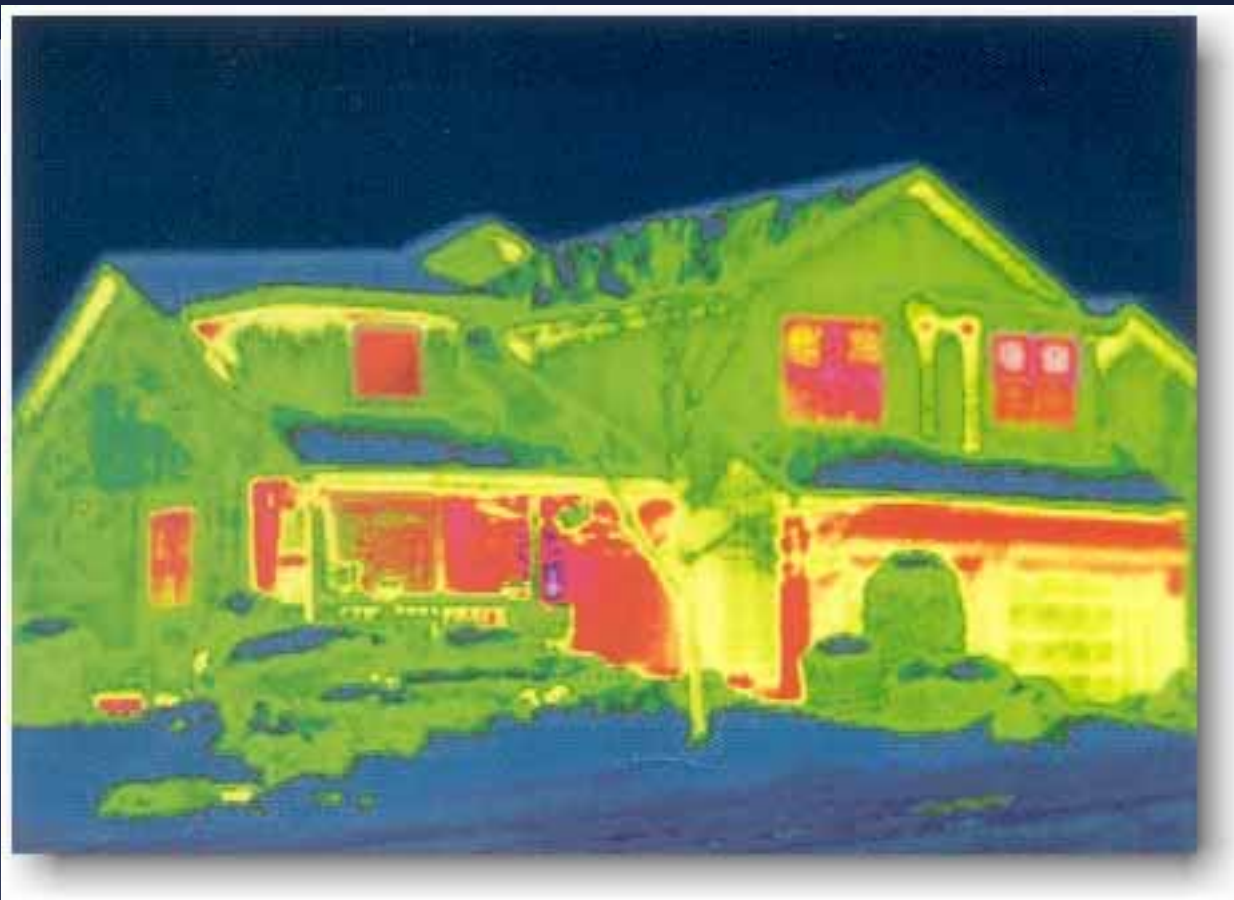


# CA's Next Gold Rush: Local Energy Program Increases Jobs, Economic Development and Climate



Kate Meis,  
Associate Director

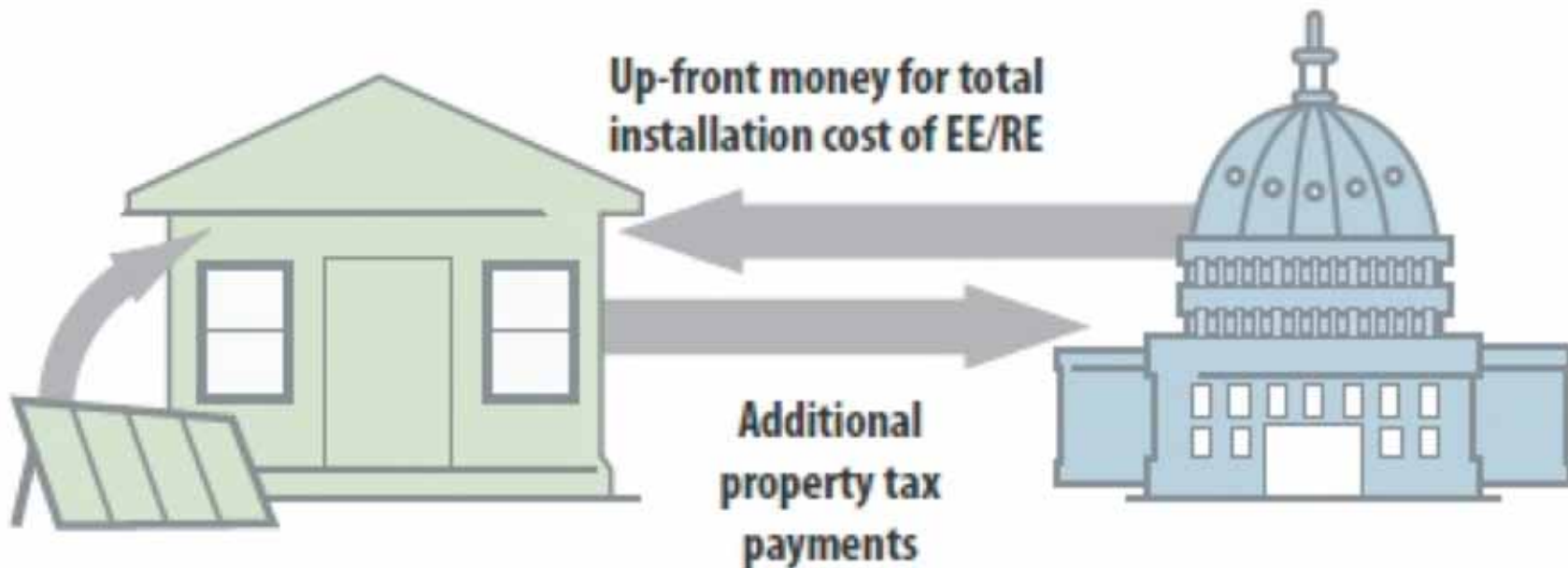


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# What is PACE?

## Property Assessed Clean Energy

- ✓ **Community Based:** local programs for property owners to make energy efficiency improvements
- ✓ **Voluntary:** interested owners opt-in to receive private market financing for improvements that is repaid with an assessment on their property taxes
- ✓ **Financing Savings:** PACE spreads cost of improvements - weather sealing, insulation, heating & cooling systems - over the life of the measures (up to 20 years)
- ✓ **Transfer on Sale:** assessments are linked to the property and transfer to a new owner upon sale



### Property Owner

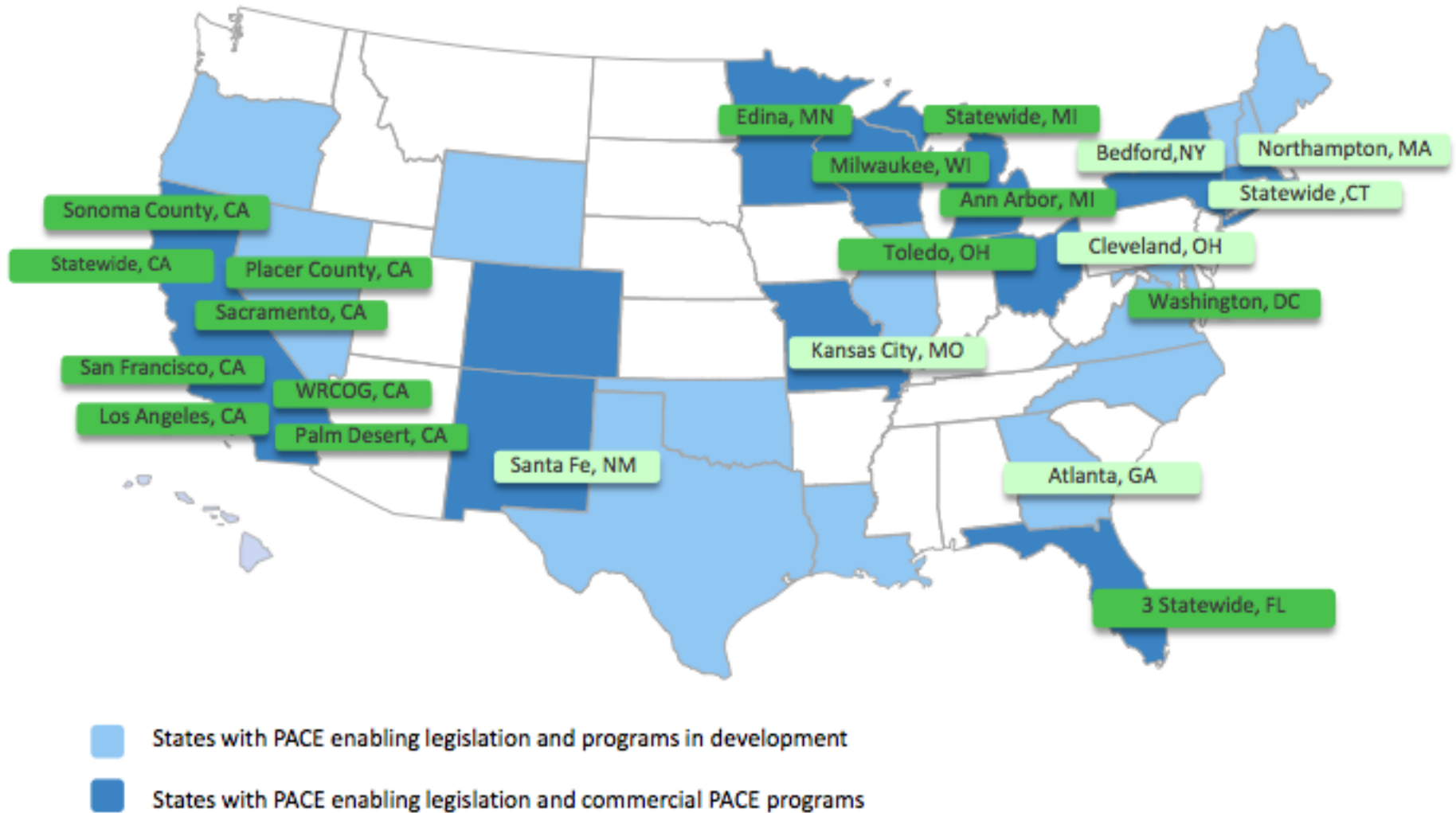
- No/Low up-front costs
- Competitive-interest assessment
- Additional savings from tax-deductible interest

### City or Local Government

- Creates tax assessment district
- Issues bonds or uses other funding sources
- Places liens on properties

Source: National Renewable Energy Laboratory

# Commercial PACE Programs



Source: PACENow

# Benefits of Residential PACE

PACE programs have significant positive economic and fiscal impacts \$4 million in spending on projects across four cities generated \$10 million in gross revenue, \$1 million in combined federal, state, and local tax revenue, and 60 jobs.

if just 1% of U.S. homes were to invest in PACE projects the results would be \$15 billion in gross economic output, \$4 billion in combined federal, state, and local tax revenue, and 226,000 jobs.

Source: ECONorthwest

# Residential PACE Roadblock

July 2010: Federal Housing Finance Agency (FHFA) released a Statement on Certain Energy Retrofit Loan Programs, which stalled residential PACE programs by advising Fannie Mae and Freddie Mac to avoid buying mortgages with PACE assessments.

August 2011: United States District Court for the Northern District of California provided that the agency must undertake a formal rulemaking process.

June 15, 2012: FHFA released proposed rule, Comments were issued through September 2012

Now: awaiting the Federal Housing Finance Agency final rule on Residential PACE

Meanwhile: A number of residential PACE programs continue



LONG ISLAND  
**GREEN Homes**



For More Information:

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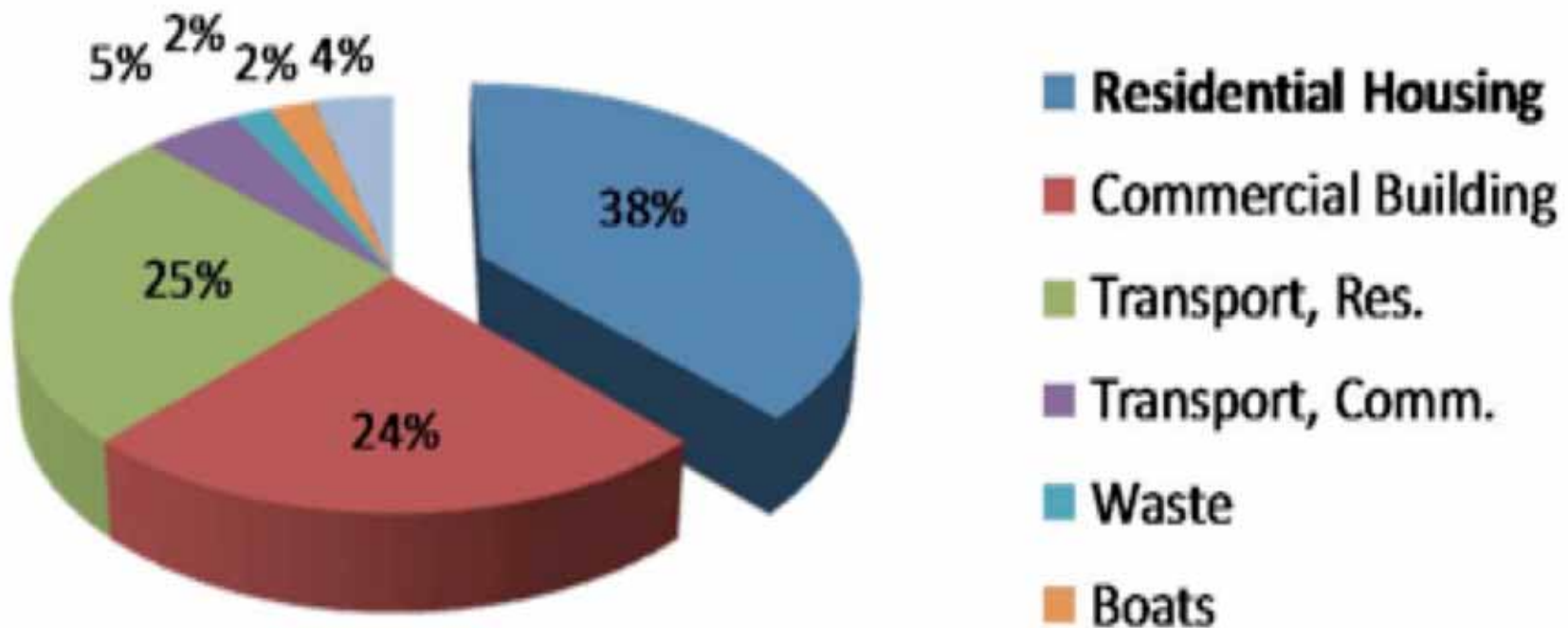


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# Long Island Green Homes Program in Babylon, New York

## Consumption of Resources (%)



# Elected Champion



Supervisor Bellone audited and retrofitted his house first. This allowed the contractor to understand the program, provide suggestions, and help design an effective implementation strategy. This contractor now serves as the Lead Operational Contractor for the program.

# Long Island Green Homes Funding Source

Two million dollars from the solid waste reserve fund was allocated to be used as a revolving fund to finance the Long Island Green Homes program.

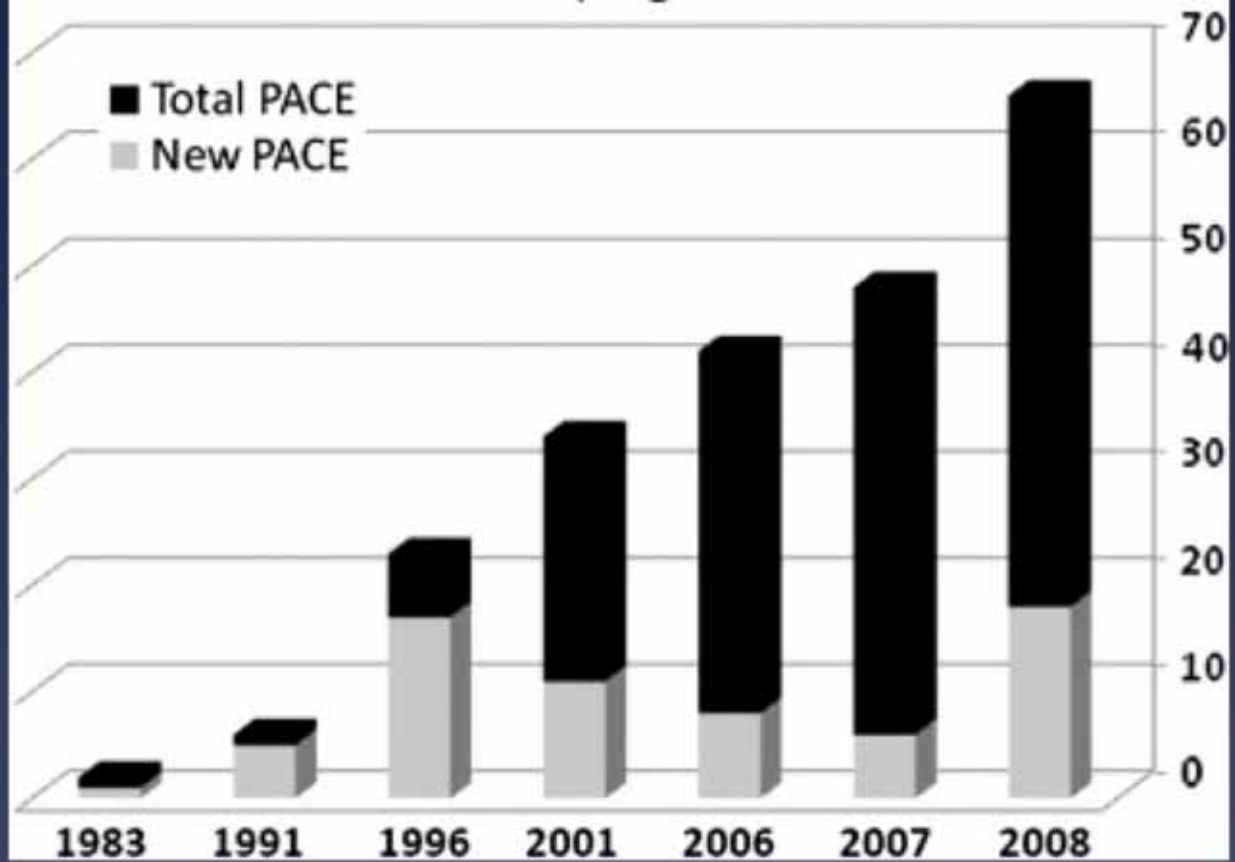
# 1% of all single family homes in the Town of Babylon

Retrofitting just 600 single family homes in Babylon means:

- every year, we prevent 2777 metric tons of CO<sub>2</sub> from entering the air
- every year, \$682,000 is spent in our local economy instead of energy bills
- every year, we reduce our country's energy dependence by 4634 barrels of oil

Since October 2008, LIGH has been helping hundreds of Babylon homeowners reduce their monthly utility bills (and carbon footprint) by 20-40%.

Growth of  
PACE programs



# 4 steps of putting together a residential PACE program

Local government establishes PACE assessment or charge

Building owner evaluates projects that reduce energy costs

Local government provides financing & adds assessment to tax roll

Property owner pays assessment (for up to 20 years)