Questions and Answers

Wendy Jaglom: Sure and thank you. And so the first question is for Keith. What did your programs average size loan and how long was the average term involved?

Keith Canfield: Thanks for the question. The average loan was probably net of rebates was probably right around $1,500. And the employer chooses a term that they wish to offer and that was either a 2 or 3-year term depending on the employer.

Wendy Jaglom: Thank you. So the next question is for Yvette and James. Why did Sacramento County pursue solar if they're giving the REC to the utility? What end goals do they achieved?

Yvette Rincon: The reason we were pursuing the project was to basically demonstrate environmental leadership in the community in a financially viable manner. And the reason the utility got the REC was because they offered at higher rebates if they own the REC. And for them owning the REC meant they would be able to comply with the state law that requires that they generate clean energy. So for us it was about leadership as well as contributing to clean energy production in our community. And then on the back end we get some financial savings from the project as well.

Wendy Jaglom: OK, great, thank you. So the next question is for Pat. Do you think offer energy efficiency mortgages to customers or is this something that you have to search for?

Pat McGuckin: That is a great question. It is typically banks. There aren't very many banks that offer the program. There is – gosh. You know, the only one that I'm aware of that is really pushing the program is the Bank of Colorado based in Fort Collins here in Colorado. If you want to find out more about their program, you can just Google Bank of Colorado and you should be able to find it fairly quickly.

But for example if you have a lender in your community, particularly a local lender, credit union, CDFI that seems to be interested in working with you and you think that an energy efficient mortgage might be something that they would be willing to consider, then I would encourage you to get in touch with the Bank of Colorado. And I know that the folks there would be very happy to share with you what they're doing and share their success and help you come up with the program for you, your community and your interested lender.

Wendy Jaglom: OK, great. Thanks, Pat. So the next question is for Niko. The tool presented at the beginning of the Webinar indicated that PACE is not available for public entities. In contrast, the participants' understanding was that PACE was only available to public energies. So could you clarify what type of entities are eligible to participate in PACE?

Niko Dietsch: Yes, Pat, do you want to grab that one?

Pat McGuckin: I would be happy to grab that one. The problem with public entity is that PACE is a model where the repayment of the funding is done through a special assessment on the property taxes. The problem with public institutions is that they don’t pay property taxes. So while it’s not impossible, I have heard that there are some jurisdictions where a country assessor or a city assessor is willing to add public properties to the tax role simply to be able to collect a PACE assessment.

I have not heard of – a matter of fact, I can’t even remember what the one jurisdiction where there was an assessor that was willing to do that. So that seems to be, well, not insurmountable or pretty major obstacle to using PACE for public sector projects. But certainly it can be used in commercial and residential, theoretically.

The problem with the residential market is that Fannie Mae, actually the Federal Housing Finance Agency that supervises Fannie Mae and Freddie Mac came out with their directive that pretty much put an end to PACE for the residential sector. The concern was that after a mortgage lender had made a loan, that would implement a PACE assessment that in the event of foreclosure withstand in front of the mortgage. And if the mortgage were already at its limit in terms of loan devalue, then the PACE assessment would take it over that limit. And so while residential is still technically feasible, it would be probably a risky thing to go after at this point. There are some jurisdictions in Florida that are pursuing it. They’re being very careful.

The commercial sector, we’re seeing it in San Francisco and Los Angeles kind of a unique form with micro bonding, micro lending. And that maybe an interesting option as well. Still in my book a little bit too early to tell and will probably require a fair amount of word to see how that – to implement that model. But it’s one that could work. So I hope that answers the question.

Neelam Patel: Great. Thank you, Pat. And I would like to thank all of the participants that are still on the line and the presenters for joining us today to talk about their case studies and provide us with this general background that we need to get started with understanding financing programs.

Again, we will have all of the audio files and presentations available on our Web site, the U.S. EPA Local Climate and Energy Program. And we will send out answers to all of the questions that were discussed today during the Webcast as well as the written ones that we did not get to say.

So thank you very much for joining us. And we look forward to continuing to help you build on the energy efficiency and renewal energy program that are out there. Take care.

Operator: This does conclude today’s conference call. You may now disconnect.

END