Policy for Property Assessed Clean Energy*

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October 13, 2016

Updated in December 2015

*Policy adopted on December 6, 2015 with Resolution 2016-0419
Recommendation

Pass a Resolution establishing a policy for Property Assessed Clean Energy (PACE) Programs in the City of Sacramento.
Background

PACE provides a way for property owners to finance energy and water improvements.

- Costs are repaid as an assessment on property tax bills
- Available to existing residential and nonresidential buildings
Background

Project Examples:
Building insulation
New windows and doors
Heating, ventilation, and air conditioning equipment
Electric vehicle chargers
Solar photovoltaics
Water-efficient landscape improvements

Background
Estimates reported by PACE providers

2,730 funded PACE projects in Sacramento to date

2,678 residential
52 commercial

2% properties in city limits financed

$114M economic impact
749 jobs created
$730 First-year energy bill savings per project
Why do PACE?

Potential Benefits

Property Owner

- Low to no upfront cost, low annual payments
- Building improvements
- Broad eligibility
- Financing remains with property

City

- Supply options to consumers
- Reduce barriers to property improvements
- Energy and GHG reduction goals

Energy and water savings

Reduce barriers to property improvements

Energy and GHG reduction goals
Challenges

• PACE is growing rapidly
• Examples of consumer dissatisfaction
• Lack of state or federal regulation
Why adopt a policy?

General Example of the PACE System

City

PACE provider

Program 1

Program 2

Program 3

Program 4

Contractor 1

Contractor 2

Contractor 3

Contractor 1

Contractor 2

Contractor 3

Property Owners

Authorizing resolutions and contracts

Other primary interactions
Why adopt a policy?
Provide consumer protections and maximize benefit of a complex system.
Next steps

• Improved consumer education efforts
• Continued coordination with PACE providers
Thank you

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