

**United States House of Representatives
Select Committee on the Climate Crisis**

**Hearing on July 29, 2021
“Financing Climate Solutions and Job Creation”**

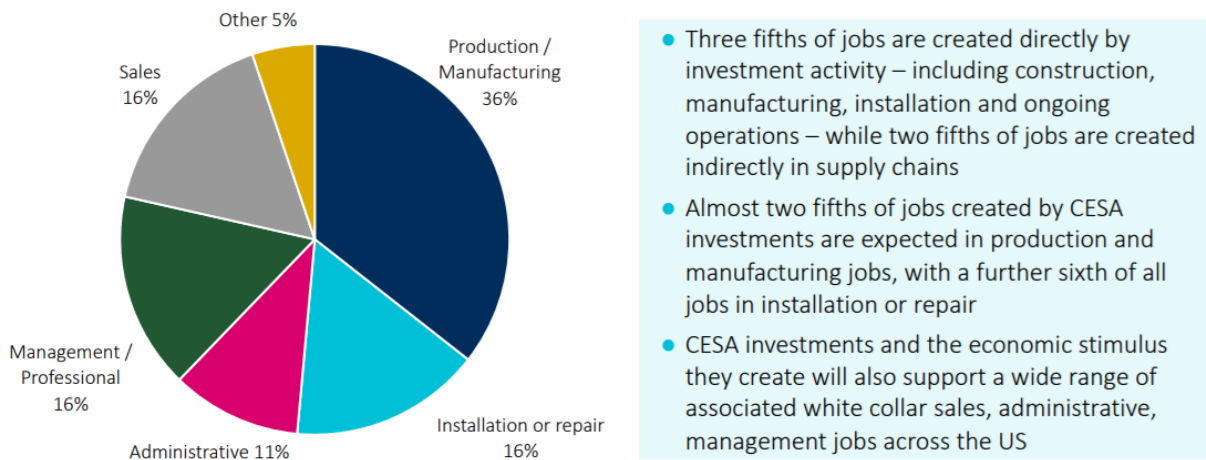
Questions for the Record

**Duanne Andrade
Chief Financial and Strategic Officer
Solar and Energy Loan Fund**

The Honorable Kathy Castor

1. Ms. Andrade, could you please describe how a Clean Energy and Sustainability Accelerator could help create local jobs in communities across the country?

If funded with the \$100 billion capitalization envisioned in Rep. Dingell’s H.R. 806, the Clean Energy & Sustainability Accelerator is projected to deliver 440,000 jobs in its first year, and over five and a half million jobs within its first five years according to an independent analysis from Vivid Economics¹. The chart below shows the distribution of job categories projected from Accelerator investment.



2

The Coalition for Green Capital identified more than a hundred types of jobs directly created with an Accelerator, from aerospace and marine engineers to roofers and welders, and found real-world job postings for each category. These job types range from requiring no college degree to PHD, and the average salary was \$73,853.

¹ <https://coalitionforgreencapital.com/wp-content/uploads/Accelerator-Impact-Vivid-Economics-11.22.20.pdf>

² <https://coalitionforgreencapital.com/wp-content/uploads/Accelerator-Impact-Vivid-Economics-11.22.20.pdf>

In terms of local job creation, my organization (the Florida Solar & Energy Loan Fund – SELF) has over 700 approved contractors in our network. They’ve told us that without SELF, they’d lose anywhere between 20 to 40 percent of business due to clients lacking access to financing. One of our contractors, SEA COAST a local mom-pop shop in Fort Pierce, Florida has financed 200 projects worth over \$1 million with SELF.

Another one, Westfall Roofing, in a recent interview with The Invading Sea, said that without SELF financing, many people would not be able to fix their homes. They have grown their market and increased business with SELF financing.

2. Ms. Andrade, could you please describe how homeowner investments in energy efficiency, renewable energy, and resilience upgrades can be complementary and can help homeowners save money?

As a mission-driven, non-profit green bank, the Solar and Energy Loan Fund (SELF) provides financial inclusion, low-cost financing, and project management to help low- and moderate-income (LMI) homeowners overcome the high upfront cost of energy efficiency, resilience, and renewable energy upgrades, such as: high-efficiency air conditioners; fortified roofs; and, rooftop solar photovoltaic (PV) systems. These sustainable home improvement projects go hand in hand to enhance benefits for homeowners that include: energy savings (high efficiency A/Cs and Solar PV systems; increased safety from climate impacts (storm resistance with fortified roofs, impact windows and doors); lower utility bills (with water conservation upgrades); and improved health and safety for aging in place (ancillary disability home adaptations). The array of improvements that SELF finances ultimately increases climate resilience which results in the preservation of generational wealth, the home; and the sustainability of our environment, through transforming our homes to low-carbon, weather resistant homes.

SELF helps homeowners through the process of going all the way to net-zero when possible by encouraging a step by step approach that maximizes savings and benefits. For example, if a home is not weatherized and sealed, SELF encourages the homeowner and contractor to add this to the project to be financed with the new high efficiency air conditioner. Once the home is sealed and has reduced energy demand through energy efficiency upgrades, the next step is to replace the energy source with a clean source by going solar or using other renewable sources. In Florida, solar is the most appropriate source of clean energy and has the potential to save up to 100 percent of the energy cost. These benefits can be further enhanced by homeowners having access to solar plus battery storage which would provide increased safety and health benefits during climate events that cause power outages-which are increasingly frequent. In order to obtain maximum economic and social benefits, these upgrades would be paired with fortified roofs that have the highest wind code to withstand storms and protect the lives and assets of residents. With higher wind resistant roofs homeowners increase climate resilience and safety, and also significantly reduce insurance costs. In many cases homeowners are unable to qualify or simply can’t afford insurance due to the home having older roofs and windows which don’t meet the minimum standard required by insurance.

An integrated approach to clean energy and resilience is the only way to ensure a sustainable path to low carbon, sustainable communities. Resiliency upgrades (i.e., fortified roofs, impact windows

and doors), help our homeowners save money by lowering their insurance costs, reinstating them to insurance coverage, and by protecting what's often the only asset owned by the low-to-moderate Americans we serve. Energy efficiency upgrades save homeowners money by ensuring energy does not wastefully slip through a leaky window or cheaply built roof. Renewable energy saves our homeowners money by producing energy more cheaply than traditional energy sources and allowing for climate-emergency response with backup storage.

However, these higher standards of homes call for upfront investments that are unaffordable, especially for many vulnerable low-and-moderate income homeowners living in older dwellings with limited or no access to affordable and flexible financing options.

SELF has been working at the grass roots level in LMI communities for a decade now and since the beginning we listened to the needs of homeowners and to the challenges they faced to life in safe, healthy and affordable homes. We understood the benefits of pairing wind resistance with energy efficiency and clean energy early on when we observed that homeowners needed to fix their roofs before they could even consider solar energy- and that in order to maximize savings and social benefits, we needed to provide a path to transition to clean energy and that meant making the home solar ready by addressing the envelope, sealing, weatherizing, fortifying roofs, installing energy efficient appliances and then transitioning to solar energy. By addressing the home as an ecosystem and combining these upgrades, homeowners can unlock significant savings in insurance costs and reduce or eliminate energy costs altogether which frees up a significant proportion of their income spent on energy, utilities and insurance. Finally, by combining these upgrades, homeowners also increase the equity in their homes, maximize safety and preserve and protect generational wealth in their homes. That is why we created loan products to finance the full spectrum of home improvements to unlock savings with quality of life benefits.

Climate resilience and clean energy need to go hand in hand to maximize economic, social and health benefits not only to residents but to communities as a whole. This combination reduces potential losses during climate events (saving tax payers dollars in emergency funds like FEMA), while transforming neighborhoods and communities into sustainable, affordable, low-carbon, safe and healthy places to thrive in- today, and in the future.

In order to produce this transformation what is needed is: financing. We need inclusive, equitable capital to deploy in all communities, especially, disadvantaged communities There is expertise and technology ready to be deployed.

That is why funding for an independent, nonprofit Clean Energy & Sustainability Accelerator is so critical to the transition towards a clean energy economy and the achievement of broader national and global carbon emission reduction goals. The funding would allow green banks across the country to leverage private capital and help homeowners across the income spectrum participate in the benefits of a clean energy economy, especially low-income residents who are the most energy burdened.

SELF is much more than a green bank who is fostering the clean energy economy. Our lending programs and complementary services also provide: vital health benefits and quality of life to working-class families, disabled homeowners, veterans, and retirees on fixed incomes;

significantly reduce operating costs, risk, anxiety and unnecessary suffering; enhance operational efficiencies, property values and generational wealth; decrease harmful carbon-based emissions and related climate impacts; and, create green jobs and support local companies. Shifting to a more sustainable and resilient economy is not a sacrifice, it's an enormous missed opportunity that can promote widespread and complementary benefits to our communities at large, the economy, and particularly those individuals most-affected by climate change. For more details on types of improvements that SELF provides financing for see Appendix A.

APPENDIX A

Common types of home improvement projects financed by SELF.

One of the most common types of home improvement projects that SELF helps LMI homeowners finance is high-efficiency air conditioners (e.g., 16+ SEER system), which typically reduces household energy use and costs by 20-25%. These basic upgrades generate an annual savings of \$500-600 per household per year and greatly improves their health and overall quality of life. Having a functioning A/C in Florida during the sweltering summer heat and humidity is not a luxury item for the elderly, disabled and children. The new high-efficiency A/Cs also enhance property equity and generational wealth, while cutting the carbon footprint of the household and creating local green jobs. SELF's #1 contractor is a family-owned A/C company in St. Lucie County, FL, which has completed more than \$1 million of projects financed by SELF. SeaCoast AC employs dozens of local people, pays substantial local property and business taxes, and they rely exclusively on American made products ("supply chain").

Another common project SELF finances is roof repairs/replacement which are not only safeguarding families and homes during hurricanes and extreme storm events, which are on the rise, but also reducing home insurance premiums by \$700-\$1,000 per year. Roof repairs and upgrades also provide additional energy savings and make the homes "solar-ready". Homes are also most often the largest family asset in LMI communities, so these fundamental repairs also provide long-term benefits as the home is passed on to the next generation. These projects also create additional work for local certified contractors and skilled craftsmen.

Finally, solar PV prices have dropped by 80% over the last decade so it is now more cost-effective to build your own rooftop solar PV system than it is to buy carbon-based fuels off the grid. Homeowners can save \$10,000 or more on their energy bills over the warrantied life of the solar PV system, substantially increase the market value of their homes, and re-direct the outflow of energy dollars from leaving the Sunshine State. These PV projects also dramatically reduce harmful carbon emissions and generate substantial work for local solar contractors.