



TOWN OF FAIRFAX

STAFF REPORT

September 6, 2017

TO: Mayor and Town Council

FROM: Garrett Toy, Town Manager

SUBJECT: Authorize support of SB 242 Property Assessed Clean Energy (PACE) Program:
Program Administrator

RECOMMENDATION

Authorize staff to add the Town to the Local Government Commission's letter in support of SB 242 (Skinner) 'Property Assessed Clean Energy Program: Program Administrator.'

DISCUSSION

Councilmember Coler requested this item for the Council's consideration. In addition to the Local Government Commission, the League of California Cities also supports the bill, which would require all PACE (California's Property Assessed Clean Energy) programs administered by non-governmental third parties to meet the highest operating standards. Since 2015 the Town has allowed PACE programs. The approved program providers were initially vetted by the County of Marin.

FISCAL IMPACT

n/a

ATTACHMENTS

- A. Local Government Commission's Letter of Support
- B. League of California Cities' Notice of Support

SUPPORT

SB 242 (Skinner) – Property Assessed Clean Energy (PACE)

We strongly support SB 242 (Skinner), which enacts strong consumer protections for California's Property Assessed Clean Energy (PACE) program. The important work to find consensus around comprehensive protections for California homeowners using PACE financing has been ongoing for almost a year, and has led to a number of commonsense measures being supported by a coalition of national and state consumer groups, advocates for clean energy and the environment and leaders in the PACE industry itself.

SB 242 is the result of almost a year's worth of multi-party stakeholder negotiations led by Senator Skinner and supported by California consumer advocates and PACE supporters to find consensus around comprehensive protections for California property owners using PACE financing. These discussions have led to a consensus bill that includes a number of commonsense measures including:

- (1) a recorded, live, **confirmation of terms call** between the PACE provider and property owners, which builds on the written disclosures modeled after the federal Know-Before-You-Owe mortgage disclosure already required by California law;
- (2) an **extended "right to cancel"** the PACE assessment contract for the property owners that is linked to the property owner's separate property improvement contract;
- (3) **new reporting requirements** between the PACE provider and local governments.

We applaud Senator Skinner, Chairwoman Aguiar-Curry and Chairmen Dababneh for their work to ensure the PACE program can continue to achieve critical energy and water conservation savings while ensuring the highest level of consumer protections. **To that end, we encourage the Legislature and all PACE stakeholders to continue to work together to advance requirements for enhanced underwriting criteria, including income, and additional PACE administrator requirements and liability.**

PACE is a successful and innovative California public policy, enabling more than 150,000 Californians to make home improvements that make their homes more energy- or water-efficient, and more than 440 local governments to create local clean energy jobs and reduce energy and water demand and reduce carbon emissions. Last year, the Legislature enacted a significant evolution of PACE in AB 2693 (Dababneh), mandating written disclosures modeled after the federal mortgage Know-Before-You-Owe form – creating a simple, comprehensive document explaining key provisions of the PACE obligation.

We believe it is imperative that a strong SB 242 be passed by the Legislature and signed into law by the Governor this year. These solutions that will allow this great voluntary public policy to more securely serve California homeowners and are well understood by consumer advocates, government partners, and the PACE industry at this point. It's time to bring them to the marketplace and ensure tens of thousands more homeowners receive an even better PACE option in January 2018.

Thank you for your dedication to public policy that serves our people and our communities.



******* FLOOR ALERT *******

DATE: August 31, 2017
TO: Members, California State Assembly
FROM: Erin Evans-Fudem, Legislative Representative
(916) 658-8250
RE: **SB 242 (Skinner) Property Assessed Clean Energy Program: Program Administrator**
Notice of SUPPORT (*As Amended 7/13/17*)

The League of California Cities urges your “aye” vote on SB 242 (Skinner) which will require all PACE programs administered by non-governmental third parties to meet the highest operating standards.

- SB 242 establishes uniform requirements including: underwriting standards, telephone confirmation for all homeowners, eligible measures standards, contractor standards, marketing standards, a new forbearance process, and reporting requirements.
- The PACE program is a finance mechanism that makes improvements to residential properties possible, including installing renewable energy sources, electric vehicle charging infrastructure, or energy or water efficiency upgrades. PACE has helped California homeowners, local governments, and the state achieve significant policy goals:
 - 130,000 homes improved
 - 33,000 jobs created
 - \$5 billion energy costs saved
 - \$6 billion total economic impact
 - 20 billion kWh saved (equivalent to over 1 million homes’ annual energy consumption)
 - 4.2 million metric tons carbon reduced (equivalent to taking 880,000 cars off the road for a year)
 - 9 billion gallons water saved (enough to fill 14,000 Olympic swimming pools)
- Local governments that adopt PACE programs provide oversight for those programs. More than 400 cities and counties in California have voted to adopt PACE programs, which are now available to serve more than 90% of Californians. Most programs are administered by private companies, which are overseen by local government sponsors. Thanks to the public-private partnerships that serve as the foundation, the public policy benefits listed above have come at virtually no cost to the government.
- The League is encouraged by the progress made in SB 242 and we look forward to continuing to work with the author and stakeholders. As PACE has grown, it has become important for the state to establish clear standards that uniformly govern all PACE program. For these reasons, the League supports SB 242 (Skinner). If you have any questions, please contact me at (916) 658-8250.

The League of California Cities urges you to support SB 242 (Skinner).