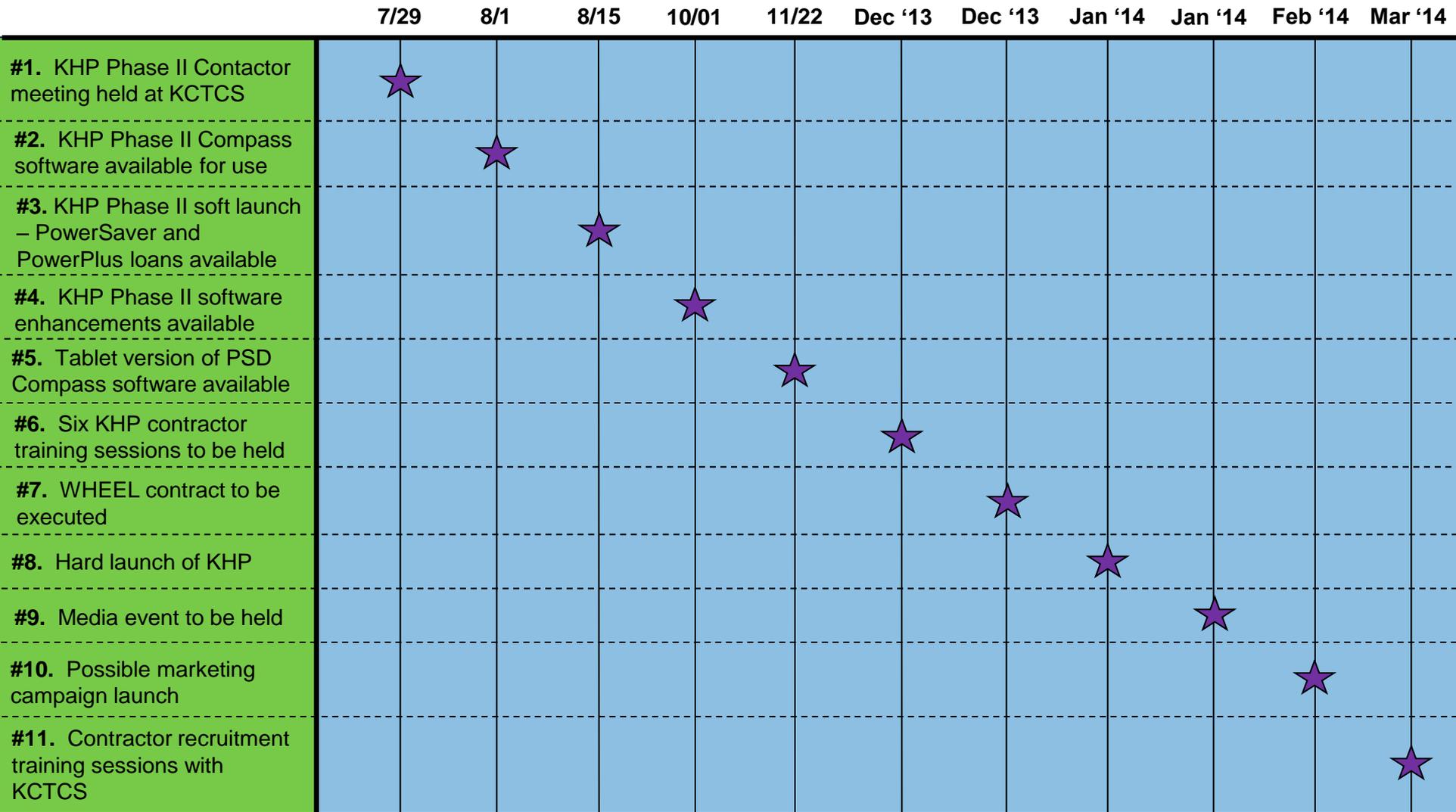
### Energy Efficient Manufactured Housing Replacement Program



Affordable Housing Done Right

# Kentucky Home Performance 2013 Timeline

The following diagram illustrates the timeline for key dates related to the Kentucky Home Performance Program



\*All dates subject to change