

Publication: The Southampton Press

## Next 'Green' Trend May Be Bank Financing

By Jennett Meriden Russell



A new coalition could make it easier for East Enders to get their hands on green residential technology.

Citibank and the recently formed Hamptons Green Alliance, or HGA, have teamed up to inform local residents and business owners how to finance green upgrades to their homes, companies and other projects. They recently held a seminar in Riverhead to further that goal.

Citibank is one of the largest full service banks in the world, and the HGA the brainchild of one of the premier home builders on the East End, Frank

Dalene of Hamptons Luxury Homes. Mr. Dalene started HGA last spring to provide information and raise awareness of building and maintenance practices that aim to produce "carbon-neutral, zero-energy" homes while at the same time advancing green technologies, such as solar and wind power.

Citibank is now offering financial incentives for its banking customers who are looking for loans to install green technology in their homes or businesses.

"Citibank set it up so that people could come to them about what they could provide in terms of green-type products," Mr. Dalene said. "That gave people the ability to see what's out there in terms of green technology."

Mr. Dalene said the Hamptons Green Alliance and Citibank are looking for ways to educate and inform homeowners and businesses on ways they can plan successful "green" projects or renovations that actually work. He added that Citibank would help customers with different types of financing that might be available for "greenovations."

"It may very well be the next trend we see in banking that, like auto loans and home improvement loans, green building initiatives may begin receiving special financing status or state/federal government breaks," he added.

Mr. Dalene said that one of HGA's founding members, Sun Stream USA, LLC of Southampton, which provides and installs renewable energy product and services, initially set up the coalition between Citibank and HGA. John Tortorella, founder of Sun Stream, said that green products are not only good for the environment, but healthy for the wallet as well. He noted that the Long Island Power Authority gives rebates on the installation of solar panels that can amount to tens of thousands of dollars. Mr. Tortorella also said that consumers could

also get sizable tax credits from the state and federal government for installing solar panels on their homes or businesses.

In 2005, New York State also eliminated the state portion of the sales tax on photovoltaic equipment purchases. New York State currently offers a tax credit of up to 25 percent of the net costs for the installation of a solar panel system. The current incentive has a cap of \$5,000.

As part of the recent Federal Energy bill, the federal government offers additional tax incentives for the purchase of photovoltaic equipment. Residential customers are being offered until the end of December up to a 30-percent tax credit (with a cap of \$2,000) for photovoltaic equipment purchases. Business customers are being offered the same deal, but with no cap.

"In essence, a very high portion of the installing of solar panels is paid through rebates and tax credits," Mr. Tortorella said. "An \$85,000 system will net cost the homeowner only \$28,000. I don't understand why a lot of people don't take advantage of this."

Other HGA founding members include Delfino Insulation Company based in Bohemia with an office in East Hampton, Flanders Heating & Air Conditioning, and Treewise, an organic landscaping firm in East Hampton.

The alliance includes experts in trades related to the building industry, Mr. Dalene said, all of whom share the mission of promoting alternatives to fossil fuels and traditional building practices.

"There's a lot of information out there that is impractical and theoretical," Mr. Dalene said. "We want to break it all down and make it simple so our clients can understand it."

Citigroup is remaining committed to its green initiatives despite its own recent financial trouble. In recent weeks, the federal government unveiled a bold plan to rescue troubled Citigroup with a \$20 billion stake in the firm. As part of the plan, the U.S. Treasury and the FDIC will guarantee against the "possibility of unusually large losses" on up to \$306 billion of risky loans and securities backed by commercial and residential mortgages.

The action, announced jointly by the Treasury Department, the Federal Reserve and the Federal Deposit Insurance Corp., is aimed at shoring up a huge financial institution whose collapse would wreak havoc on the already crippled financial system and the U.S. economy.

Val Smith, Vice President of Citigroup Environmental Affairs, said in 2007 the banking firm decided to direct \$50 billion to address global climate change through investments, financing and related activities over the next 10 years. Ms. Smith said Citigroup plans to stay on track with that plan despite the recent financial machinations the company has been undergoing.

"It is an initiative to invest in our own 'greening' and improving the energy efficiency of our own operations," she said, "as well as investing equity and financing climate change solutions."

Citigroup has proven in the past that the company takes saving money and the environment seriously. Since 2001, Citibank has been helping advance green thinking such as promoting paperless initiatives.

Citibank was one of the first major financial institutions to encourage customers and vendors to obtain their account statements exclusively over the internet and pay their bills in the same manner, which can chip away at entrenched practices of heavy paper usage. Most financial services providers now offer paperless options.

In 2003, the company also helped developed "Equator Principles" or EP's, which is a set of voluntary guidelines developed and adopted by financial institutions for assessing and managing environmental and social issues in project lending. Institutions that adopt the EPs agree to apply the principles to projects with total capital costs of \$10 million or more.

The EPs are now applied by some 59 financial institutions in 21 countries, of all industry sectors, from mining to oil and gas and forestry.

"These are standards that help us assess environmental and social risk in project finance transactions," Ms. Smith said. "And now the Equator Principles are really the gold standard in terms of environmental and social

due diligence.”

Citigroup has also hooked up with the National Arbor Day Foundation. Ms. Smith said for every Citibank customer who opts for paperless statements, Citigroup will plant a tree. Thus far the company has planted roughly 2 million trees in 14 national forests.

Last Updated Dec 16, 08 9:25 AM



[mailbag @ 27east.com](mailto:mailbag@27east.com)

©2008, 27east.com / The Press News Group

Ph: 631-287-1500