



# Property Assessed Clean Energy (PACE) Financing Marketplace

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# Overview

- What is PACE
- Current Programs
- Consumer Participation Process
- Benefits
- PACE Marketplace Participation Activity
- City Participation in Programs requires joining JPAs
- Challenges and Considerations
- Next Steps and Questions

# PACE

What is PACE Financing?

- Property Assessed Clean Energy (PACE) is a financing option that allows property owners to install permanently affixed energy efficient improvements, water conservation measures and solar
- Authorized by state law AB 811 in July 2008
- Repayment is made through the property tax bill process
- **PACE assists communities in reaching GHG reductions targets**

# City's Current PACE Program

- The City currently offers the Sonoma County Energy Independence Program (SCEIP)
  - County's PACE program since March 2009
  - City joined SCEIP in Apr. 2009

Area	Metric	Residential	Commercial
Countywide	Projects Funded	2181	64
	\$ Funded	\$59,774,769	\$11,460,205
Santa Rosa	<b>Projects Funded</b>	<b>1151</b>	<b>36</b>
	<b>\$ Funded</b>	<b>\$14,117,372</b>	<b>\$6,372,687</b>

Table: March 2009 – September 2015

# County's Current PACE Programs

- SCEIP 2009



- In Nov 2014, the County established the PACE Marketplace, which offers additional financing programs with various products

- CaliforniaFIRST
- California HERO
- Figtree



# Consumer Participation Process



Starts with contact: a contractor, the office, the internet



Learn about upgrade options and possible benefits



Create a project plan



Secure financing and rebates



Complete projects and track progress

# Benefits of PACE Programs

- Accelerate progress toward meeting climate action goals of jurisdictions and community-wide greenhouse gas reduction targets.
- Enables utilization of funds to install permanently affixed energy efficient, water conservation measures and solar energy improvements
- Repay loans via a special voluntary property tax assessment

# Benefits of the PACE Marketplace

- Data and information on results and progress toward community GHG reduction goals
- Expands availability of project financing
  - SCEIP is limited to \$60 million (\$46mil already expended)
- Consumer choice of PACE provider
- County's PACE Marketplace Program provides impartial assistance to consumers



# Benefits to Consumers for Implementing Improvements

- Potential for lower electric, gas and water utility bills
- Improved indoor air quality and comfort
- Improvements can be made with low up-front costs
- PACE assessments do not hinder ability to claim energy tax credits and deductions
- Improvements funded through PACE may increase property value

# PACE Marketplace Activity

PACE Marketplace Comparison  
November 2014 – June 2015

Marketplace Member	\$ Funded	# Projects Funded	MTCO <sub>2</sub> E Emissions Prevented
SCEIP	\$3,423,673	115	1573
CA 1 <sup>st</sup>	\$1,345,990	54	91
HERO	\$312,524	10	22

# Joint Powers Authority (JPA)

- Santa Rosa will need to join JPAs:
  - Western Riverside Council of Governments (WRCOG)
  - California Enterprise Development Authority (CEDA)
  - Santa Rosa belongs to California Statewide Communities Development (CSCDA)

# Joint Powers Authority (JPA)

- Joining the JPAs may expose the City to undetermined financial and indemnification liability
- Possible JPA required member fees in future
- City can withdrawal at any time from both the JPA's and the Programs

# Challenges & Considerations

## Consumers

- Public entities would be authorized to offer their loan programs within the City
  - Ability to foreclose in the event of delinquency.
  - Consumers may not be able to sell or refinance prior to loan pay off
  - Consumers may be in default if entering into PACE loan without consent of all current lenders on property.
- Rates, Fees and Terms of products offered may not be most favorable to consumers

# Challenges & Considerations

## City

- Carbon Credits will be held by Program Administrators
- Determine how additional programs will become a participating member for the City
- Resources for program administration

# Next Steps and Questions

- Today: Staff receive direction from council
- March 8th: Council consideration of joining Marketplace to allow participation of city property owners in PACE programs by:
  - Joining the Joint Power Authorities
  - Approving indemnification agreements with Program Administrators
  - Adopting the required resolutions for participation in the programs
- Questions?