

**Property Assessed Clean Energy Program (PACE)/
Commercial Property Assessed Clean Energy (CPACE) Programs
Survey Results from Other Jurisdictions**

Jurisdictions responding to survey

- Hartford, CT
- Milwaukee, WI
- Omaha, NE
- San Francisco, CA

1. How long has the program existed at your agency?

- Hartford, CT – 6 years, ended at year 7.
- Milwaukee, WI – the current CPACE program started in 2013. There were other programs dating back to 2010.
- Omaha, NE – since December 2018.
- San Francisco, CA – since 2011.

2. Could you please share some metrics (for example, how much has been loaned, how many loans, how many have been paid back, number of defaults, etc.)?

- Hartford, CT - 26 properties received CPACE loans, all loans were paid timely.
- Milwaukee, WI – 16 projects totaling \$27.5 million in construction costs and \$1.8 million in combined annual energy savings. One project has been paid off.
- Omaha, NE –
 - [2018: 6 projects; total project cost of \\$30 million.](#)
 - [2019: 7 projects; total project cost of \\$27 million.](#)
 - [2020: 6 projects; total project cost of \\$7 million.](#)
- San Francisco, CA – did not respond to this question.

3. Would you consider the program successful? If yes, what metrics support this conclusion?

- Hartford, CT – program too burdensome for Hartford; Hartford ended the program for this reason. Connecticut Green Bank took over the program and it has been successful for them.
- Milwaukee, WI – Yes, PACE has been a key part of downtown revitalization to redevelop run-down buildings without City funding a just a little staff time. US Department of Energy considers the program a “[national implementation model.](#)”
- Omaha, NE – yes, although prefer to see more projects. Conventional lenders, and seasoned developers, are just now catching on, and are only now becoming comfortable with the program. The metrics are primarily the number of project applications.
- San Francisco, CA – no, low project volume and not enough resources were devoted to start the program.

4. Have there been any defaults? If yes, how many and were there any issues with the process?

- Hartford, CT – 0 defaults.
- Milwaukee, WI – 0 defaults.
- Omaha, NE – 1, went through a process of restructuring the project, which went without any issues.
- San Francisco, CA – no defaults.

5. What are some lessons learned (both successes and challenges)?

- Hartford, CT - enlist an outside agency to do the collecting if you're planning to fund many projects.
- Milwaukee, WI – did not respond to this question.
- Omaha, NE – annual fee of \$500 for processing, but since the assessment collection is primarily collected directly from the developer/owner by the PACE lender, having a hard time invoicing, tracking, and receiving the payments.
- San Francisco, CA - At least in California, for some reasons that are hard to explain, C-PACE never felt like it took off or was able to scale. The projects that are getting funded are for well-capitalized CRE owners who are cleverly using PACE as a layer in a capital stack financing strategy, rather than explicitly leveraging the tool to do deep EE/RE retrofits. We tried many things to try to activate the small-to-medium commercial market, including specialized tools, technical support and training for HVAC contractors serving this size of building, but owners never were compelled enough by the proposition to use it. I think the history of PACE in California, going back to the original FHFA objections, left a mark on “all PACE” – including commercial – and reputational damage that was impossible to overcome. Another one has to do with the relationship between PACE finance providers and program administrators, and the local government jurisdiction which authorized a program. There have been issues with contractors using misleading claims about PACE to sell projects to property owners, mischaracterizing the role of the local government (city or county). There needs to be rules and enforcement against such actions. As finance providers, PACE funders solely focused on volume whereas the original goals of maximizing energy and GHG emissions reductions was watered down. Savings-to-investment ratio (SIR) – where the savings ultimately be greater than the investment (including interest) – was one tool that was debated a lot because it introduces questions and friction to the process, but was ultimately not used.

6. How much administrative work is involved to operate the program?

- Hartford, CT - too much for a busy tax office. Perhaps if there were fewer projects and the collections were scheduled in between the tax collection busy season, it would have worked out better.
- Milwaukee, WI – 0.25 – 0.5 FTE after PACE ordinance passed. Recently outsourced administration to [Slipstream](#), a non-profit focused on clean energy.
- Omaha, NE – not unduly burdensome. Adds work for Finance and Legal (they negotiate the final assessment contract document), and there is some burden on building inspectors in evaluating the projects and monitoring the construction compliance.
- San Francisco, CA - programs are essentially administered by third-parties, under agreements with sponsor joint powers authority (<https://cscda.org/property-assessed-clean-energy-programs/>), with zero financial contribution from local government sponsor.

7. Are certain projects a better fit for the program than others? If, yes, please elaborate.
- Hartford, CT – n/a.
 - Milwaukee, WI – energy efficiency (lighting and HVAC) and solar.
 - Omaha, NE – hotels work well, in part because they tend to pass the fee on to the guests, as one would do with a lodging tax.
 - San Francisco, CA – same answer as question #5.
8. If Deschutes County decided to implement a PACE/CPACE program, do you have any other advice for us?
- Hartford, CT - clean energy is a great idea. Enlist the services of an outside agency to administer the collections.
 - Milwaukee, WI – have strong energy performance standards for projects and someone to review them. Developers have a tendency to want to use PACE as gap financing on their projects and most don't have a really strong interest in deep energy efficiency. See the “High Performance” PACE standard on page 10 (11 of the PDF) from the [Milwaukee Program Manual](#) as a best practice.
 - Omaha, NE – require the application and the energy savings/calculations be provided by a licensed, certified engineer hired by the applicants, to establish the SIR (Savings to Investment Ratio) and set the fees moderately high to cover the administrative costs.
 - San Francisco, CA – did not respond to this question.