



June 28, 2017

The Honorable Mike McGuire
Chair, Senate Governance & Finance Committee
State Capitol, Room 408
Sacramento, CA 95814

RE: Letter of Support for SB 242 / Opposition to AB 271

Dear Senate Governance and Finance Committee Members,

We are writing to express our strong support for SB 242, legislation introduced by Senator Nancy Skinner that will strengthen Property Assessed Clean Energy (PACE) financing in California by building upon its already-strong consumer protections. We also write to respectfully oppose AB 271 by Assemblywoman Anna Caballero.

In addition to expanding access to financing for sustainable property improvements to a larger swath of Californians, PACE plays an important role in California's plan to meet our greenhouse gas reduction goals by promoting greater adoption of energy and efficiency technologies. PACE-financed home improvements are on track to reduce California's carbon dioxide emissions by millions of tons, cut homeowners' utility bills by billions of dollars, and conserve over 10 billion gallons of water. In addition, it is estimated that PACE financing has created more than 25,000 local, clean-energy jobs that cannot be automated or off-shored, while also pumping more than \$5 billion into local economies across the state. And all of this is being accomplished at no cost to public budgets. SB 242 will further solidify PACE as a critical tool for California's citizens, communities, businesses and government to meet their established environmental and climate goals.

As it has matured, the PACE industry has repeatedly shown a willingness to strengthen its consumer protections. Most recently, the industry's work with state lawmakers last year on AB 2693 (Dababneh) resulted in the passage of the most comprehensive PACE consumer protection

and disclosure law in the nation. SB 242 seeks to build on those improvements by enacting a comprehensive set of program requirements that will further protect homeowners and ensure the integrity of PACE programs.

Specifically, SB 242 calls for PACE providers to confirm financing terms via live telephone calls with homeowners; consider income and monthly obligations to underwriting; create a forbearance protocol for homeowners who demonstrate they cannot make a payment; and refrain from providing a contractor with an estimated approval amount for a homeowner. These measures will bolster PACE's existing consumer safeguards and ultimately strengthen this important financing resource.

While we appreciate the diligent work of Assemblywoman Anna Caballero in crafting AB 271, we are concerned that this bill would impose regressive changes that will eliminate current consumer protections and fundamentally undermine the PACE program. Removing PACE from the secure tax roll, as AB 271 proposes, would remove the enforceability of the obligation. This would ultimately increase the costs to local governments and homeowners and have the unintended consequence of increasing foreclosures. For these reasons, we must oppose AB 271.

We greatly value your engagement on this important issue, and we encourage you to work with your colleagues in the Legislature to preserve and support California's PACE program by passing SB 242 into law. We look forward to working together to ensure California continues to meet the highest standards for environmental and consumer protection for generations to come.

Sincerely,

Advanced Energy Economy

Brightline Defense

Build It Green

CalAsian Chamber of Commerce

California Solar Energy Industries Association

Center for Sustainable Energy

Cleantech San Diego

Climate Action Campaign

Renew Financial

Renovate America

Vote Solar

Ygrene Energy Fund

cc:

Assembly Member Caballero

Members, Senate Governance & Finance Committee

Jimmy MacDonald, Consultant, Senate Governance & Finance Committee

Scott Chavez & Ryan Eisberg, Consultants, Senate Republican Caucus