

FREQUENTLY ASKED QUESTIONS ABOUT THE PACE QUICK START PROGRAM

What is PACE?

PACE stands for Property Assessed Clean Energy. It is a relatively new mechanism that allows municipalities to assist property owners to invest in energy efficiency and small-scale renewable energy projects using financing that is repaid through assessments on individual property tax bills. The municipality serves as a pass-through borrower, with the entire cost of the assessment and associated administrative expenses paid by participating property owners. Property owners who do not opt-in to the program will not incur any costs associated with the PACE program.

Why should my town consider joining this program?

PACE could be a great opportunity for your town to become more self-reliant and energy efficient and contribute to meeting community sustainability, climate, and energy goals. But without a full understanding of the program's details, it will be hard to make an informed decision about PACE. The Quick Start initiative will provide you with a portfolio of financial, technical, and legal services, model documentation, community education materials, and other assistance so that you can make the right decision for your town. Regular updates will be provided via an online discussion board, including meeting minutes, up-to-date informational materials, frequently asked questions, and legal documents.

What will my town receive by joining the Quick Start initiative?

Signing the letter of interest allows your town to participate in Quick Start activities, including opportunities to exchange ideas with other towns and access to the documents and legal opinions necessary to start a PACE program. At the end of the initiative, you should have all of your questions about PACE answered – either by VEIC staff or the legal team we have contracted with – and will be ready to make an informed decision about whether your community should move forward with PACE. The benefit of joining Quick Start early is that you will have the greatest opportunity to ask questions of technical experts and, if you so choose, greatly contribute to Vermont's PACE program design.

What does signing the “letter of interest” commit my town to?

First, it's important to point out what the letter of interest does NOT commit you to. By signing the letter, you are not committed to holding a vote on the issue nor to creating a PACE district. The federal funds that are financing the Quick Start initiative have a dollar-for-dollar match requirement attached to them. Based on VEIC's projection of the number of towns participating, a \$2,000 match from each participating town will be sufficient. This match can be obtained by in-kind services and / or cash and the deadline for the match is March 2011 at the earliest.

My town's staff is very busy. How could we commit to an in-kind contribution at this point?

The in-kind contribution can come from many sources, and communities who have signed up already have not found the commitment onerous. Volunteer time, staff time, and use of equipment – such as conference rooms – can all be included in the in-kind contribution. For instance, if five members of a town energy committee met with a city staff member to discuss PACE implementation in a city space for two hours, it could be equivalent to \$500 in-kind.¹

What is the deadline for signing this letter?

In order to best help participating towns proceed with the Quick Start initiative, VEIC is asking that towns sign and return this letter no later than September 1, 2010. The benefit you would gain from joining earlier is that you will be able to learn from other programs about their best practices and solutions to common problems.

¹ Volunteer rate: \$25 / hour; Staff rate: billable rate (\$75 / hour used in example); Cost of space: \$50 / hour