

# PACENow

March 14, 2012

Senator John Fonfara and Representative Vickie Nardello  
Committee Co-Chairs, Energy and Technology Committee  
Room 3900, Legislative Office Building  
Hartford, CT 06106

Senator Fonfara and Representative Nardello:

On behalf of PACENow, a national, non-profit advocate for Property Assessed Clean Energy (PACE) programs, I appreciate this opportunity to lend our support for SB 415. Passing this bill has nothing but positive outcomes for Connecticut:

- Business owners will be able to use PACE financing for energy efficiency and renewable energy projects that will make their buildings more valuable because they will be less expensive to operate,
- Energy efficiency makes Connecticut more energy secure and avoids the costs of new power plants and transmission system,
- Burning less fossil fuel in buildings and power plants protects the environment, and
- Energy efficiency projects mean economic growth and permanent jobs in Connecticut.

PACE is a new application of a standard tool used for decades by state and local governments to advance public policy objectives, like those I have noted above. That's why since its inception in 2008, a total of 28 states have adopted legislation (or had existing laws) that let local governments provide financing to property owners for energy efficiency projects. The financing benefit is repaid with an assessment, spread over the life of the measures. It's the same mechanism used by over 37,000 benefit districts nationwide to improve public health and enhance property values with water and sewer systems, for example, or sidewalks. In the context of energy efficiency, PACE provides Connecticut and its business community with a number of distinct advantages:

- Access to unlimited, low cost capital from the private capital markets,
- Long-term financing for building owners that makes projects cash flow positive,
- Local community driven programs that are proven to be most effective in educating and motivating property owners to act – but with statewide leadership from the state's Clean Energy Finance and Investment Authority to ensure that program standards and guidelines are designed that protect the interests of local governments, property owners, and existing lenders.

PACENow works with a broad, national coalition of energy efficiency advocates – state and local governments, businesses, organizations that represent them, environmental groups,

and individuals. While PACE was first introduced in the residential market, and has been stalled by regulatory issues, we see tremendous interest nationwide in developing commercial PACE programs that are decidedly not blocked by regulators. Pilot stage programs in California, Colorado, and most recently in Minnesota prove that businesses find PACE provides advantages, private capital is forthcoming, and projects satisfy the interests of existing lenders. We are working directly with commercial PACE programs that have just launched in San Francisco and Los Angeles, and ones expected to launch soon in Washington, D.C. and northeast Ohio, and these are just a handful of the many others operating or near launch nationwide.

I am happy to address questions you may have about PACE, or SB 415 specifically.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'David Gabrielson', with a long, sweeping horizontal stroke extending to the right.

David Gabrielson  
Executive Director