### **Bridging the Rural Efficiency Gap**

**Expanding Access to Energy Efficiency in** Remote and High Energy Cost Communities

> Lisa Smith, Maine Governor's Energy Office NASEO Annual Meeting September 24, 2018





## The Rural Efficiency Gap



#### **Rural and Remote in Maine: Some Statistics**

- Maine has the largest percentage (61%) of its population living in rural areas than any other state in the country<sup>1</sup>
- Maine has the longest coastline of any state, with many remote peninsulas
- There are also 15 Maine islands with year-round communities only accessible by boat or plane
  - Year-round populations range from 50 1,200

 Energy is expensive, due to small customer base, local ownership, logistical delivery challenges

- Electric rates up to \$0.70/kWh (on the islands)
- Heating oil can be more than a dollar more per gallon on the islands
- Limited number of fuel options (non-utility) and lack of competition in rural communities

<sup>1</sup>Bureau of Census, American Community Survey

# Doug's Story

### **Island Institute**



Non-Profit working to sustain Maine's island and coastal communities, and exchange ideas and experiences to further the sustainability of communities here and elsewhere.



## **About the Project**

Bridging the Rural Efficiency Gap is connecting rural communities in heating oil-dependent states like **Maine**, **Alaska**, **New Hampshire**, **and Vermont** with financial assistance for home energy efficiency.

#### **Project Leads:**

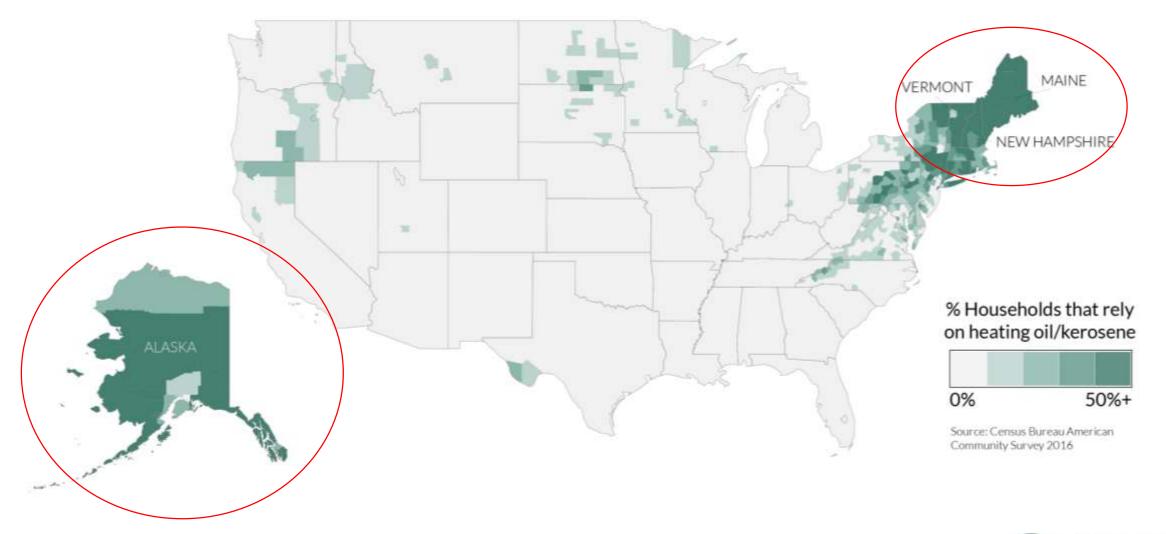


## **Summary: Shared Challenges**

- Rural populations
- Oil dependence
- Old (or inefficient) buildings
- High energy cost, burden
- Lower incomes in rural areas
- Lack of EE contractors

ISLAND INSTITUTE	Maine	Alaska	New Hampshire	Vermont
Number of Households (rank)	553,823 (39th)	251,899 (49th)	518,245 (40th)	257,004 (48th)
Approximate Median Household Income (rank) US Avg: \$50,502	\$46,033 (33rd)	\$67,825 (2nd)	\$62,647 (7th)	\$52,776 (20th)
Percent Population in Rural Areas (rank)	61.3% (1st)	33.9% (14th)	39.7% (11th)	61.1% (2nd)
Median Population Age (rank)	44.5 (1st)	33.5 (50th)	42.7 (3rd)	43.1 (2nd)
Percent of Homes Built Before 1940 (rank)	23% (8th)	1% (51st)	21% (12th)	24% (7th)
Heating Oil Consumption Per Capita (rank)	1st	7th	5th	2nd
Energy Expenditures Per Capita (rank)	\$4,565 (5th)	\$7,487 (1st)	\$3,934 (19th)	\$4,273 (9th)

### **Shared Challenge: Heating Oil Dependence**



Governor's Energy Office



### **Assessing the Rural Efficiency Gap**

HEATING

### Methodology

 Interviews with 50+ stakeholders (AK, ME, NH, VT) Administrators, implementers, customers

Analysis of census & EIA data, DOE's LEAD tool

Analysis of EE program participation data

# **Barriers to EE in Rural Communities**

#### • Geographic

- Geographic isolation & dispersed population
- Lack of energy efficiency contractors

#### • Financial

- Upfront cost
- Lower incomes, higher energy burdens
- Credit access and debt aversion
- Awareness & Access
  - Lack of access to traditional marketing channels
  - Lack of awareness or skepticism of existing resources











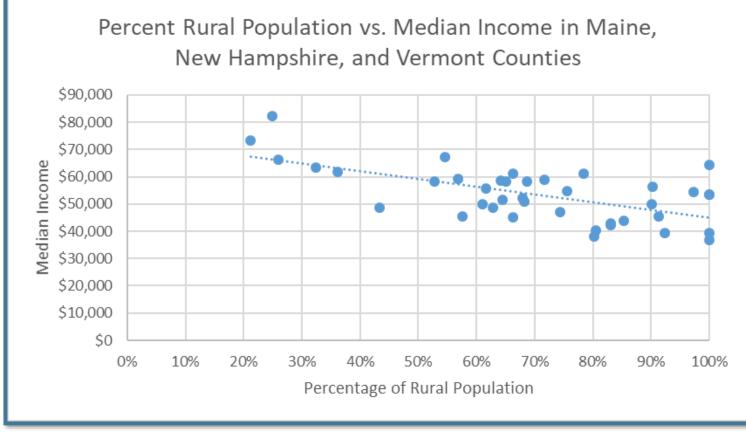
### **Geographic Barriers**

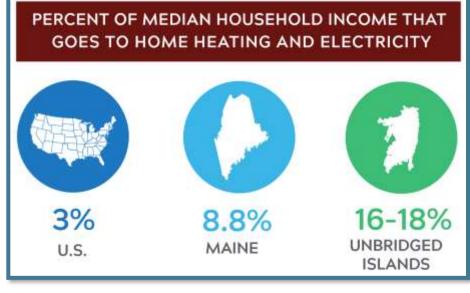


A barge unloads an insulation truck on Monhegan Island, Maine. Photo credit: Portland Press Herald



## Financial Barriers: Lower incomes, higher energy burden





Waypoints, 2017

Source: U.S. Census

## **Awareness & Access Barriers**

TI SHAR

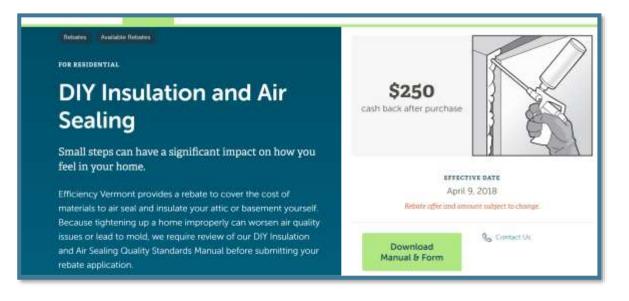
## **Models & Strategies for Bridging the Gap**

57.157.157

Photo credit: Matthew Baron.

# "Bridging Models" & Strategies

- Program design staged upgrades (ME), DIY rebate (VT), ruralspecific program (AK)
- Implementation models Community-scale energy efficiency initiatives (AK, ME, NH, VT)
- Policies Geographic equity mandate (VT)





# **Bridging Model: Weatherization Weeks**

- Bundling jobs over the course of one week
- Energy Assessment + air sealing
- Affordable for homeowners \$200
  - 75% discount
  - Payback in first heating season
- Coordinated logistics make it easy to say yes!
- Creates a buzz Comparing blower door scores at the post office
- Includes community buildings



Spray foam insulation installed in a lobsterman's basement on Monhegan Island, Maine. Photo credit: Portland Press Herald.



## **Bridging Model: "Weatherize" Campaigns**



**Photo credit: Vital Communities** 

- Request for Proposals to identify contractors
- Group discounts from pre-approved contractors (who will work in rural areas)
- Outreach from local volunteers (energy fair; door-to-door; social media)
- Free energy consult
- Services include air sealing, insulation, heating systems

### **Lessons Learned**

- Aggregate demand in remote communities
- Address EE at community scale (e.g., weatherize campaigns)
- Build partnerships between community, contractors, and administrators
- Incorporate energy education (energy fairs)
- Work across sectors and building types
  - Connect energy efficiency to other community priorities





## Coming soon...

- Bridging the Rural Efficiency Gap Toolkit
- White paper for efficiency program administrators
- Video series
- Webinar (sponsored by NASEO)







#### Lisa Smith

Senior Planner, Governor's Energy Office - Maine lisa.j.smith@maine.gov

#### **Brooks Winner**

Community Development Officer, Island Institute <u>bwinner@islandinstitute.org</u>

#### Suzanne MacDonald

Senior Community Development Officer, Island Institute <u>smacdonald@islandinstitute.org</u>



