Sonoma County Energy Independence Program and Energy Upgrade California

February 2, 2012

Resources, Models and Lessons Learned
Sonoma County’s History

- County Task County Task Force for Sustainable Policies and Practices
- Community Climate Protection Action Plan
- County joined ICLEI
- Sonoma County Energy Independence Program and the Regional Climate Protection Authority
- Energy Upgrade California and Better Buildings Program
Having the Foundation

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

- Cities
- Agencies
- Non-profits
- Air Districts
- Other Counties
- County Departments and Divisions
- Sonoma County Water Agency (SCWA)
- Regional Climate Protection Authority (RCPA)
- Pacific Gas and Electric Company (PG&E)
- Sonoma County Transportation Authority (SCTA)
- Local building and trade organizations
- Educational institutions
- State and Federal Agencies

The list truly runs off the page...

Non-Profit Organizations:
- Faith-based Organizations, Climate Protection Campaign
- Occidental Arts and Ecology, Community Action Partnership
- Leadership Institute for Ecology and the Economy
- Solar Living Institute, Volunteer Center
- Solar Sonoma, SMART Train

Business and Workforce:
- Trade Unions, North Bay Labor Council,
  North Coast Builders Exchange
- Business Environmental Alliance
- Sonoma County Alliance
- North Bay Leadership Council
- PG&E

State and Federal Agencies:
- Department of Energy
- Housing and Urban Development
- Health and Human Services
- Department of Labor

Local Agencies:
- Workforce Investment Board
- Economic Development Board
- Innovation Council
- Energy & Sustainability

Education:
- Sonoma State University
- Santa Rosa Junior College
- Sonoma County Office of Education
- Emerging “Green Jobs” Charter Schools
- Build It Green
Focus on Buildings

Aligning goals and benefits with our competencies

• Saving energy and money
• Increasing health and comfort
• Decreasing emissions
• Developing the local economy and workforce
Pre-Launch Practical Considerations

- What does one-stop-shop look like in your community?
- Who is in charge and who is on the team?
- What to fund, what requirements?
- Maximum/Minimum assessments?
- How to process applications
  - In-house?
  - Outside administrator?
- How to raise capital?
- Who is answering day-to-day legal questions?
Long Term Sustainable Financing Warehouse

County Treasury Pool $45M
SCWA $15M

$ Bonds Debt Services

Sonoma County Financing Authority

$ SCEIP

$ Property Owner

$ Twice a Year Property Tax Payments

Investors and Open Market Financing

Teeter
SCEIP and Energy Upgrade California

One-Stop-Shop program designed to deliver the tools and resources that make it easy for property owners to reduce energy use, increase comfort, save money and help the environment using a “whole building” approach

• Whole Building Approach
• Energy Analysis
• On-line and office support
• Rebates, incentives and financing
• Qualified contractors and quality assurance
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
Sonoma County Energy Independence Program

- SCEIP opened March 2009
- County wide, comprehensive program
- PACE assessments billed once a year on property taxes
- Wide range of both residential and commercial improvements eligible (> 85), energy efficiency, water conservation and renewable generation measures
Who is Eligible for PACE?

• Improvements permanently affixed to the property
• Within geographical boundaries of the county
• Applicants are legal owner(s) of property
• Request less than 10% value of the property
• Commercial:
  1. Lender Acknowledgement
  2. Utility Company Energy Evaluation
  3. Organizational Documents
‘Underwriting’

- No credit check required, No income qualifications
- Does not count against debt/income ratio
- No risk pricing; everyone pays the same fixed 7% simple interest rate, Interest may be tax-deductible (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
### PACE Highlights

<table>
<thead>
<tr>
<th>Program Activity through January 31, 2012</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential</strong></td>
<td></td>
</tr>
<tr>
<td>1628 properties</td>
<td></td>
</tr>
<tr>
<td>$45.6 million</td>
<td>$28k average</td>
</tr>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
</tr>
<tr>
<td>52 properties</td>
<td></td>
</tr>
<tr>
<td>$10 million</td>
<td>$192k average</td>
</tr>
</tbody>
</table>

**Job-years retained/created**

- 679 ARRA formula
- 71 Local Construction
Project Types Financed

**Generation**

**Residential:** 5.7 MW, 983 systems, 3442 tons eCO2 annual reduction

**Non-residential:** 1.9 MW, 38 systems, 1203 tons eCO₂ annual reduction
Key Program Elements

- Tool Lending Library
- Contractor Trainings
- Education and outreach
- Web site tool development
To Build a Flourishing Program

- Community Goals
- Public, Private, Education and Non-profit collaboration
- Work with Stakeholders: Lenders, Contractors, Local Utilities
- Plan for a Storefront and/or Web Site
- Tools and Applications (Replication resources)
- Administrators, Staffing, Steering Committee, Legal Team, Financing Team
- Marketing, Education & Outreach!
Challenges / Opportunities

- Getting the message out
- Return on investment stories
- Need more robust energy evaluation protocol for commercial properties
- Acceptance by banks and lenders
- Interest rate competition
- Long term financing options
- On-bill financing for renters
The Future of Energy Independence

Possibilities:

• Increased commercial outreach
• Mandatory/incentivized energy analyses of homes
• Partnership with utilities on joint efforts towards energy efficiency and distributed generation
• Sharing the Replication “Kit” developed by the PACE Pilots ★
Thank you

SCEIP
404 Aviation Boulevard, Suite 200
Santa Rosa, California 95403
FAX (707) 565-6474
SCEIP@sonoma-county.org

www.sonomacountyenergy.org
www.energyupgradesonoma.org

(707) 565-6470