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Quonset's Lead in Renewables Shows Potential for Infrastructure Bank

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Rhode Island was hit hard during the Great Recession, but recently we have seen signs of an economic comeback. One factor responsible for driving Rhode Island's economic recovery is the Quonset Business Park. With its innovative site-readiness program, the Quonset Business Park is home to almost 200 companies employing over 10,000 workers - a huge economic expansion since the Quonset Development Corporation's (QDC) establishment in 2005. Today, one out of every 50 private sector jobs in Rhode Island is at Quonset.

Many of Quonset's tenants are expanding upon that success by promoting sustainable energy development, including several solar panel arrays, within tenant-occupied parcels. These types of sustainable energy improvements, and the construction jobs they generate, are what my office plans to replicate and expand across the state.

Article 24 in the governor's budget, developed by our office, calls for the creation of the Rhode Island Infrastructure Bank, which will put Rhode Islanders back to work on energy efficiency and renewable projects across our state. The Infrastructure Bank will be an expansion and re-branding of the Rhode Island Clean Water Finance Agency (CWFA) - an agency that provides financing tools to municipalities - adding new, energy-related programs to the agency's existing set of functions. These new programs include a Property Assessed Clean Energy (PACE) program, which will provide financing for energy efficiency and renewable energy retrofits to residential and commercial properties; and an Efficient Buildings Fund, which will provide loans to municipalities seeking to make deep energy retrofits to public building stock.

This proposal aims to address two conditions that continue to plague Rhode Island: high unemployment, especially in the building and construction trades, and rising energy costs. Rhode Island lost 40,000 jobs during the recession, and we have since gained fewer than 25,000 jobs back. Of the 11,000 construction jobs lost, Rhode Island has gained back fewer than 5,000. Meanwhile, our state's unemployment rate remains among the highest in the country. We must embrace bold new ideas that will get Rhode Islanders back to work.

At the same time, our state is weighed down by high energy costs. As of March, the average cost of electricity for commercial users in Rhode Island was the second highest of any state, and a whopping 77.3% higher than the national average. This is not just a problem for businesses and homeowners, but also for our cities and towns - the Office of Energy Resources estimates that collectively, Rhode Island municipalities spend more than \$50 million annually on electricity.

The Rhode Island Infrastructure Bank will address these challenges with innovative financing methods to invest state, federal and private dollars in energy efficiency and renewable projects. The PACE program will provide affordable bank loans for energy upgrades to residential and commercial buildings that would allow building owners to realize net energy savings right away. Connecticut's commercial PACE program facilitated more than \$20 million in PACE loans in its first year. As described previously in this journal, affordable financing for energy investments in Connecticut has resulted in increases in appraised value of commercial properties and annual energy savings of between 20 and 90%. There's no reason Rhode Island commercial property owners cannot enjoy the same benefits.

The economic benefits of investing in energy efficiency are significant. Every dollar a business saves on energy costs can be redirected to expanding operations and hiring more employees. Every dollar a city or town saves on energy can be put toward rebuilding our state's roads and bridges, educating our workforce or providing tax relief.

As treasurer, I am determined to promote initiatives that will spur economic growth in Rhode Island. One such initiative is budget Article 24, establishing the Rhode Island Infrastructure Bank. This initiative, can help build upon the renewable successes already seen at Quonset and promote business growth through energy efficiency. I commend the leadership of the QDC for creating a climate for these types of renewable energy projects, and look forward to continuing to work with them and all Rhode Islanders to build a vibrant and sustainable economy.

Seth Magaziner is the general treasurer of Rhode Island

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