



# Property Assessed Clean Energy (PACE) Program

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# Overview

- What is PACE
- Challenges and Considerations
- Benefits of PACE
- PACE Marketplace Participation Activity
- City Participation Requirements
- Options for Consideration
- 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**

# Challenges & Considerations

## Consumers

- PACE Program Administrators would be authorized to offer their PACE programs within the City
- Rates, Fees and Terms of products offered vary and may not be most favorable to consumers
- PACE financing may impact mortgages loans

# Challenges & Considerations

## City

- Carbon Credits will be held by Program Administrators
- Marketplace continues to vet additional providers for City consideration
- Resources for program administration

# Benefits of PACE Marketplace

- Accelerate progress toward meeting climate community-wide greenhouse gas reduction targets
- Data and information on progress toward community GHG reduction goals
- Expands availability of project financing
- Consumer choices for PACE options
- County's PACE Marketplace Program provides impartial assistance to consumers

# 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 April 2009

Area	Metric	Residential	Commercial
Countywide	Projects Funded	2318	67
	\$ Funded	\$64,323,020	\$11,997,551
Santa Rosa	<b>Projects Funded</b>	<b>714</b>	<b>23</b>
	<b>\$ Funded</b>	<b>\$15,616,968</b>	<b>\$5,625,668</b>

Table: March 2009 – February 2017

# 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
- Ygrene





# PACE Marketplace Activity

PACE Marketplace Comparison  
November 2014 – February 2017

Marketplace Member	\$ Funded	# Projects Funded	MTCO2E Emissions Prevented
SCEIP	\$7,207,275	224	1,372
CA FIRST*	\$4,228,054	155	5,635 life time impact
CA HERO	\$2,830,000	110	3,958 life time impact

\*CA FIRST data through September 2016

# Joint Powers Authority (JPA)

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

# Joint Powers Authority (JPA)

- Joining the JPAs may expose the City to undetermined member fees in future
- Only WRCOG offers an indemnification provision in its standard JPA agreement.
- City can withdraw at any time from the JPAs and the Programs

# Options for Consideration

Council may choose one of the following options:

- Allow operation of all three additional PACE programs
- Offer only the California HERO Program
- Choose not to allow any additional PACE programs at this time

# Program Participation: HERO

- Approve the amendment to the JPA to join Western Riverside Council of Governments (WRCOG) (includes indemnification)
- Approve PACE Program Agreement with Renovate America Inc and consent to the inclusion of City properties
- HERO provides Residential and Commercial Financing

# Programs Participation: CaliforniaFIRST

- Approve PACE Program Agreement with Renew Financial Group LLC and consent to the inclusion of City properties
- Santa Rosa is already a member of the California Statewide Communities Development JPA (does not include indemnification)
- CaliforniaFIRST provides Residential and Commercial Financing

# Programs Participation: Figtree

- Approve the amendment to the JPA to join California Enterprise Development Authority (does not include indemnification)
- Approve PACE Program Agreement with Figtree Company Inc and consent to the inclusion of City properties
- Figtree provides Commercial Financing

# Future Programs for Consideration

- Ygrene
  - Under review due to possible 1090 issue
- CFMA
  - Not yet a Marketplace Member
- Staff proposes that any additional PACE Marketplace program requests be considered by council on an annual basis



# Questions?