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Sacramento Signs Landmark Agreement to bring \$100M, 1,500 jobs to Region

City becomes only 1 of 2 cities in US to receive private funds to retrofit buildings

SACRAMENTO – Today Sacramento signed a landmark agreement with Ygrene Energy Fund to develop and administer the city's commercial building Property Assessed Clean Energy (PACE) program to retrofit buildings, cut energy consumption, and provide jobs to the area.

In a press conference this morning, Mayor Johnson was joined by Ygrene President Dan Schaefer to address news of Sacramento's selection by the 'Carbon War Room,' an independent non-profit founded by Sir Richard Branson, to privately finance the City's efforts to retrofit commercial properties and office buildings. City Council unanimously voted to enter into the agreement at tonight's council meeting.

"Thanks to a proactive council and the vision and leadership by Mayor Kevin Johnson, this program will enable at least \$100 million in energy efficiency projects and 1,500 jobs in the construction industry," said Schaefer.

Sacramento joins Miami as the only two cities in the country to benefit from the program and receive private investment. Through the PACE Program, the City will be able to tap private capital markets to finance renewable energy and efficiency improvements for commercial properties.

"Commercial PACE is a game changer for Sacramento. As California's State Capital, we are home to the most progressive environmental policies in the country," said Mayor Johnson. "And now, with this partnership, we will see yet another example that good environmental policy is good economic policy, creating jobs at every rung of the 'green jobs ladder', reducing emissions from the built environment and engaging a business community that will add its voice to tout the benefits of a new green economy."

It is estimated that the \$100 million investment has the potential to stimulate an additional \$530 million in economic activity in the region.

"Ygrene will now be able to bring its administrative expertise and funding resources to deliver the first privately funded PACE program in California," said Ygrene Chairman, Dennis Hunter. "We believe this financial infusion will be a tremendous help to Sacramento and to the local economy."

Participants of the Ygrene Energy Fund-led PACE Commercial Consortium will be able to secure the financing with a voluntary property assessment, which is then repaid through their property tax bill.

Ygrene offers a unique advantage to cities and counties interested in PACE programs, to ensure no cost or fiscal risk for jurisdictions and provide low-interest financing. Most importantly, Ygrene's innovative approach will allow for utility savings to exceed the project's costs over the life of the improvements.

Today's announcement represents a major step forward in Mayor Johnson's efforts to promote job creation in the green sector. In January 2011, the Mayor's 'Greenwise' initiative released an action plan that includes a goal to double the number of green jobs in Sacramento by 2020.

About PACE

In place in California since 2008, PACE (Property Assessed Clean Energy) enables municipal governments to tap private capital markets to finance renewable energy and efficiency improvements for residential and commercial properties such as solar panels, insulation and HVAC, which reduce utility bills to more than offset the tax bill increase. The program sees property owners benefit from increased real estate values, occupants from lower utility bills and municipalities from local job creation. Financed on a project by project basis, the program has so far resulted in 2,800 projects worth \$65 million in three states. Research indicates this has contributed to \$162 million in local economic impact, creating 1,000 new jobs.

About Ygrene Energy Fund, Inc.

In the spring of 2006 Dennis Hunter and Alan Strachan established the Green Energy Loan program to bring private funding to the problem of climate change. In the summer of 2008, California's landmark AB 811 made possible a much better model in the form of Property Assessed Clean Energy (PACE) financing. Almost immediately Palm Desert and Sonoma County took advantage of the legislation to establish local programs. Sonoma County's government funded SCEIP program, under the direction of Treasurer Rod Dole (now a member of Ygrene's Board of Directors), achieved singular success. Recognizing the potential for PACE and the role private capital could play in its growth, Ygrene entered into discussions with Barclays Capital to secure the sophisticated financial partner that would provide the route to the bond market. With strategic and tactical partnerships in place around the country, Ygrene is now in a position to offer no-cost PACE program design, administration and funding to cities and counties throughout the U.S.

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