

HB 3241 - Residential PACE

PACE (Property Assessed Clean Energy) is a simple and effective way to finance energy efficiency, renewable energy, water conservation and seismic upgrades to buildings.

WHAT IS PACE?

Property Assessed Clean Energy (PACE) is a model financing mechanism that enables low-cost, long-term funding for energy efficiency, renewable energy and water conservation projects. PACE financing can be repaid as an assessment on the property's regular tax bill, which is an established mechanism that has been used by municipalities for decades to finance public benefit projects such as sidewalks and sewers. PACE projects have long-term financing for up to 100% of the cost of the capital improvement and can be used for commercial, nonprofit and residential properties.

Oregon PACE Background

The Oregon Legislature in 2009 and 2014 passed laws authorizing local governments to establish commercial PACE programs (ORS 223.680). In September 2015, Multnomah County pioneered the first commercial PACE program in the state by creating their PropertyFit program. The program was authorized by the Multnomah County Board of Commissioners and is a collaboration between Multnomah County, the Portland Development Commission and the Energy Trust of Oregon. Currently PACE programs in Oregon are limited to commercial, industrial, and multifamily residential properties.

HB 3241 - Expansion of PACE Program for Residential Use

HB 3241 will expand the current PACE program to residential properties by enabling local governments to establish a program for single-family dwellings of one to four units. As with the state's commercial program, participants will be able to use the program for seismic rehabilitation projects as well as energy and water efficiency investments.

Program parameters:

- Local governments secure funding from revenue bonds or private sources.
- Program targets residential utility and seismic rehabilitation improvements, including energy efficiency, water efficiency, renewable energy, energy storage, and smart electric vehicle charging stations.
- Eligible homeowners undergo energy or water audits to ensure that projects are cost effective.
- Projects costs may not exceed 20% of the real market value of the property.
- Projects are financed up to 100% of the costs.
- Local governments can choose to secure the loan with a lien, in the same manner as used with other local improvements.
- Expands consumer protection standards based on the Best Practice Guidelines for Residential PACE Financing Programs published by the US Department of Energy in November of 2016.
- PACE is voluntary for all parties involved.