



PACE Energy Financing: The Athens Solar Initiative

Oct. 27, 2009
Elahu Gosney



Special Improvement Districts



Pineview Park Renovation

Grand Re-Opening Fall, 2009

For your safety... PLEASE DO NOT ENTER THE PARK DURING CONSTRUCTION.

- Observe all barricades and flagging.
- Do not allow pets to run off-leash at construction site.

The new park will include:

- New playground
- Picnic shelter
- Irrigation system
- Tennis courts
- Ice rink enhancements
- Portable restroom enclosure
- Trails and landscape

Alternate places to play:

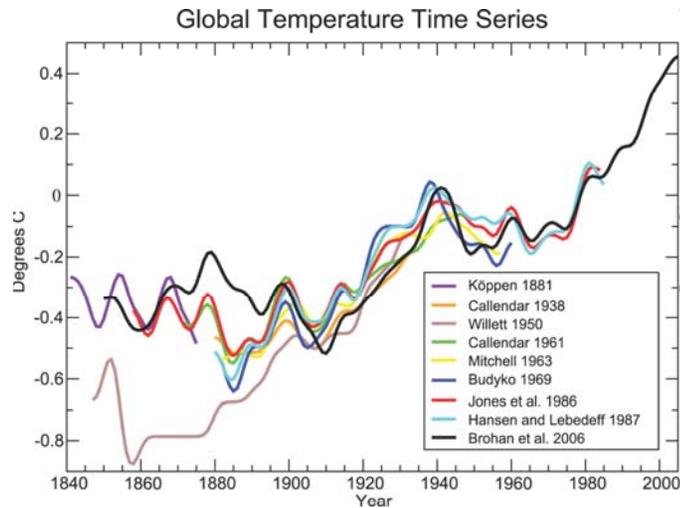
- Tim Green Park
- A large open area, for active play and sports, is located on the west side of the Mountain View footbridge, next to the PEAS farm.
- Rattlesnake Elementary School playground is open to the public after school hours and on weekends.
- The ice rink on Pineview Dr. and Mountain View Dr. and the Mountain View footbridge will remain open.

This project is funded, at citizen request, by a Special Improvement District (SID) which affects about 1,700 property owners in the Rattlesnake neighborhood annually for 20 years. The total project cost is approximately \$750,000.

Parks & Recreation



Our Energy Challenges



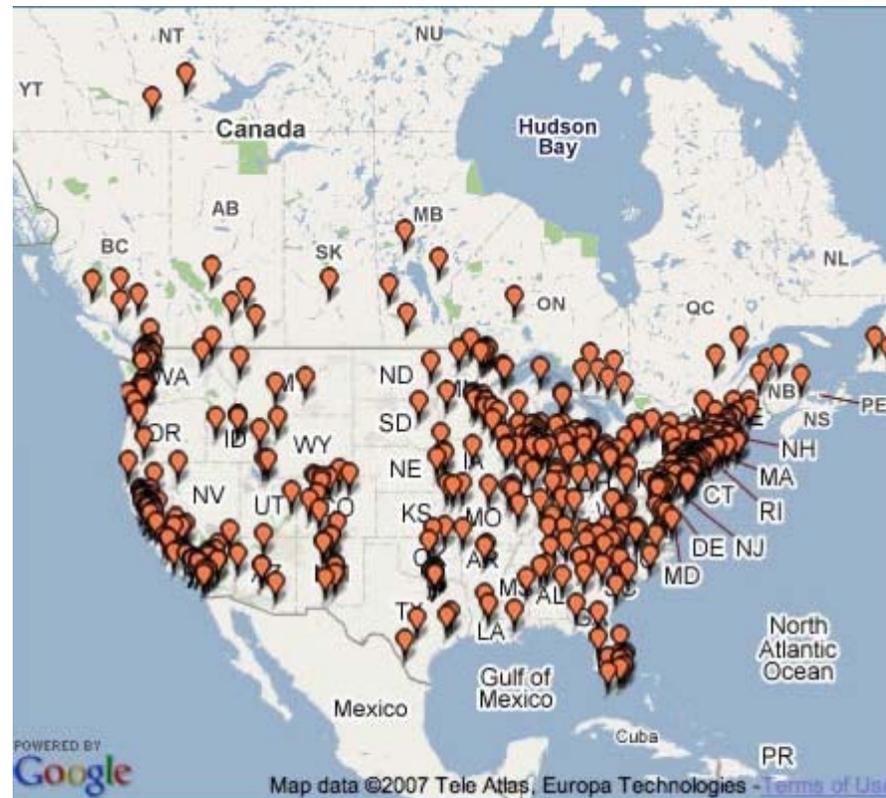
Homeland Security





A Role for Local Government

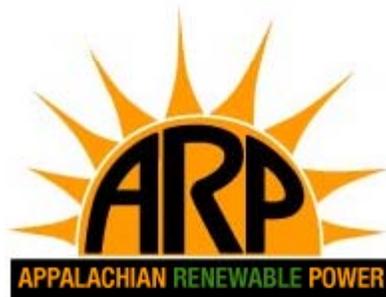
- ▶ Cities are taking responsibility for greenhouse gas emissions
 - ▶ Cool Cities-Sierra Club
 - ▶ United States Conference of Mayors
 - ▶ International Council for Local Environmental Initiatives (550 US cities)





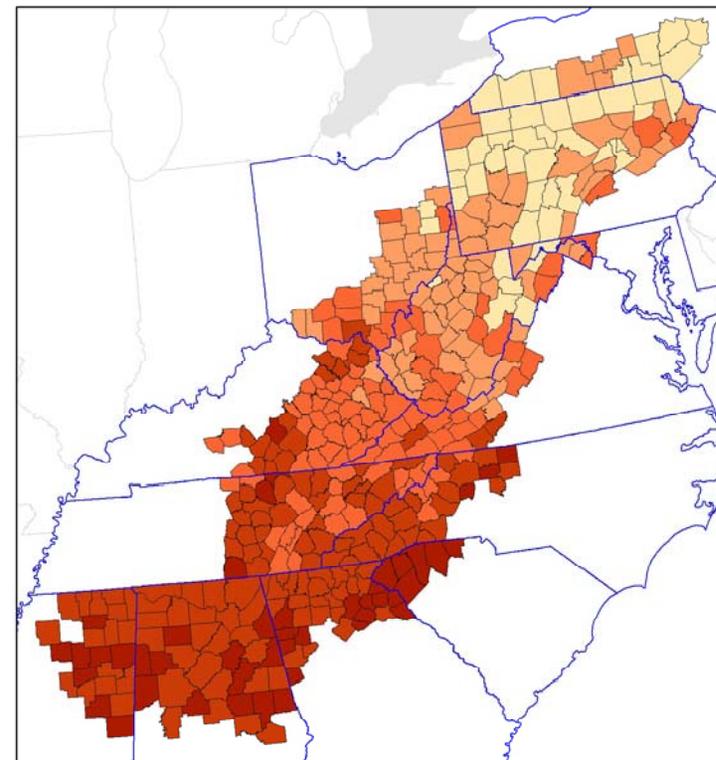
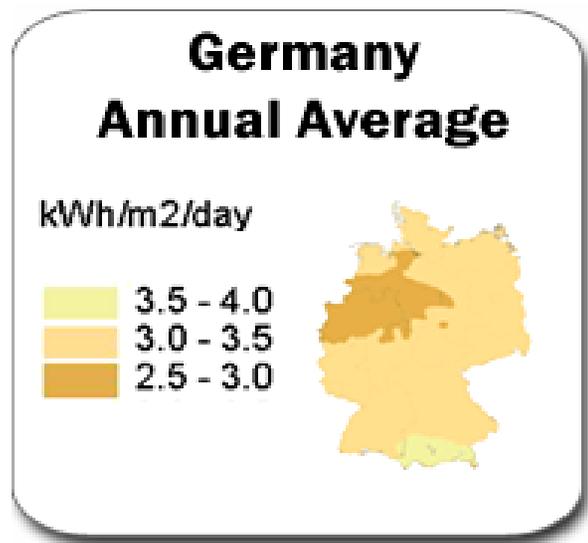
Energy Goals

- ▶ Reduce Greenhouse Gas Emissions
- ▶ Increase use of renewable energy
- ▶ Create replicable programs and policies





Appalachian Solar Potential



3.97 4.24 4.51 4.78 5.05 5.31



Average kWh/m²/day available to optimally oriented flat panel cells





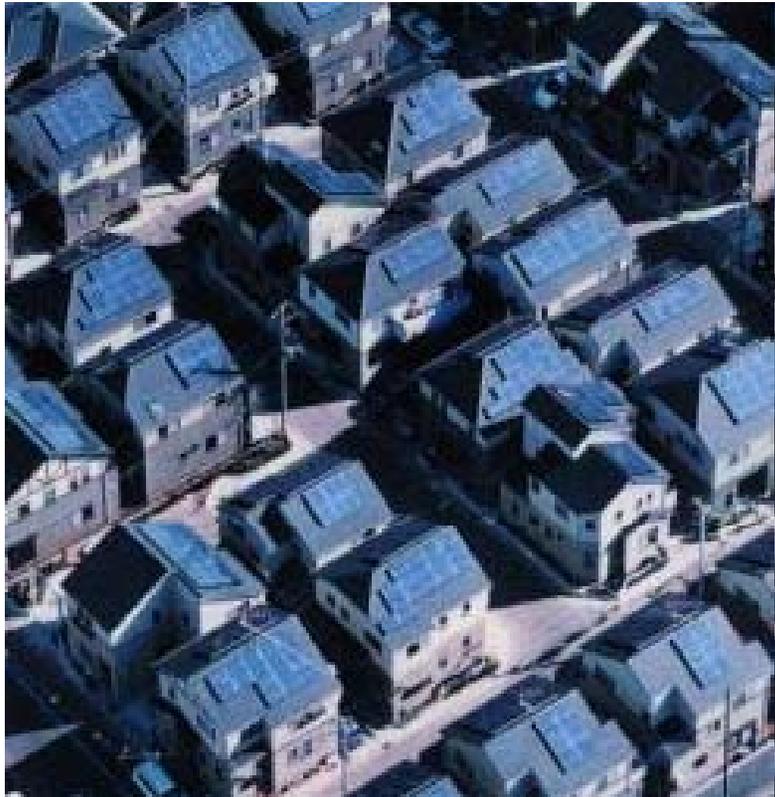
Plenty of Sun, but Obstacles

- ▶ High up-front cost (financing)
- ▶ High turnover rates in property (reluctance to “commit”)





Special Improvement Districts



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PACE Financing

- ▶ **Property Assessed Clean Energy**
- ▶ Started in California in 2007
 - ▶ First program began only last year
- ▶ Requires enabling state legislation
 - ▶ Athens hired B&E in May, 2009
 - ▶ Included in state budget bill (HBI)
 - ▶ Signed into law by Governor Strickland in mid-July





States with PACE Legislation Passed

- ▶ **Existing statutory ability to launch PACE programs:** Florida & Hawaii

In the last 12 months:

- ▶ California (AB 811)
- ▶ Colorado (HB 08-1350)
- ▶ Illinois (SB 583)
- ▶ Louisiana (SB 224)
- ▶ **Maryland (HB 1567)**
- ▶ Nevada (SB 398)
- ▶ New Mexico (HB 572)
- ▶ **Ohio (HB 1)**
- ▶ Oklahoma (SB 668)
- ▶ Oregon (HB 2181 & HB 2626)
- ▶ Texas (HB 1391 & HB 1937)
- ▶ Vermont (H 446)
- ▶ **Virginia (SB 1212)**
- ▶ Wisconsin (AB 255)

2010: Many more PACE enabled states anticipated





Benefits of PACE

▶ **Our Nation:**

- ▶ Significant job creation
- ▶ Accelerates movement toward energy independence & reduces GHG emissions
- ▶ Very low fiscal cost & high probability of success

▶ **Property Owner:**

- ▶ Lower energy bills and substantially reduced upfront costs for energy retrofits
- ▶ Improved return on investment/positive cash flow on retrofits (annual savings > cost)

▶ **States, Cities & Municipalities:**

- ▶ Immediate job creation
- ▶ No credit or general obligation risk
- ▶ Obligation is liability of real estate owner
- ▶ Greenhouse gas reductions/energy independence
- ▶ Opt in: Only those real estate owners who opt in pay for it

▶ **Existing Mortgage Lenders:**

- ▶ Borrowers cash flow/credit profile improves (energy savings > annual tax cost)
- ▶ Property/collateral value increases

▶ **Lender:**

- ▶ Virtually no risk of loss as property tax liens are senior to mortgage debt
- ▶ 97% of property taxes are current & losses are less than 1%



PACE Quickly Gaining Ground

- ▶ Clinton Global Initiative support (9/24/09)
 - ▶ "PACE is an idea whose time has come,"
- ▶ VP Biden announces “Recovery Through Retrofit” (10/19/09)
 - ▶ “Today, the White House is announcing a “Policy Framework for PACE Financing Programs”
 - ▶ “DOE will be funding model PACE projects.”



MIDDLE CLASS TASK FORCE
COUNCIL ON ENVIRONMENTAL QUALITY



“You’re affecting things globally and nationally, but you start out locally.”

-Executive Director of the United States Conference of Mayors, a local climate change action agreement-

Resources

- ▶ PACEnow.org
- ▶ ICLEIUSA.org
- ▶ Coolcities.us
- ▶ <http://www.energy.gov/news2009/8148.htm>
- ▶ http://www.whitehouse.gov/assets/documents/Recovery_Through_Retrofit_Final_Report.pdf
- ▶ <http://www.youtube.com/watch?v=2HpwQff2tIA>

