



TO: Members of the Banking Committee  
FR: Renew Financial (Contact: Cliff Staton, Executive Vice President)  
DATE: March 7, 2016  
RE: Raised House Bill 5563

POSITION: Support

Based in Oakland, California, Renew Financial and its CEO, Cisco DeVries, invented the Property Assessed Clean Energy (PACE) financing model in 2008. Renew Financial manages the CaliforniaFIRST residential PACE program, which currently serves more than 80% of Californians and has financed more than \$100 million worth of home energy improvements on more than 5,000 homes in the last 18 months.

Our experience in California has shown that PACE meets two critical needs in the energy efficiency and renewable energy financing marketplace. For homeowners, PACE is an affordable financing option that transfers with the property upon sale. For contractors, unique PACE technology tools help them close more deals and grow their businesses.

In 2015, Renew Financial acquired AFC First, which has a long and successful history of financing energy efficiency and renewable energy improvements for homeowners in Connecticut. Since 2008, we have financed more than \$100 million in residential energy efficiency and solar improvements:

- In 2008 we helped create and are the current administrator for the CT Solar Leasing Program for the CCEF (now the Connecticut Green Bank). To date, we have financed 1,800 solar leases with a funding total of \$51 million.
- In 2010-2011 we administered the pilot Home Performance residential financing program. In this program, we financed 1,300 loans with a funding total of \$16 million.
- In 2013 we developed and administered the Energize CT Heating Loan On-Bill financing program and financed 4,500 loans with a funding total of \$37 million.

We manage a network of more than 500 approved Connecticut energy efficiency and solar contractors and are active in organizations such as the Connecticut Heating and Cooling Contractors Association, Solar Connecticut and Connecticut Energy Marketers Association.

With our history of leadership in residential PACE and our strong commitment to energy efficiency and renewable energy financing in Connecticut, we are ready to hit the ground running when residential PACE is adopted in Connecticut.



We are strongly supportive of Raised House Bill 5563 and are very pleased to see that Connecticut is preparing to move forward with residential PACE.

I would like to make two points regarding Raised House Bill 5563:

- 1) The bill calls for the PACE lien to be subordinate to the primary mortgage. While this is a reasonable solution to the challenges from the Federal Housing Finance Agency, I want to make clear that California and most other states with residential PACE laws provide for senior lien status for the PACE obligation. The subordinate lien status proposed in House Bill 5563 represents a significant departure from the PACE model – and a significant compromise by PACE financing providers.
- 2) I want to emphasize our support for strong consumer protections, as outlined in (b) (6). We believe that a healthy PACE marketplace is built upon open competition between residential PACE financing providers, coupled with strong protections for consumers. Competition between PACE providers can help bring the lowest financing costs to consumers. Strong consumer protections ensure that there is a level playing field between competitors in the marketplace.

Thank you for the opportunity to submit our thoughts and comments in support of House Bill 5563. We look forward to bringing residential PACE to Connecticut.