



PACE LEGISLATION AND RETROFIT RAMP-UP PROGRAMS IN MAINE

Property **A**ssessed **C**lean **E**nergy



The Problem

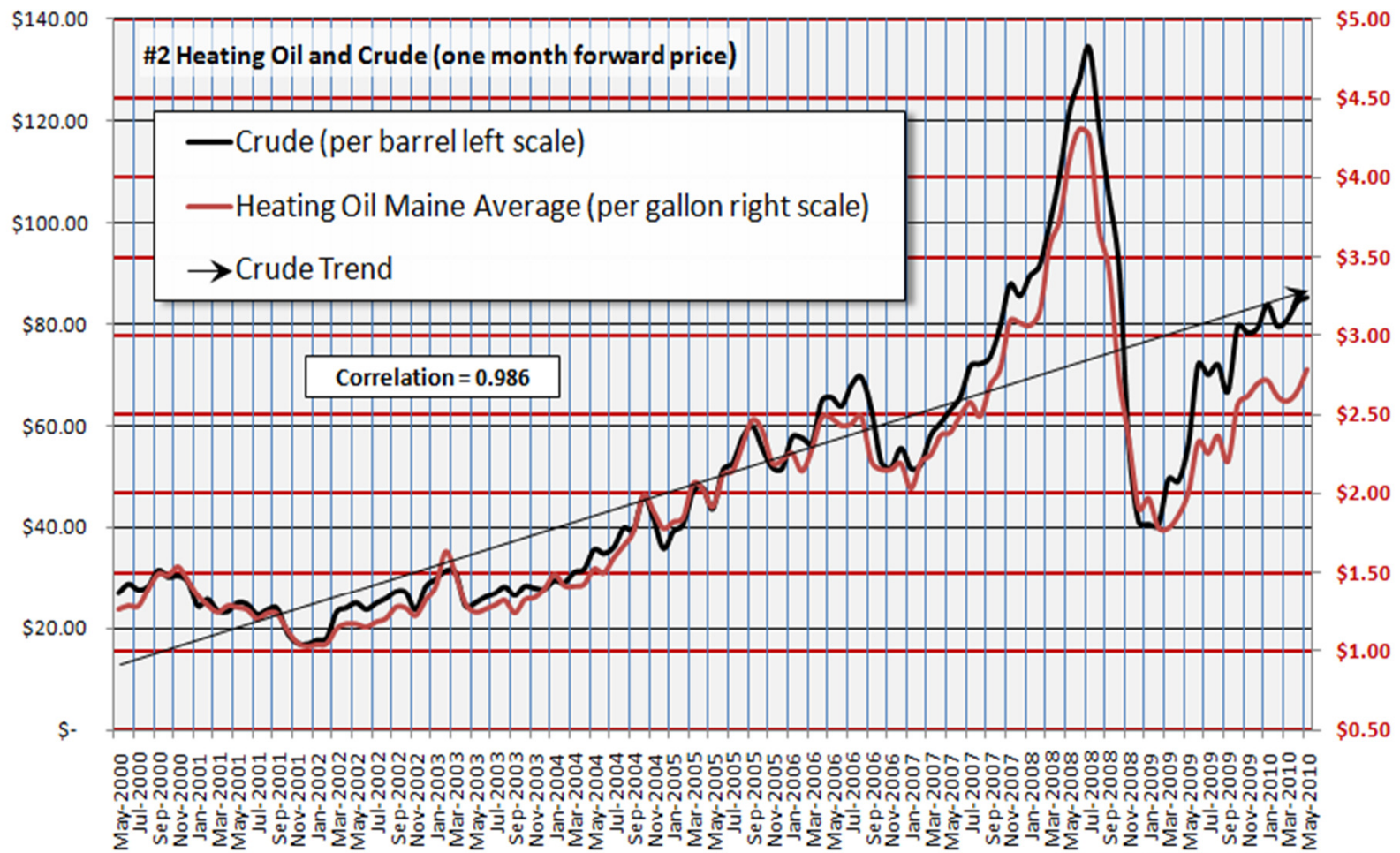


Maine currently has the highest dependence on #2 heating oil of any state in the nation. With annual consumption of half a billion gallons, the state is losing upwards of a billion dollars – and thousands of jobs – every year.

Significantly due to:

Old housing stock, plenty of cold weather, very little natural gas distribution, expensive electricity.

State	Occupied Households	Percent that Use #2 Heating Oil	Average Gallons Used per Year	Average Total Expenditure Per Year (at \$2.80/gal)	Amount that Does <u>not</u> Stay in the States ANNUALLY
Maine	542,000	80%	390,240,000	\$ 1,092,672,000	\$ 852,284,000
Vermont	251,000	59%	133,281,000	\$ 373,186,800	\$ 291,086,000
New Hampshire	501,000	58%	261,522,000	\$ 732,261,600	\$ 571,164,000
Total			785,043,000	\$ 2,198,120,400	\$ 1,714,534,000



source: EIA, April, 2010, Analysis by FutureMetrics



Efficiency Maine Trust

WWW.EFFICIENCYMAINE.COM

The Efficiency Maine Trust was established to develop, plan, coordinate and implement energy efficiency and alternative energy programs in Maine.



Triennial Plan of the Efficiency Maine Trust

- ***Reductions in electricity and natural gas consumption of 30 percent within a decade;***
- ***Reductions in oil heating use of 20 percent in the same timeframe; and***
- ***Weatherization of 100 percent of homes and 50 percent of businesses by 2030.***



Efficiency Maine Residential Programs



• HOME ENERGY SAVINGS PROGRAM

- Cash incentives based on Energy Audit Projected Savings
- (Currently \$1500 for 25%, \$3000 for 50%)
- 75 BPI Participating Energy Advisors and growing.....

• RESIDENTIAL HEATING EQUIPMENT REPLACEMENT PROGRAM - DOLLARS FOR BOILER UPGRADES

• RESIDENTIAL LIGHTING PROGRAM - CFLS ETC

• PACE MORTGAGE RESOURCES (R2) LAUNCHING!



What is PACE?

PACE – a brief history

- Originally Municipal funding mechanism for energy improvements on residences.
- Various versions passed in more than 25 states in 2009/2010.
- Fannie and Freddy said no to “super priority lien PACE”
- Maine PACE remains to forge the way forward.
- Maine PACE program being designed to be in compliance with all appropriate banking regulations and standards, FHFA.



What is PACE?

Maine PACE is financing for residential weatherization and energy efficiency upgrades conducted through the framework of the Efficiency Maine Home Energy Savings Program.

1. Initial BPI Energy Audit
2. Energy Model and Recommended Improvements
3. Financing? (down-pmt)
4. Project Work
5. Post-work Energy Audit
6. Release of Funding and Incentives



PACE Resources for Municipalities



What is special about the Maine Model of PACE?

- Transferable Secondary Priority PACE Mortgage
- Can be administered by Town or Efficiency Maine
- No liability to Town or officials
- Not a Tax – not part of the Tax Lien Process

If administered By Efficiency Maine

- All back office work done by Central Master Servicer
- Town effort becomes strictly community outreach
- All measures must be cost effective



PACE Resources for Municipalities



How can Towns participate?

- Pass PACE Ordinance
- Establish PACE contract with Efficiency Maine
- Outreach and Education (Energy Committee)

Resources to be available:

- Energy Committee materials
- Regional Outreach Meetings (w/COGs and RPGs)
- Media for Local Cable TV, newsletters etc



PACE Resources for Municipalities



Underwriting Standards

- No past due taxes, sewer, mortgage pmts or liens.
- No reverse mortgages
- Loan to value not underwater
- Debt to Income ratio no less than HUD (43% current)

Terms

- 5, 10, or 15 years - not to exceed life of measures
- No fees – all costs of program carried by low flat uniform interest rate set to provide long term program sustainability.



PACE Resources for Municipalities



www.energymaine.com/pace

Check out the website for updates or sign up for the PACE info listserve: (PACEinfo@energymaine.com)

- [Introduction to Maine PACE](#);
- [Model PACE Ordinances \(2\)](#);
- [Frequently Asked Questions \(FAQs\)](#) ; and,
- [LD 1717 - An Act to Increase the Affordability of Clean Energy for Homeowners and Businesses.](#)