

## Nebraska Energy Office

### Dollar & Energy Saving Loan Program

The Nebraska Energy Office has implemented the Dollar and Energy Saving Loan program since 1990 with remarkable success, but without much deserved fanfare. Not only has the program resulted in over \$52.7 million dollars worth of retrofit activity, 4,394 MWh of annual electricity savings, and 137,107 MCF of natural gas savings, but to do so the Energy Office has effectively leveraged significant private sector funds from the program's base funding of oil overcharge monies. In an elegant yet simple program design that seems highly transferable, the Energy Office has used the interest income generated from oil overcharge funds to administer the program, while subsidizing low-interest energy efficiency loans by working in close cooperation with commercial lenders in the State.

Nebraska initially invested \$10.0 million in the loan program. Within a few years the program was allocated additional funds, bringing the total State investment to \$19.0 million. Perhaps the most exciting aspect of the program design is that this initial seed capital of public funds has been leveraged through matching private-sector funds, increasing the total dollar value of loans made to \$48.8 million. Over ten years, the Energy Office expects that the total amount of capital provided for retrofits will be fully 360% of the initial outlay of public funds! Furthermore, over 98% of the total dollars expended through the program have been dedicated to energy conservation measures, with comparably little expended for either administration or energy audits.

Unlike many financing and revolving loan fund programs, the Dollar and Energy Saving Loan program is quite unique in its emphasis on the residential sector. Of the 8,673 projects undertaken as a result of the program through 1994, fully 92% or 7,986 have been fuel-neutral residential loans. These loans have fostered both gas and electricity savings with average home efficiency gains of 13.5% and 5% respectively. The program has also supported retrofit activity in the agricultural, small business, local government, and rural nursing home sectors.

The program's macroeconomic impact has been evaluated in terms of job creation, income, and contribution to Nebraska's Gross State Product using input-output modelling. An analysis of the first four years of operations shows that over a ten-year period, the program will induce 789 job-years of employment, create \$17.26 million in net income from added wage and salary compensation, and contribute \$28.3 million to the Nebraska Gross State Product. Under normal investment conditions, nearly \$54,000 is required to create a single full-time equivalent job. However, because the Energy Office loans leverage funds from commercial lenders, an \$18,000 investment by the State creates a full-time position, one of the lowest dollar-invested to job-created ratios in the nation.

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#### NEBRASKA ENERGY OFFICE Dollar and Energy Saving Loan Program

**Sector:** All sectors

**Measures:** Prescriptive and custom measures including all cost-effective energy conservation measures; especially residential HVAC and weatherization

**Mechanism:** Oil overcharge funds are leveraged to create an incentive for lenders to provide low-interest loans for energy conservation improvements

**History:** Pilot tested in 1989; launched in March 1990

##### 1993 PROGRAM DATA

Energy savings:	279 MWh
Annual BTU savings:	11,634 MMBTU
Natural gas savings:	8,726 MCF
NEO Cost:	\$680,868

##### CUMULATIVE DATA

Energy savings:	4,394 MWh
Total BTU savings:	182,809 MMBTU
Natural gas savings:	137,107 MCF
Loans leveraged:	\$48,812,000

The Results Center produced 126 profiles of the most successful energy efficiency and renewable energy programs in the United States and around the world in the early and mid 1990s. With the support of the John D. and Catherine T. MacArthur Foundation, Ted Flanigan directed a research team at Colorado-based IRT Environment to produce and distribute these exceptional examples. Thanks to strong demand for solid case studies, The Results Center was supported by dozens of major utilities and energy associations worldwide. Today, The Results Center is managed again by Ted Flanigan, now at California-based EcoMotion Incorporated, a firm focused on strategic consulting, information dissemination, program design, outreach services, and aggressive implementation. To nominate highly successful programs, contact: The Results Center, c/o EcoMotion, 15375 Barranca Parkway, F-104, Irvine, CA 92618, (949) 450-7155, or [TFlanigan@EcoMotion.us](mailto:TFlanigan@EcoMotion.us)