

*Testimony on*  
**RCB 5563 AAC Residential Property Assessed Clean Energy**  
**Banking Committee, March 8, 2016**

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Sentaor Winfield, Representative Lesser, Committee Members and staff, my name is Joel Gordes. I am an independent energy consultant speaking for myself today. I formerly served as an employee of the Connecticut Housing Investment Fund for six years as Program Manager for Solar Mortgage Subsidy Program in the early to mid-1980's.

With certain suggested modifications below, I support the creation of a Residential Property Assessed Clean Energy (RPACE) program. It adds one additional financing tool to provide homeowners and their renters in 1-4 unit buildings with the advantages brought by greater energy and water efficiency as well as renewable energy resources. While a number of already existing loan programs already provide financing, the creation of RPACE may be able to aid those who, for one reason or another, are unable to participate in them.

**Summary of Major Points:**

- 1) It has the ability to add equity for those who pay the systems benefits charges for efficiency and renewable energy but who might not be eligible for other forms of financing. This financing goes beyond just efficiency and renewables to also include health and safety retrofits, water conservation and energy audits/studies;
- 2) Of particular note, something that differentiates this program from others is it can be used for waste reduction as well as resiliency measures, including, but not limited to, flood and hurricane resistant construction. While this has some down sides, it is mostly positive;
- 3) Users of this program can potentially have an immediate positive cash flow;
- 4) Owners are able to afford deeper improvements.
- 5) This aids in meeting all other state energy efficiency and renewable energy goals as well as climate change goals.

**A Few Points of Concern:**

- 1) While the financing may be used for payment for energy audits or studies, it does not appear that such energy audits or studies are mandatory. This ought to be strongly considered in the legislation as without such information it may not be possible to select the most cost-effective and credible measures;
- 2) I saw no direct mention of any monitoring and verification (M&V) of the program to determine if any program goals are met in a cost-effective manner and how this program may rank with other financing tools. In most energy-related programs, this is an important tool to evaluate the program performance;
- 3) At line 89 it states "The bank shall adopt general standards..." for the items eligible for the financing. I would be more comfortable with use of the term "recognized existing standards where available" as this would not only save development cost of new standards but ensures it would also meet code and other requirements.

Thank you for the opportunity to provide comments on this issue.