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Council Approves Loan Program for Green Upgrades

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An innovative home energy loan program designed to encourage Montgomery County residents to make their houses more energy efficient without breaking the bank was approved yesterday by the county council.

The program, one of only a handful nationwide, would provide loans to homeowners to pay for energy-efficient lighting, heating and cooling systems, and to install renewable energy devices such as solar panels for hot water.

Lawmakers in California and Virginia have passed bills authorizing similar programs, and the city of Annapolis signed off on legislation to create a local program last year. U.S. Rep. Chris Van Hollen (D-Md.) has introduced a companion federal bill that would allow local governments to offer no-interest loans to more than 1 million households.

Montgomery's program, which County Executive Isiah Leggett (D) supports, would provide no-interest or low-interest loans to cover the cost of conducting home energy audits and the implementation of cost-effective improvement projects. The money would be repaid over 15 years as an additional line item on a resident's property tax bill. If the home changed hands, the new owner would be responsible for repaying the loan.

Supporters said homeowners could reduce their utility costs by an amount greater than the cost of repaying the loan.

Council member Roger Berliner (D-Potomac-Bethesda), an energy lawyer and the bill's lead sponsor, said in a statement that the program "will help our homeowners reduce their skyrocketing utility bills and their carbon footprint at the same time, while putting people to work in the new green economy."

Under one scenario provided by county officials, a \$5,000 package of energy-efficiency measures would reduce a homeowner's energy consumption and greenhouse gas emissions by 20 percent a year, resulting in a savings of \$230.

Berliner said the program could be established as soon as next winter at no cost to taxpayers. The county is confronting a projected budget shortfall of more than \$550 million, or about 12 percent of the spending plan for fiscal 2010.

Exactly how the program will be funded, the size of individual loans and the number of participants will become clearer in the next six months as regulations are drafted by the county's Department of Environmental Protection. Stan Edwards, the department's environmental policy chief, said the county

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could look to models such as the one being used in Annapolis, which relies on private financing.

Private banks, for instance, could lend the county money at a low interest rate. Repayment would be tied to individual property tax bills, and Berliner said he expects the county to rely on federal stimulus money and state aid to cover the interest.

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