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SEARCH

The Administration

Constituent Services

Press Office

Agenda

Legislation &
Executive Orders

Get Involved

[Home](#) > [Press Office](#) > [Press Releases](#) >DEVAL L. PATRICK
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GOVERNOR PATRICK HAILS CAMBRIDGE ENERGY EFFICIENCY INITIATIVE AS MODEL TO SPREAD ACROSS THE COMMONWEALTH**Governor announces \$2 million revolving loan fund to help Boston, four other cities launch similar programs to save energy and reduce emissions**

BOSTON - Thursday, March 29, 2007 - Governor Deval Patrick today announced a \$2 million state revolving loan fund to cover the start-up costs of large-scale energy efficiency programs modeled on the Cambridge Energy Alliance, an innovative public-private partnership also unveiled today. The state fund, called MassEfficiency, will allow the City of Boston and four other Massachusetts cities to replicate the Cambridge effort, which promises \$100 million in efficiency measures to be paid for largely out of the savings they generate.

"The Cambridge Energy Alliance is pioneering a new model for energy efficiency that should be replicated by communities across the Commonwealth," said Governor Patrick, speaking at the launch of the Alliance at the Cambridge City Hall Annex.

"MassEfficiency will help make that happen."

The Cambridge Energy Alliance is a new nonprofit organization formed in partnership with the City of Cambridge to carry out a first-in-the-nation level of energy efficiency measures in a single city. Over the next five years, the Cambridge Energy Alliance will carry out a \$100+ million energy efficiency implementation effort, while also installing, where feasible, new renewable and clean energy generation, and technologies that curb electricity use during peak demand periods. The tagline of the program, which will also target transportation, water use and heating efficiencies, is *Saving Money and the Planet*.

Specifically, the Cambridge Energy Alliance aims to reduce electricity demand by 50MW, a 15% peak load reduction; reduce annual electricity and water consumption by 10% citywide; and reduce annual greenhouse gas emissions from the city by 150,000 tons (10%) by 2011. The Alliance intends to achieve a participation rate of 50% in each sector of customers (municipal, commercial, residential).

"As a foundation focused on climate change solutions, we view cities as the most promising areas for near-term success in efforts to reduce greenhouse gas emissions," said Rob Pratt, Senior Vice-President of the Henry P. Kendall Foundation, which, along with the Barr Foundation, provided start-up funding for the Cambridge Energy Alliance. "In city environments, a targeted energy efficiency approach is a clear win-win - reduced emissions and lower energy bills."

Cities naturally aggregate both needs and services and can therefore support the unique but replicable financial mechanism - a Revolving Fund for Energy Efficiency - designed by the Cambridge Energy Alliance. Approximately 80% of the financing will come from private sources. The remaining 20% will come from a number of electrical utility incentive programs that were established in part to promote energy efficiency. As a result, energy savings and clean energy installations will, in most cases, be paid for by the project financing and repaid from future energy savings of companies, municipal facilities, universities, hospitals, small businesses, and residents. No upfront costs will be required for such installations, and there will be no cost to Cambridge or state taxpayers.

"What's exciting about this initiative is that it brings private financing to a large-scale energy efficiency project," said Energy and Environmental Affairs Secretary Ian Bowles. "Governor Patrick and I are glad to be able to provide start-up funds for five more cities to adopt the Cambridge Energy Alliance model through MassEfficiency. The City of Boston, in particular, will be able to take the lessons learned in Cambridge and apply them to an even bigger market, for more savings in energy and money, and greater environmental benefits."

"I appreciate Governor Patrick's commitment and leadership in providing the necessary start-up funding to expand this major energy efficiency program to the City of Boston and beyond," said Boston Mayor Thomas M. Menino. "Conservation is where we must first look to meet our future energy needs, because with each kilowatt we save we reduce our dependence on fossil fuels, eliminate pollution in our neighborhoods, and provide cost savings to residents and businesses alike. The Governor's leadership

in this area will help leverage hundreds of millions of dollars in capital for these projects, serving as a major boost to our economy and creating jobs."

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