



State of Connecticut
Senator Donald E. Williams, Jr.
President Pro Tempore

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On

Raised Bill 415: An Act Concerning the Operations of the Department of Energy and Environmental Protection, the Establishment of a Commercial Property Assessed Clean Energy Program, Water Conservation and the Operations of the Clean Energy Finance and Investment Authority

Energy and Technology Committee

March 15, 2012

Senator Fonfara, Representative Nardello and members of the committee, thank you for this opportunity to testify on Senate Bill 415: *An Act Concerning the Operations of the Department of Energy and Environmental Protection, the Establishment of a Commercial Property Assessed Clean Energy Program, Water Conservation and the Operations of the Clean Energy Finance and Investment Authority*. Specifically, I would like to lend my support to section 56 of the bill, which establishes a Commercial Property Assessed Clean Energy Program.

As you are well aware, PA 11-80, *AAC the Establishment of the Department of Energy and Environmental Protection and Planning for Connecticut's Energy Future*, included enabling language to allow for towns to adopt a residential Property Assessed Clean Energy (PACE) Program. Similar legislation has been adopted in almost 30 other states. We are all knowledgeable in the general mechanics of how PACE programs work: PACE is a loan program that allows property owners to make energy efficiency and renewable energy investments and the loan is backed up by assessments on the property. Residential PACE programs throughout the country have been held up nationally in court proceedings by the Federal Housing Finance Authority (FHFA), the Office of the Comptroller of the Currency (OCC), and other federal regulators. However, there is an interest and an opportunity for a vibrant Commercial PACE program here in Connecticut. According to a recent report from Pike Research, by 2015 PACE financing for commercial buildings will total \$2.5B annually.



Connecticut needs to use every available financing tool to encourage renewable energy investments in our state in both residential and commercial buildings. According to Energy Star, the combined energy costs for U.S. and commercial and industrial buildings are over \$200 billion and 30 percent of energy in these buildings is used inefficiently. \$20 billion could be saved if the energy efficiency of commercial and industrial buildings was improved just 10 percent. A statewide Commercial PACE program could help property owners save significant money with little upfront investment using private funding. Our state's economy could also benefit: According to the Institute for Building Efficiency, energy efficiency investments in commercial and industrial buildings alone could result in 240,000 jobs over the next decade.

Connecticut needs to continue their commitment to investment in renewable energy and energy efficiency technologies.

Thank you for your consideration.

