Property Assessed Clean Energy Programs and How PACE Can Benefit Your Community
WHAT IS PACE?

- Property Assessed Clean Energy (PACE) is a financing mechanism that enables low-cost, long-term funding for energy efficiency, renewable energy and hurricane protection improvements to private property.

- PACE financing is repaid as an assessment on the property’s regular tax bill, and is processed the same way as other local public benefit assessments (sidewalks, sewers)
HOW Does IT WORK?

- PACE is a national initiative, but programs are established locally and tailored to meet regional market needs. State legislation passed in 2010 that authorizes municipalities to establish PACE programs, and local governments join one or more programs that have been implemented.
KEY POINTS

- PACE is voluntary for all parties involved.
- PACE can cover 100% of a project’s costs for property owners.
- Long financing terms up to 20 years. Based on useful life of the improvement.
- Can be combined with utility, local and federal incentive programs.
- PACE projects are permanently affixed to a property.
- Can be used ONLY for PRIVATE PROPERTY.
Property owners choose PACE because they can fund projects with no out-of-pocket costs. Since PACE financing terms may extend to 20 years, it’s possible to undertake deep, comprehensive retrofits that have meaningful energy savings and a significant impact on the bottom line.

The annual energy savings for a PACE project usually exceeds the annual assessment payment, so property owners are cash flow positive immediately.
BENEFITS TO YOUR COMMUNITY

What can $1 million of YgreneWorks PACE funding do for your community?

- $2.5M ECONOMIC STIMULUS
- 100 kW ENERGY PRODUCED
- $2M ENERGY SAVINGS
- 15 JOBS CREATED & SUSTAINED
- 1,200 Mtons CO₂ AVOIDED

Figures current as of March 2017
TYPE OF IMPROVEMENTS

- ENERGY EFFICIENCY
- GENERATION
- HURRICANE PROTECTION
- OTHER CUSTOM MEASURES
<table>
<thead>
<tr>
<th>Eligible Improvements</th>
<th>Examples</th>
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<td>Air sealing and ventilation</td>
<td>Solar thermal hot-water systems</td>
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<td>Air filtration</td>
<td>Solar thermal systems for pool heating</td>
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<td>Building envelope</td>
<td>Emerging technologies</td>
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<td>Bathroom, ceiling, attic, and whole-house fans</td>
<td>Lighting (fixture retrofits only)</td>
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<td>Insulation - Attic, floor, walls, roof, ducts</td>
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<td>Weather stripping</td>
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<td>Sealing</td>
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<td>Solar water heater system</td>
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<td>Reflective insulation or radiant barriers</td>
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<td>Windows and glass doors</td>
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<td>Window filming</td>
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<td>Skylights</td>
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<td>Solar tubes</td>
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<td>Additional building openings for natural light</td>
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<tr>
<td>Roof deck &amp; foundation strength improvements</td>
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<tr>
<td>Wind-resistant shingles or other roofing</td>
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<td>Secondary water barrier</td>
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<td>Gable-end bracing</td>
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<td>Roof-to-wall connection reinforcement</td>
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<td>Storm shutters</td>
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<td>Perimeter-opening protections</td>
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<td>Raising building elevations</td>
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<td>Photovoltaic Systems</td>
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<td>Electric Car Charging Stations</td>
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QUALIFICATIONS

1. Current on Property Taxes for last 3 years
3. We can finance 20% of “Just Value” Tax Assessor
4. Must have 10% Equity based on Fair Market Value
### Consumer Protections

<table>
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<td>Permit Requirements</td>
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<tr>
<td>Funding provided ONLY upon successful completion of project and Homeowner Sign off</td>
<td>✔️</td>
<td>X</td>
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<tr>
<td>Dispute Resolution Support</td>
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<td>X</td>
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Consumer Protections

Financing Practices

• Review of eligible measures and fair pricing controls
• Strong underwriting criteria and identity verification
• Transparent terms and fees
• Conduct 100% confirmation of financing terms by phone in a live, recorded call
• Provide Comprehensive Disclosures which include 3-day right to cancel and modeled on the federal Know-Before-You-Owe disclosure form

Approvals and Payment Protection

• Payment protection via property owner and contractor authorization
• Permit verification and third-party inspections
Consumer Protections

Privacy and Data Security

• Protects and controls to safeguard sensitive consumer information
• Cyber-security standards protects point of vulnerability

Dispute Resolution

• Staff trained to receive, manage, tract, report and resolve complaints quickly

Contractor Quality Assurance

• DBPR and Insurance Screening.
• Training and Certification
• Watch lists, contractor reviews and ongoing skill assessment and monitoring
• Set standards on contractor marketing practices and workmanship issues, including processes to resolve and remediate homeowner complaints
Does PACE Really Echo the Subprime Crisis?

- Average PACE Assessment: <$25,000
- Median Home Value: $486,000
- PACE Delinquency rate: <2% (Kroll)
- Avg mortgage delinquency rate: 2.4 (Federal Reserve)
- Ygrene FL Tax Delinquency Rate: < 1%
- Ygrene FL Property Tax Default Rate: 0%
- National Property Tax Delinquency rate: 3-6% (Non-PACE)
- Avg homeowner FICO: >728 (ValuePenguin)
- Avg 2007 subprime borrower FICO: <620*

*Understanding the Subprime Mortgage Crisis (Demyanyk, Van Hemert)
PACE Broward By The Numbers

3,780 applications
805 projects completed
  76% hurricane protection
  22% energy efficiency
  2% renewable energy

Estimated 1,326,668 kWh of energy savings, equivalent to the energy used in about 100 homes annually

Broward population with access to a PACE program
Why Broward County Chose PACE

- Furthers regional energy and resiliency goals
- Supports economic development
- Zero cost/Liability
- Innovative means of financing
Local Government Process

• Non-exclusive agreements with four PACE Providers
  • Goal to provide property owners with more consumer choice
  • Competition to help interest rates decrease

• Ordinance through Board
PACE Broward Implementation

- Developed website
- Created outreach materials
- Coordinated informational sessions “PACE Roadshows”

Broward.org/GoGreen

Join us in Sunrise on Nov. 3rd!

UPFRONT FINANCING FOR QUALIFYING IMPROVEMENTS

Broward.org/GoGreen
PACE Financing Program
Community Outreach

Get Started at Broward.org/GoGreen

1. Visit Broward.org/GoGreen then click PACE for program information and resources.

2. View the online map to make sure your property is located in a participating city.

3. Read through the program guidelines and/or handbooks for each of the Providers.

4. Review the List of Approved Contractors for each of the Providers. You may want to request multiple quotes.

5. Choose a Provider and submit an application through the Provider’s website or over the phone.

6. You have three days to cancel once the Finance Agreement is signed.

7. Payment is issued from the Provider directly to the contractor once the project is completed.

8. Make payment on your property tax bill, PACE will be listed as a non-ad valorem assessment.

Steps above are a general overview for a property owner interested in PACE. The business models and organizational structures for each PACE Provider vary.
YGRENE IMPACT IN FLORIDA

1,115+ Certified contractor companies

9,700+ Properties benefiting from clean energy upgrades

95 Participating cities/counties

$216M+ YgreneWorks PACE financing contracts completed
YGRENE IMPACT IN FLORIDA

Estimated impact of $216,430,000¹ in completed energy efficiency, renewable energy and hurricane protection property improvements across Florida

+ 13 MEGAWATTS OF SOLAR INSTALLED

+ $541M ECONOMIC STIMULUS

+ CO₂ REDUCTION 259K METRIC TONS

+ 3,240 NEW JOBS CREATED & SUSTAINED

+ $22.2M SAVINGS IN INSURANCE CLAIMS

+ SAVES ENERGY EQUAL TO PROVIDING 1 YEAR OF POWER TO 213K HOMES