



Cambridge Energy Alliance – Project Overview

The Cambridge Energy Alliance (CEA) is a new nonprofit organization affiliated with the City that will design, market, finance, manage, and document unprecedented efficiency improvements in the use of energy, water, and transportation. The CEA will carry out a massive \$100+ million efficiency effort offering new technical services and financing options to residents, businesses, organizations, and institutions. Where feasible, the CEA will also support installations of new renewable and clean energy generation, and technologies that curb electricity use during peak demand periods.

Energy Savings and Emission Reductions

CEA initiatives will lead to a substantial reduction in the City's greenhouse gas emissions by 2011, reducing electricity demand by 50MW, or 15% of the peak load and reducing annual consumption of electricity, fossil fuels, and water by 10% city-wide, with a participation rate of 50% in each sector (e.g. municipal, commercial, residential). If the entire state followed Cambridge's lead over the next five years, the Commonwealth would save the equivalent of two coal-fired power plants in electric demand reduction. The program will also target transportation options.

Partners

A critical project component is the collaboration of stakeholders, including the Cambridge Health Alliance and City officials, NSTAR, members of the corporate community, university and civic leaders, energy suppliers, and regulators. Start-up support for this project has been provided by the Henry P. Kendall Foundation, the Barr Foundation and The Chorus Foundation.

Financing Model

Cities naturally aggregate both needs and services and therefore can support the design of a unique, but replicable financial mechanism – a revolving fund for energy efficiency. By aggregating reductions of both energy consumption and peak electricity demand within the borders of Cambridge, CEA, in conjunction with its many partners, can participate in all markets that value such reductions. Once the revolving fund is in place, the project is expected to become fully self-sustaining.

Benefits for Investors and Participants

Approximately 80% of the financing will come from private sources, and the remaining 20% will come from government incentive programs that have been established to promote energy efficiency, power reliability and environmental improvements. As a result, energy savings and clean energy installations will in most cases be paid for by the project financing and be repaid from future energy savings. Because CEA is able to aggregate government and utility incentives, it can provide comprehensive services at lower interest rates for participants. No upfront costs will be required for installations, and there will be no cost to the City of Cambridge or state taxpayers.

Interested in Learning More?

Interested homeowners, renters, businesses and others are strongly encouraged to visit www.CambridgeEnergyAlliance.org or call 617-349-4674. Signing up on the site or calling for more information does not imply any obligation to participate. CEA will provide updates and contact those interested as services become available.