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PACE Solutions Conference Attracts Energy Experts

Cities and Counties Examine Options for Property Assessed Clean Energy Financing

Over 120 energy efficiency and renewable energy advocates from across the nation gathered in Palm Desert March 3rd and 4th to discuss the current status of PACE – Property Assessed Clean Energy financing. .

The concept of a city or county making low-cost financing available to its residents for energy improvements, and then tying repayment to property taxes, began in California in 2008 with the passage of Assembly Bill 811. Similar legislation was passed in 23 other states plus the District of Columbia within the space of 24 months. Then nearly all PACE programs were abruptly halted in July 2010 when the Federal Housing Finance Authority issued a statement that PACE programs threaten home mortgage markets.



UC Riverside Palm Desert Graduate Center

Since the conference, an announcement of upcoming PACE legislation has been heard, and a campaign is developing, facilitated by conference organizer EcoMotion, to redouble country-wide support.

PACE – “A Potential Game Changer”



Michael Peevey, President of the California Public Utility Commission, kicked off the meeting by encouraging attendees to think collectively how to move forward with low-cost financing options to advance clean energy. He condemned FHFA’s roadblock, saying PACE is “a potential game changer, essential to meeting California’s greenhouse gas reduction goals.”

Four Conference Themes

1) PACE is far from dead. Successful programs are functioning now.

PACE programs in Palm Desert and Sonoma County alone have funded \$50 million in energy upgrade projects. Rodney Dole, Treasurer-Tax Collector- Auditor- Controller for Sonoma County, reiterated that the marketplace, without interference by FHFA, has managed sales or refinance of PACE-improved properties without difficulty.

Other counties in California and across the country have also successfully launched PACE programs, creating jobs and economic activity, mostly in the commercial sector, where FHFA's opinion has no impact.

One key point was debated and re-established regarding program design: The senior lien position is essential to the program.



2) Lawsuits against FHFA continue strongly, but slowly.

Eight lawsuits have been brought against the FHFA, from three states: California, Florida, and New York. Some suits allege the FHFA acted without regard for the usual administrative procedures. Others speak to the over 100-year history of assessment precedents, or to the issue of states' rights. At the conference, different legal firms, including the California Attorney General's office, addressed the issues and called for sustained pressure.

3) Legislators may be supportive, but they're distracted.



Attendees at the conference heard support via video from Mike Thompson, U.S. Representative (D) from St. Helena, CA, and U.S. Representative Mary Bono Mack (R), from Palm Springs, CA. Calls for PACE legislation have been made by governors, mayors, the National Association of Regulatory Utility Commissioners, and the National League of Cities and the National Association of Counties – as reported on the PACENow website -- but nothing has yet been passed.

Following the conference, Representative Thompson promised legislation “within the next couple of weeks.”

4) Unanimous agreement that PACE holds tremendous promise.



Jim Ferguson, champion of AB 811 as former Mayor of Palm Desert, stated that if only half the country were able to take advantage of PACE we could remove our dependence on foreign energy sources. Peevey and other speakers emphasized that PACE programs release funds for economic development – whether from the city’s own coffers or from investors -- at no cost to their host city. Cisco DeVries, President of Renewable Funding, whose efforts were instrumental in driving PACE legislation across the country, said the FHFA is blocking \$500 billion worth of economic activity.

Collective Action Needed

Participants at PACE Solutions agreed that only with collective action on all fronts will PACE be restored to its full potential. The Palm Desert Accord was distributed and signed by many attendees, with others taking its message back to their constituents. Supporters of PACE are encouraged to download copies of the Accord from conference managers, EcoMotion, and get on the PACE mailing list for future action.



Rod Dole, Ted Flanigan, Michael Peevey and Jim Ferguson sign the Palm Desert Accord.

About EcoMotion: EcoMotion, headquartered in Irvine, CA, provides business greening services including sustainability action plans, demonstration solar project management, and energy program design. EcoMotion hosted the first PACE conference in Palm Desert in 2009.