Energy Efficiency and Healthy Food Retail

Danny Isaacs
Mountain Association for Community Economic Development

Marten Jenkins
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January 30, 2013
Winter Webinar Series
Winter Webinar Series

• Nurture the growing healthy food financing sector
• Provide webinars to CDFIs and CDFI partners interested in healthy food financing
Today’s Webinar Topic

• Explore connection between lending for energy efficiency and lending to increase access to healthy foods, particularly in a rural setting.

• Examine the nuts and bolts of MACED and NCIF’s program including product offerings, marketing and outreach efforts, energy assessments, and much more.
Danny Isaacs
Mountain Association for Community Economic Development

Marten Jenkins
Natural Capital Investment Fund
MACED creates economic alternatives that work for people and places in need in eastern Kentucky and Central Appalachia.
MACED’s Foundation

Vision and Goals
• Strong and diverse economy
• Improved well-being of families
• Healthy and protected land, air and water
• Effective and accountable democracy

Core Strategies
• Invest community capital
• Build entrepreneurial and community capacity
• Demonstrate programmatic solutions
• Create policy change
Central Appalachia

Nurturing Healthy Food Financing
Healthy Food Access in Rural Appalachia

The 45 counties of Appalachian Kentucky have:

– 635 gas station/convenience stores

– 326 grocery stores (including SuperCenters, club stores and specialty food stores)

– 43 farmers markets

– 28 of the 45 counties have a farm-to-school program

Healthy Food Access in Rural Appalachia

In 45 counties of Appalachian Kentucky:

- Over 32,200 households live more than one mile from a grocery and have no car.

- 927 households live more than 10 miles from a grocery and have no car.

- More than 12,000 people are low-income and live more than 10 miles from a grocery.

Why Lend to Grocery Stores?

• Critical Community Resource
  – Access to healthy foods
  – Key local employers
  – Reduced food cost for families

• Low operating margins

• High utility usage

• Simple and replicable opportunities for energy efficiency improvements

• Financing opportunity
Grocery Energy Savings Product Design

1. Marketing and Outreach

2. Energy Assessments & Audits

3. Project Financing

4. Additional Program Considerations

Nurturing Healthy Food Financing
Grocery Store Marketing & Outreach

- Develop a Prospect List
- Direct Mail Campaign
- Association Advertisements
- Site Visits
- Client Referrals
- Wholesaler & Vendor Referrals
Grocery Store Marketing & Outreach

WANT TO REDUCE YOUR ENERGY COST?

Learn how a free energy assessment can help your grocery store save money. A recent assessment identified $22,000 in potential savings for one store in Jackson County. How much can you save? Contact Danny Isaacs at 859-966-2500 or visit www.maced.org/E3/grocery to find out!

Maced is a member of the Kentucky Grocers Association and provides free impartial energy assessments to assist grocery stores. Maced serves the 54 Appalachian counties of Kentucky.

GROCERY ENERGY SAVINGS PROGRAM

Helping Grocers See More Green

“We were skeptical when they first talked about energy efficiency. We’re now saving around $5,000 a month.”

Martin and Jim Cox, Cox Foods Group

The Grocery Energy Savings Program is available to any grocery store located in Appalachian Kentucky that has the desire to reduce its energy consumption. Since the price of electricity is on the rise, ENER-G-SAVE estimates that one dollar in energy savings is equivalent to increasing sales by 10%.

Maced is a nonprofit organization that helps community businesses grow, create jobs, and thrive in Appalachian Kentucky. To get started on a free assessment for your store, call 859-966-2500.

More Success Stories

Jack’s IGA Hustonville, KY
$33,990 savings per year

Whitley City IGA Whitley City, KY
$56,700 savings per year

Published on Aug 27, 2012
Martin Cox (The Cox Food Group) talks about his relationship with the Mountain Association for Community Economic Development (Maced) and their partnership in delivering an energy efficient store in Hustonville, KY.
Energy Assessments & Audits

- In-Store Lighting Assessment
- Utility Bill Analysis
- Internally Prepared Assessment
- Improvement Recommendation Letter
- Vendor-Provided Audit
- Vendor Quote Review

Nurturing Healthy Food Financing
Project Financing

- Utility Rebates, Federal & State Grants and Tax Incentives
- Cost Sharing Models
- Energy Loans
Additional Program Considerations

• What is the expertise of your staff?

• Does anyone in your organization have a background in energy efficiency?

• What are the existing energy efficiency resources available?

• How do your local utility rates impact decisions?

• How long do you have to develop these relationships and projects?
Neon IGA & Family Foods of Tomahawk

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<tr>
<td>Total KWH used in 28 days</td>
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**CHARGES FOR ELECTRICITY USED**

- Basic service charge: $18.63 (does not include usage)
- First 50% of KWH: 25.33 x 19.29760 = 489.82
- Next 50% of KWH: 169.7 x 18.06860 = 30.96
- Adjust. Factor: 0.24550
- Sales tax @ 8.00000 = 1.59
- **TOTAL BILL:** $843.68

**DIRECT PAYMENT PLAN - DO NOT MAIL A PAYMENT**

- Amount due last bill: $71.88
- Payments through 05/15: $671.88
- Balance remaining: $0
- **TOTAL AMOUNT NOW DUE:** $843.68

*This bill includes an electric supply cost of 9.25 per KWH. Go to a new supplier to reduce charges by 1.36 per 10 KWH and lower taxes.*

*IMPORTANT MESSAGES*

- Your bill includes a charge of $0.56 to fund NYSEG renewable energy, environmental, and other energy-related public policy programs.

- The amount of $81.68 will be automatically deducted on 05/28/06.

- If you are able to obtain a company reading of your meter on the scheduled reading date, we will use it over any other reading, including one that was provided by the customer. We appreciate your help in providing a reading and with the usage of the instance.

- Con Edison's offices will be closed Monday, May 29, in observance of Memorial Day. In the event of an emergency, our call center is available 24 hours a day, everyday, including the holiday. However, we will experience very high call volumes on Tuesday, May 30. You can avoid an extended wait by not calling on that day.*
Rebuilding with Efficiency

Jack’s IGA

Nurturing Healthy Food Financing
Producing Food and Jobs
Whitley City IGA

Nurturing Healthy Food Financing
Lessons Learned

- Consider the age of the store and its equipment.
- Consider local utility rates.
- Consider the typical demographic of the store owners.
- Get familiar with individual store ownership & management structure.
- Promote efficiency first and financing second.
- There are plenty of projects that happen that don’t include financing.
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Q & A
Additional Resources
CDFI Fund – Virtual Resource Bank

http://www.cdfifund.gov/what_we_do/FinancingHealthyFoodOptionsResourceBank.asp

Community Development Financial Institutions Fund

WHO WE ARE
WHAT WE DO
IMPACT WE MAKE
NEWS & EVENTS
HOW TO APPLY

I. Training Curriculum

- Food Systems Overview
- Healthy Food Retail Financing
- Financial Services for Mid-Tier Food Chain Enterprises
- NMTC & Urban Supermarkets
- Understanding the Grocery Industry
- Underwriting Supermarkets & Grocery Stores
- Mid-Tier Food Chain Enterprises Overview & Underwriting
- Capitalizing Healthy Food Retail Initiatives
- Identifying Optimal Areas for Supermarket Development
- Understanding the Food Production Sector
- Credit Skills for Lending to the Food Production Sector
- Food Producers Case Studies
- Identifying Partners and Convening Stakeholders

II. Training Webinars

III. Additional Resources

- Searching for Markets: The Geography of Inequitable Access to Healthy and Affordable Food
  - Executive Summary
  - Full Report
- Financial Resources Catalogue

IV. Food Desert Mapping Tools

- USDA Food Desert Locator
- PolicyMap
Connect with OFN

http://www.opportunityfinance.net/industry/industry_locator.asp
Connect with OFN
For CDFIs: Become a Member

How to Apply
OFN welcomes all CDFIs that are committed to performance to apply for Membership. Our standards for Membership are different and generally higher than the CDFI Fund’s requirements for CDFI certification. Not all OFN Members are CDFI Fund-certified and not all CDFI Fund-certified CDFIs qualify to be OFN Members.

To apply please complete OFN’s new online membership application. You will be able to provide all necessary attachments when completing the application. If you want to work on the membership application prior to submitting it online please download a practice copy. We recognize that not all CDFIs are ready for or interested in OFN Membership. We invite these CDFIs, as well as non-CDFI organizations and individuals who support OFN’s mission, to become OFN Allies.

Do you want more information?
- Download our Membership Guidelines.
- Read our Membership FAQs.
- Contact our Membership Department at membership@opportunityfinance.net.
OFN Allies

OFN Allies actively support OFN's mission and the important work that OFN does on behalf of the opportunity finance industry. CDFIs—including those that do not currently meet OFN’s Membership requirements—as well as individuals and organizations that are not CDFIs, are invited to become OFN Allies.

Allie benefits include:

- Participation in OFN's policy and advocacy efforts on behalf of the opportunity finance industry.
- Policy Action Alerts at key times in the legislative process when your participation in advocacy can make a real difference.
- Regular policy updates and analysis.
- Free participation in Quarterly Ally Calls led by OFN’s policy team.
- The Member discount to attend OFN Regional meetings.
- Subscription to OFN’s E-newsletter, quarterly CDFI Market Conditions Report, and a complimentary copy of the annual Opportunity Finance Institutions Side by Side publication.
- Recognition on OFN’s Web site list of Allies.
- Allies that aspire to become OFN Members are invited to participate in Member Staying Connected calls, a valuable peer learning opportunity for any CDFI.

Annual Ally dues are $75 for individuals and $250 for organizations.

Become an OFN Ally Today.
Contact OFN

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Thank You!

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Energy Efficiency and Healthy Food Retail

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