

#41

NRG ANSWERS, LLC
80 La Cumbre Circle
Santa Barbara, CA 93105
805.403.6450
mike@nrganswers.com

2016 MAY -2 PM 1:34
COUNTY OF SANTA BARBARA
CLERK OF THE
BOARD OF SUPERVISORS

May 2, 2016

Board of Supervisors for Santa Barbara County
c/o Clerk of the Board
105 E Anapamu St # 406
Santa Barbara, CA 93101

Re: Support for Adoption/Implementation of PACE Financing Program for Santa Barbara County

Dear Supervisors:

I am submitting this letter on behalf of NRG Answers, and in advance of the staff report not yet filed. NRG is a local clean energy finance consulting company. We provide services in California and elsewhere to commercial property owners, contractors, utility companies, lenders, and other stakeholders on issues related to energy efficiency and financing.

We request the Board adopt and proceed with implementation of a robust PACE financing program for the County.¹

Please recall that financing an improvement through a Property Assessed Clean Energy (PACE) program, whether Residential or Commercial, is **purely voluntary**. Property owners do not NOT have to use the program. But, property owners accessing PACE financing can install energy savings, water reduction, solar/wind, and/or seismic strengthening equipment for their properties. Owners of residential, commercial, agricultural (wineries, growers, processors, coolers, etc.), other non-residential properties, and even non-profits can take advantage of PACE.

¹ Unfortunately, due to an out of town trip scheduled several months ago. I cannot appear in person. But, I would request this letter and my views be incorporated into the record for Board consideration.

With re-payment stretched out over 20 years or longer on their property tax bill, owners can finance larger, integrated projects now that they could not afford previously. Positive cash flow can even occur from the energy saved or energy generated. ²

A PACE program in Santa Barbara County would have a number of significant benefits, including:

- **Economic Benefits** – an increase in jobs, and business for local contractors/installers, lighting and solar companies throughout the County. New equipment, energy/resource savings, and reduced operating costs for owners.
- **Financing Benefits** – no money down loans with extended payment periods allowing access to larger capital for property improvements.
- **Policy Benefits** – support for the County’s ECAP to reduce GHG emissions, and State and Federal policies and goals on Energy Efficiency, fossil fuel reduction, water conservation, and renewable energy.

Concerns and Suggested Approach. Given concerns we understand have been raised by the Auditor/Controllers office,³ and consistent with approaches on PACE taken by other CA Counties, NRG suggests:

- **Commercial PACE (C PACE) program - first.** This phased in approach will allow staff/officials to establish the program, and for contractors, property owners, lenders, others to become acquainted with program mechanics.
- **Residential PACE program - next.** Since this option is likely to attract more applications, and require more staff and processing time, we suggest residential PACE be implemented based on the C PACE program experience.⁴
- **Administration** – the County contract with a knowledgeable PACE administrator to reduce staffing concerns/costs.
- **Open Program** – property owners deserve the chance to compare the terms offered by various qualified PACE funding groups. Experienced PACE financiers should be allowed to participate.

More than 30 CA Counties and hundreds of cities and their property owners, residents, tenants, contractors, businesses and a host of others are already enjoying the benefits of PACE program

² NRG only consults in the non-residential sectors, but the information submitted applies equally to residential properties.

³ The Auditor/Controller’s Memo dated February 22nd raises many concerns which NRG believes are unfounded. However, those concerns apply almost **exclusively to a residential PACE program**. Implementing a Commercial PACE program initially would largely avoid these issues, and allow the new program to be tested before a larger roll out.

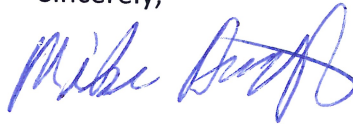
⁴ Adoption of a PACE program for both residential and non-residential property owners is preferable. The “phased in” approach is suggested as an option if the Board itself has serious concerns that a “C PACE first” approach might help resolve.

financing. 32 States have authorized PACE financing. It is time for Santa Barbara County to do the same.

Please authorize and adopt a PACE program, and direct it be implemented as quickly as possible. Enough time and opportunities have already been lost.

Thank you for your consideration.

Sincerely,



Mike Hackett
Principal
NRG Answers

cc: Supervisor Peter Adam, Chair
Supervisor Steve Lavagnino
Supervisor Salud Carbajal
Supervisor Janet Wolf
Supervisor Doreen Farr