



April 18, 2017

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MISSION:

To accelerate
clean technology
innovation and
adoption of sustainable
business practices
for the benefit of
the economy and
the environment

Members of the United States Congress

RE: Opposition to S.838 and HR.1958

On behalf of Cleantech San Diego, please accept this letter as one of support for Property Assessed Clean Energy (PACE).

In California, PACE has been approved by approximately 450 local communities because of its range of environmental and economic benefits. Over 100,000 homeowners have used PACE to finance energy and water-saving improvements. These home upgrades are estimated to save enough energy to supply over 1.3 million California households with electricity and reduce carbon emissions that are equivalent to taking more than 800,000 passenger vehicles off the road for one year. PACE financed water-conserving retrofits are projected to save 8.6 billion gallons of water, while helping homeowners reduce their utility bills. PACE is also generating positive economic benefits through local economic stimulus, increased home values, and the creation of local jobs that can't be outsourced or automated.

Cleantech San Diego is a nonprofit business organization that positions the greater San Diego region as a global leader in the cleantech economy. We support the cleantech industry by fostering collaborations across the private-public-academic landscape, leading advocacy efforts to promote cleantech priorities, and encouraging investment in the San Diego region. In San Diego alone, PACE, via the HERO Program, has funded over \$312 million of energy efficiency upgrades, which will save an estimated 1.56B kWh of energy and reduce 444k tons of emissions. These have resulted in creation of 2,648 jobs and have had an economic impact of \$540 million.

We believe that PACE is tackling a significant market failure by increasing American households' access to financial resources so that they can afford cost-saving energy performance retrofits—a need that has largely been unfulfilled by any other financing instrument. PACE not only removes the upfront cost of energy efficiency, renewable energy, and water efficiency investments for homeowners, but also provides them a far more affordable financing alternative by offering longer payback terms, and low repayment costs that—along with the benefits of the home improvements—may in some cases be transferable upon a home's sale. PACE, like any other assessment, is attached to the property, not the individual, which makes it an innovative and unique green financing instrument.

Lawmakers should look to legislative solutions that help strengthen PACE, as opposed to limiting local governments' and homeowners' access to it. In California, A.B. 2693 which was passed last year, codified strong consumer protection disclosures that work within PACE's public-private partnership framework.

With that, we strongly support consumer protections as an essential component to PACE programs, but S.838 and H.R.1958 as currently written would disable PACE programs as opposed to helping them grow responsibly. Additionally, the legislation could suggest that other local government programs be subject to federal consumer lending statutes, creating ramifications for how local governments finance capital improvements within their communities.

We encourage you to consider the implications of this legislation and look forward to a responsible legislative process that considers a meaningful alternative that would truly help PACE and protect consumers.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Anderson".

Jason Anderson
President and CEO
Cleantech San Diego