

PROPERTY ASSESSED CLEAN ENERGY (PACE) FINANCING

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- ▶ The key to catalyzing retrofit projects nationwide is financing that provides property owners with a robust return on their investment. Otherwise it won't happen!
 - ▶ Without those projects, we won't trigger energy savings and create demand for energy efficiency and clean energy building technologies.
 - ▶ PACE is an important component of a diversified energy financing toolset which our country needs.
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What is unique about PACE?

- ▶ A PACE bond's proceeds are lent to commercial or residential property owners on a voluntary basis to finance energy retrofits (efficiency measures and small renewable energy systems). This provides interested consumers with another option to consider when planning retrofits.
- ▶ PACE can be issued by municipal financing districts or finance companies, which give consumers local accessibility. This has been a contributing factor to the growing grassroots support for PACE across the country.
- ▶ Repayment of the PACE financing is up to 20 years via an annual assessment on the owner's property tax bill. This is similar to financing for sewers and sidewalk infrastructure improvements.
- ▶ The PACE assessment is attached to and transfers with the property – not the property owner.

So Where Is PACE Now?

- ▶ The Department of Energy has awarded over \$150 million in Recovery Act funding to support PACE programs nationwide. These funds were intended to help develop best practices for PACE and to demonstrate consumer friendly energy financing.
- ▶ Now, those funds are being reworked for other financing mechanisms as a result of Fannie Mae and Freddie Mac's lender letters on PACE and FHFA's opposition.

So What Happens Next with PACE?

- ▶ In response to this spring's lender letters from Fannie Mae and Freddie Mac, Rep. Israel and other Members of Congress pulled the stakeholders together to work towards a solution.
- ▶ Rep. Israel suggested a 300,000 home PACE Trial Period. After dragging through the negotiation process, earlier this month Fannie, Freddie and the FHFA reaffirmed their opposition despite previously agreeing to work towards a solution.
- ▶ On the legislative track in the House, Rep. Mike Thompson of California introduced H.R. 5766, the PACE Assessment Protection Act of 2010 which has 48 cosponsors. Senator Boxer introduced an identical bill on the Senate side which has 5 cosponsors.

Federal Support for PACE

- ▶ Rep. Israel fought for language in the Climate Change Bill (ACES) that passed in the House that would allow the Department of Energy Loan Guarantees to be used to support PACE financing.
- ▶ However as that has stalled in the Senate, Rep. Israel introduced a stand alone PACE Bond DOE loan guarantee bill, H.R. 3836.

Follow Up

- ▶ Please support legislation to ensure that PACE programs move forward nationwide by asking your representative to cosponsor H.R. 3836 and H.R. 5766.
 - ▶ Call your elected representatives in the House and Senate to ask them to stand up and fight for PACE financing.
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