

RENOVATE AMERICA™

Building A Better Future, Together

Property Assessed Clean Energy (PACE) & Climate Change

- California has long been a national leader in implementing policies to combat climate change – AB 32, SB 350, SB 555, **AB 811**
- AB 811 PACE authorizing statute – first of it's kind in the nation. Enacted in 2008

“The Legislature finds all of the following:

1. Energy conservation efforts, including the promotion of energy efficiency improvements to residential, commercial, industrial, or other real property are necessary to address the issue of global climate change.
2. The upfront cost of making residential, commercial, industrial, or other real property more energy efficient prevents many property owners from making those improvements. ***To make those improvements more affordable and to promote the installation of those improvements, it is necessary to authorize an alternative procedure for authorizing assessments to finance the cost of energy efficiency improvements.***”

From Retail to Wholesale

- The Regulatory Assistance Project noted in their 2011 “Residential Efficiency Retrofits: Roadmap for the Future” report:

“The success of standard financing products in supporting residential retrofit programs has been very limited. One reason stems from the fact that those most in need of financing are generally ineligible due to lack of adequate credit. Another is the short financing term relative to typical payback periods required to provide positive cash flow to consumers and lenders from retrofit investments (on the order of 20 years).”

- Average installation costs for measures that yield 25% energy use savings in an 1,800 square foot are approximately \$7,200. The payback period for these products range from an average of 5–15 years for efficiency, and greater than 20 years for solar.
- Taking the average installation cost into consideration, a 2012 CalCEF study estimated that reaching California’s GHG reduction goals will require an investment of more than **\$60 billion** in home efficiency upgrades.
- Rather than reaching into already stretched public funds to meet the \$60 billion target, PACE leverages private capital in a unique and innovative public/private partnership to meet this urgent need.

PACE – How it Works

Property owners can finance improvements that reduce energy consumption, water consumption, or produce renewable energy through a line item on their property tax bill.

- Voluntary
- Fixed interest rates
- Fixed asset stays with house lowering bills
- May be able to transfer remaining balance if property is sold

PARCEL NUMBER	BILL NUMBER	AGENT	BRANCH	PROPERTY LOCATION
123456-789	001	01	02	123 Sample Street, Anywhere CA
SAMPLE COUNTY				JANUARY 1, 2014, LIEN DATE ASSESSED VALUES
SECURED PROPERTY TAX BILL 2014-2015				LAND
FOR FISCAL YEAR BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015				IMPROVEMENTS
ANNUAL TAX BILL				FIXTURES
				PERSONAL PROPERTY
JOHN SMITH DIRECTOR OF FINANCE TAX COLLECTOR				ASSESSED VALUES SUBTOTAL
*** ATTENTION ***				LESS: HOMEOWNERS EXEMPTION
				OTHER EXEMPTION
				NET ASSESSED VALUES
TAX RATE AREA CODE				
AD VALOREM TAXING AGENCY			TAX BASE	TAX RATE
COUNTY WIDE 1%			1	1.0000
COLL ABC			1	.01920
DIRECT LEVY TAXING AGENCY TOTAL				
LEVY				PHONE NUMBER
02	UNIFIED SCHOOL DISTRICT			000-000-0000
01	COUNTY SEWER SERVICE			000-000-0000
00	STREET LIGHTING MAINTENANCE			000-000-0000
04	COUNTY PARAMEDIC SERVICE			000-000-0000
	PACE FINANCING			000-000-0000
DIRECT LEVY TOTAL				1

HERO is the Leading Brand for Residential PACE Financing

Renovate America's PACE Program, HERO (Home Energy Renovation Opportunity), provides a full PACE financing solution platform

- Beachhead Product Offering
- Unique Underwriting Infrastructure
- Leading Consumer Protection
- Extensive Database of Products
- Data Tracking for Consumers, Contractors and Municipalities
- 95% Would Recommend HERO to a friend
- 93% Would Recommend a HERO Contractor

Measurable Impact

~**87%** California households can participate in the Program

75,000 homes improved

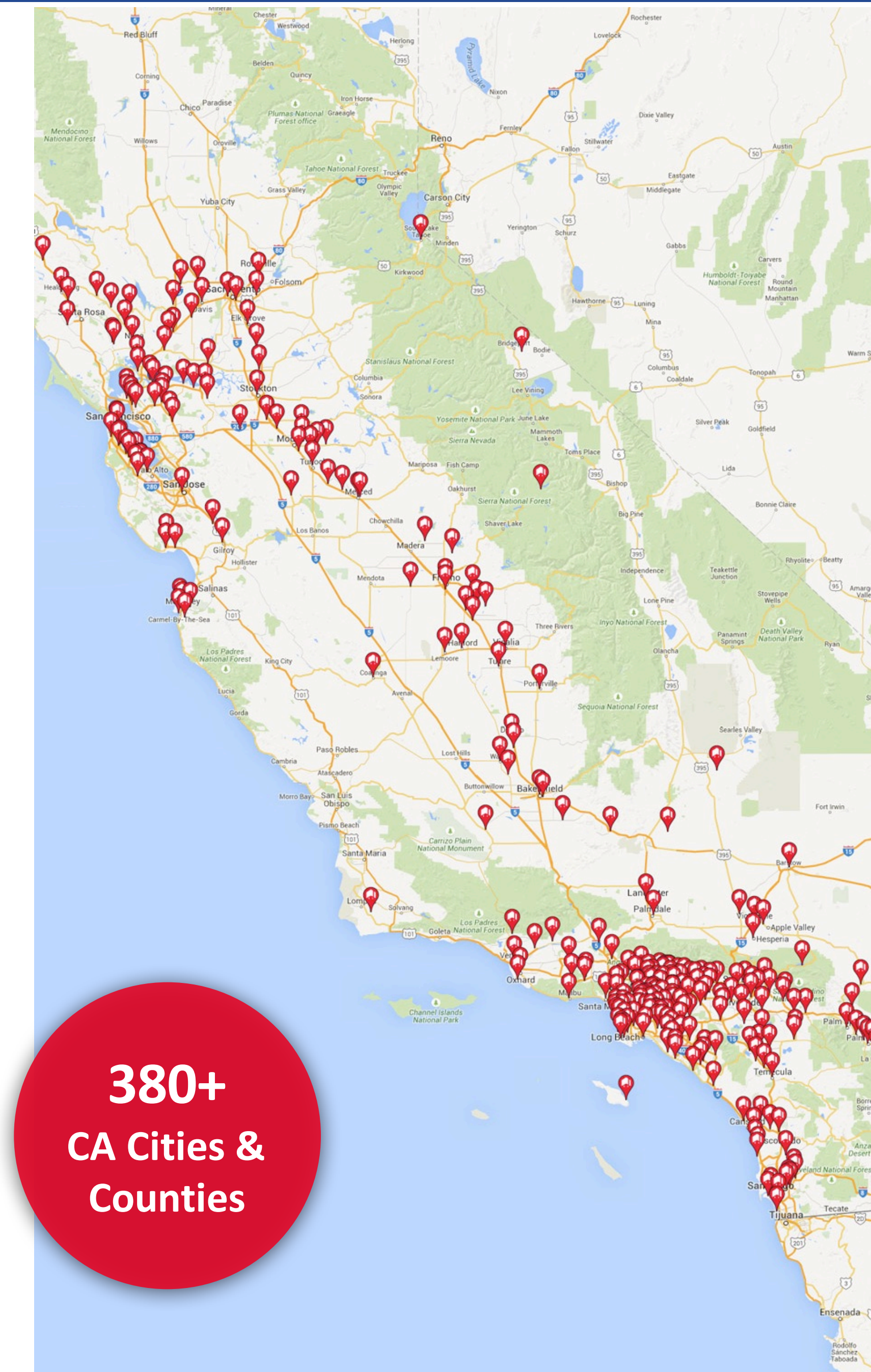
\$1.7 Billion funded in upgrades

15,000 local jobs created

11.4 Billion kWh in energy saved

3.0 Million tons of abated CO₂ emissions

\$3 Billion in utility bill savings



380+
CA Cities &
Counties

Questions?

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