

Sonoma County Energy Independence Program

July 19, 2012



in partnership with
energy
upgrade[™]
CALIFORNIA

**3rd Annual SEEC Forum
Financing**

Having the Foundation

- Common Community Goals
- Political will and support
- Existing partnerships to leverage competencies, minimize duplication and decrease consumer confusion
- Utility Support
- Legislation



Understanding the Goals and Appreciating the Benefits

- Saving energy and money
- Increasing health and comfort
- Decreasing demand and emissions
- Developing the local economy and workforce



Barriers → Financing!

And knowledge

What “are” the Options?

Write a Check ?

Line of Credit, Credit Card ?

Second Mortgage, “Green Mortgage”, Refinance ?

Get a Grant, Use Government Programs ?

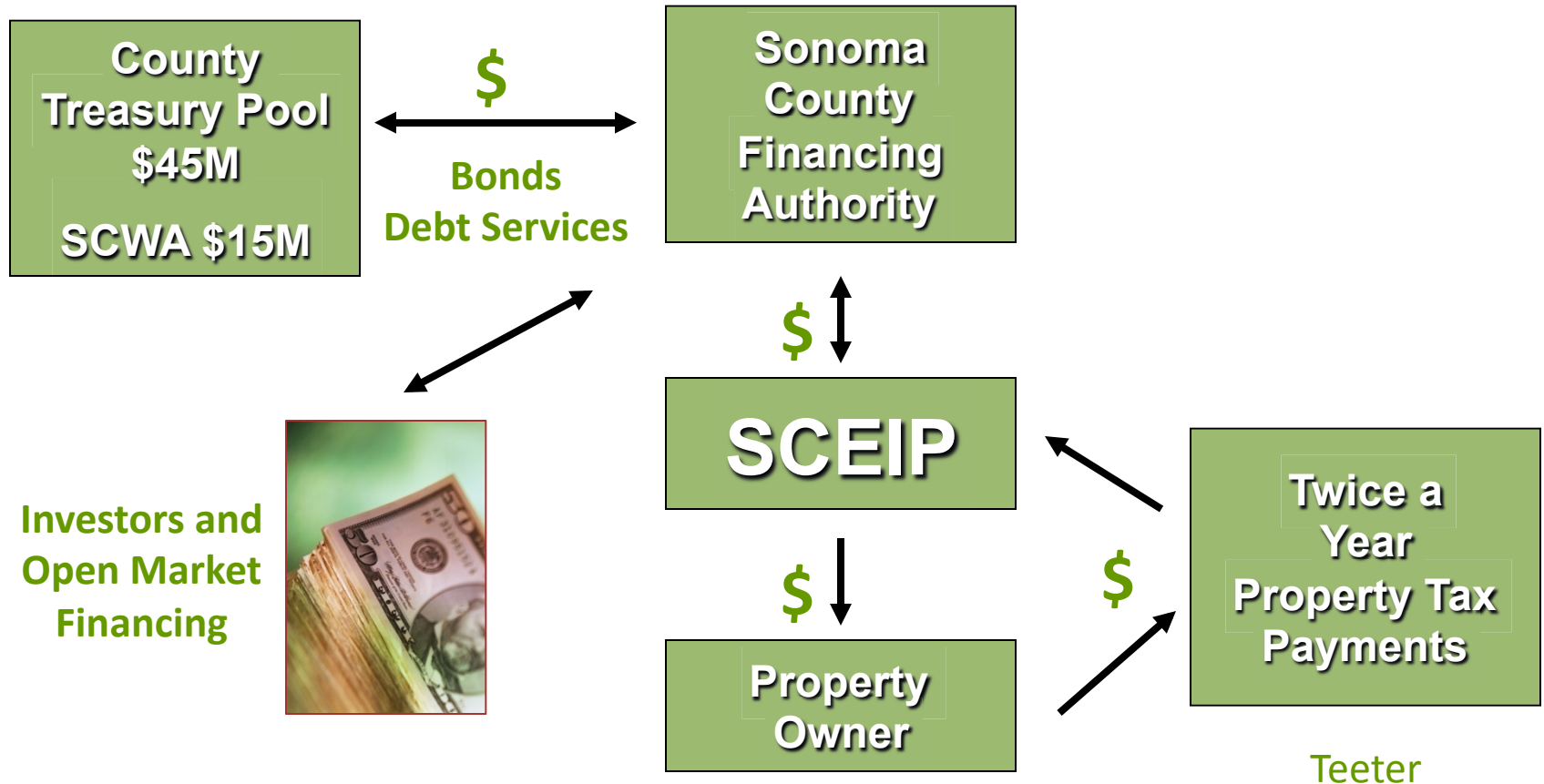
Property Assessed Clean Energy Financing (PACE) ?

Utility Programs ?

Do nothing ?

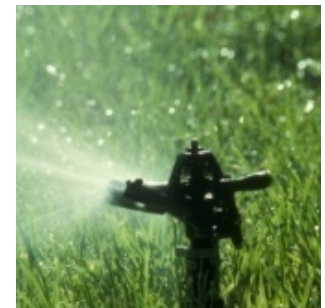
Others ?

Setting up a Sustainable Financing Warehouse



Sonoma County Energy Independence Program

- SCEIP opened March 2009
- County wide, comprehensive program
- “*One-stop-shop*” model for consumer and contractors
- Wide range of both residential and commercial upgrades in the areas of energy efficiency, water conservation and renewable generation
- PACE financing billed once a year as an assessment on property taxes

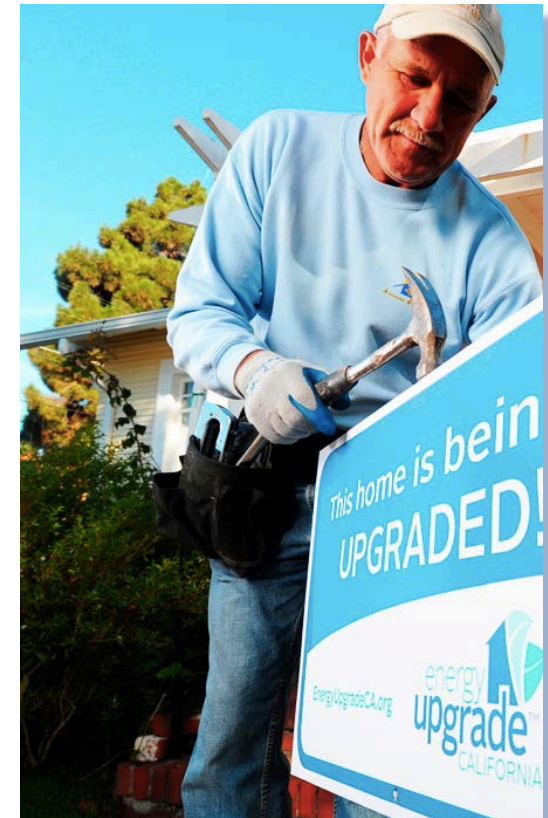


**Reduce and
Produce**

Energy Upgrade California™ in Sonoma County

Launched in 2011, Energy Upgrade California in Sonoma County helps residents and business owners **reduce energy use** and **save money** by taking a **“whole-building” approach**.

With the one-stop-shop approach EUC and SCEIP help property owners address their energy saving needs by providing access to information, qualified contractors, quality assurance, rebates, incentives, and financing.



One Stop Shop Approach



Contact or visit us for information and assistance online or in the office



Learn about your building as a system with an energy analysis and water audit

Consult with contractor(s) and your financial advisor to determine your best project plan



Secure your financing, maximize incentives and rebates and prepare applications



Complete your projects and reap your rewards: lower costs, better building environment and healthier buildings



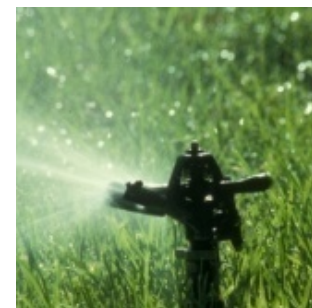
Who is Eligible?

- Improvements permanently affixed to the property
- Within geographical boundaries of the county
- Applicants are legal owner(s) of property
- Requested amount less than 10% value of the property, minimum of \$2500, no maximum
- 10 or 20 year payback terms
- Commercial:
 1. Lender Acknowledgement
 2. Utility Company Energy Evaluation



Underwriting Criteria

- No credit check required, No income qualifications - Does not count against debt/income ratio
- 7% simple interest rate, interest may be tax-deductable (verify with your CPA)
- Less than 100% lien to value ratio
- No bankruptcy or involuntary liens on the property
- Current on ALL liens against the property
- Current on ALL property taxes



Reduce and Produce

SCEIP Highlights

Program Activity through June 30, 2012		
Residential	1678 properties \$46.7 million	\$28k average
Commercial	55 properties \$10.2 million	\$189k average

Job-years retained/created

698 ARRA formula

74 Local Construction

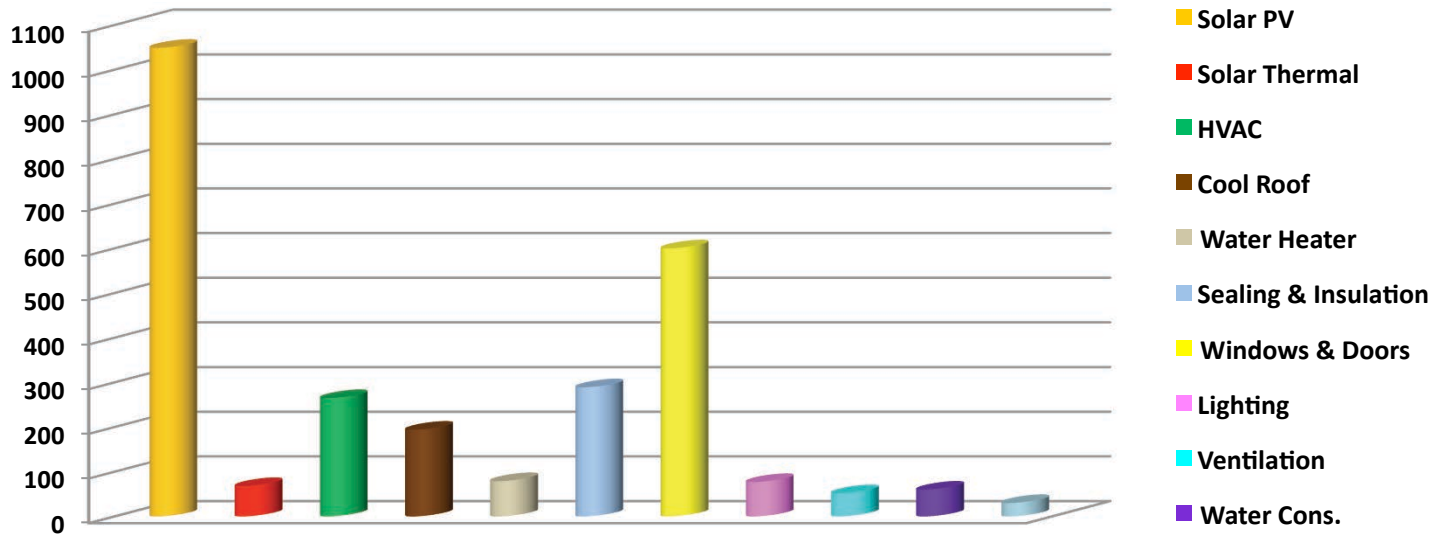


Projects Through SCEIP

Generation

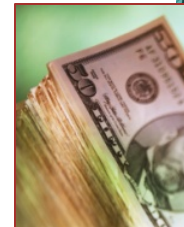
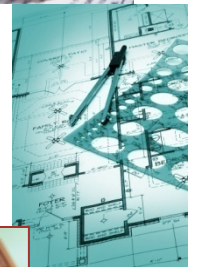
Residential: 5.8 MW, 1007 systems, 3517 tons eCO₂ annual reduction

Non-residential: 2 MW, 42 systems, 1249 tons eCO₂ annual reduction



Challenges

- Acceptance by banks, lenders and long term investors
- Interest rate competition
- Getting out the message about the whole building approach
- Incentives for both property owners and tenants
- Robust return on investment and energy evaluation tools for all building types
- Training for the emerging energy upgrade trades



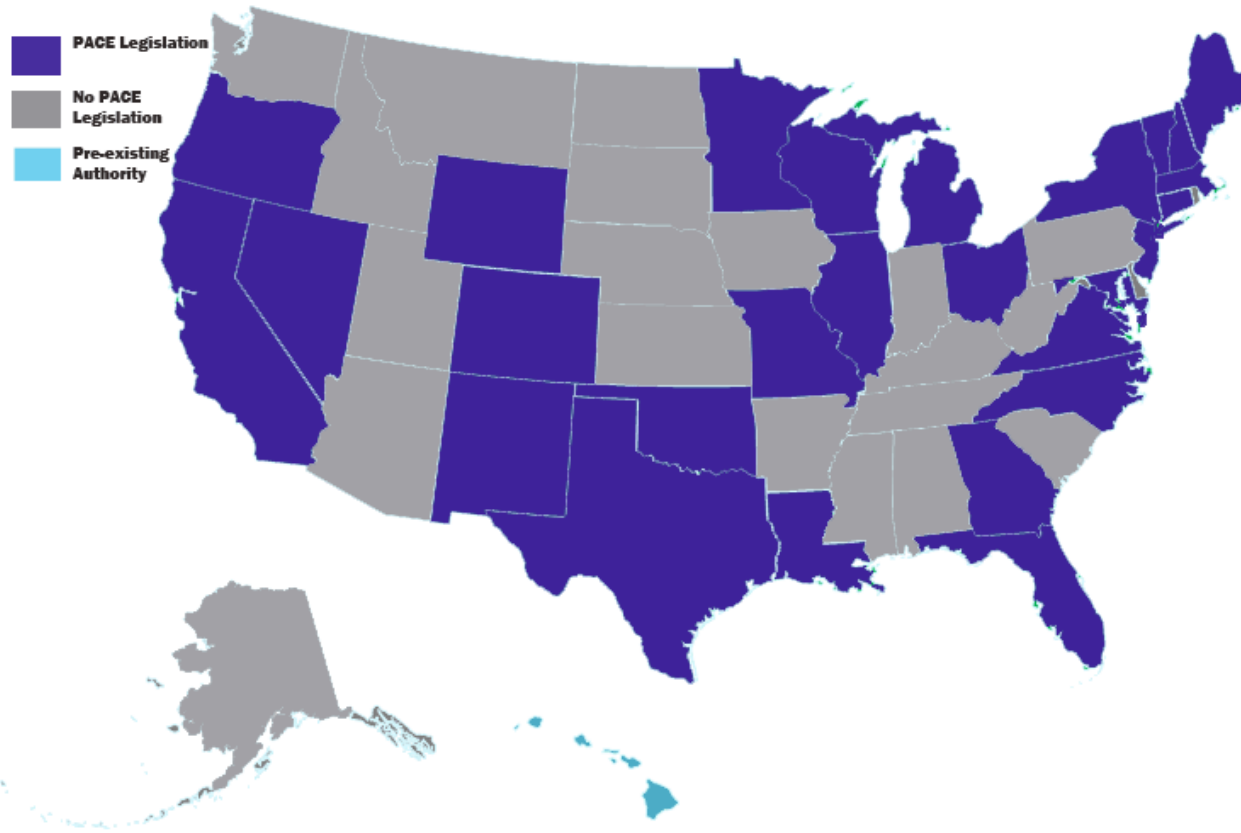
FHFA Challenge

- On June 15, 2012 following the direction of the federal district court, the Federal Housing Finance Agency (FHFA) published a *PROPOSED* rule for PACE programs
- The public comment period is open until September 13th

Delinquency	2009-10	2010-11
County wide	3%	2.5%
Program participants	0.27%	0.76%

Default Rates	March 2009 to Feb 2012
County wide	8 to 10 %
Program participants	1.1%

More Programs Possible



**Currently,
28 states, plus
D.C. authorize
PACE.**

**PACE-enabling
legislation has
been adopted by
27 states**

**(Hawaii had
existing
authority).**

Assistance and Support Needed

- HR 2599
- Investment in program financing
- Insurance or Guarantee on Bonding – reduced rates
- Insurance or Guarantee on assessment defaults
- Incentives and education for energy independence upgrades

Thank you



The screenshot shows the website interface for the Sonoma County Energy Independence Program. The header includes navigation links (Home, About, Calendar, Contact, Resources) and a search bar. Below the header, there's a welcome message and a 'Search Contractors' section with buttons for 'My Action Plan', 'Find Rebates', 'Search Contractors', and 'Apply for Financing'. A 'Program Activity Dashboard' is visible on the right, showing statistics for various program areas like 'ENERGY EFFICIENCY' and 'RENEWABLE ENERGY'. A 'Featured Video' section is also present.

SCEIP

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