

Innovative Energy Financing Now Available To Vermont Towns

How can homeowners afford to insulate their homes or install solar hot water systems in today's economy? Many people want to "do the right thing", but lack the money to finance energy-efficiency projects or install renewable energy systems in their homes and businesses. This hurdle has prevented many people from taking advantage of new technologies that would reduce their energy costs substantially and save them money in the long run.

A new, innovative funding mechanism called Property Assessed Clean Energy, or PACE, can enable homeowners and businesses to overcome this barrier. In 2009, the Vermont Legislature passed legislation authorizing municipalities to create PACE financing districts, and in 2011, redesigned the program to meet the concerns of federal regulators, which had stalled the program in other areas of the country.

By setting up a PACE district, a town creates a fund through municipal bonds or other municipal debt, from which residents can borrow money to finance eligible energy-efficiency and renewable energy projects in their homes, rental properties, and businesses. The loans are paid back through a special assessment on annual property tax bills. The repayment period may extend up to 20 years, potentially allowing for positive cash flow throughout, and the assessment fees transfer to the new owner when the property is sold. There are no costs to property owners who do not participate in the program.

PACE financing can provide significant benefits to communities, which can use it to become more self-reliant and energy-efficient, while meeting sustainability, climate, and energy goals. The program can inject millions of dollars into the economy and provide a steady demand for good quality jobs, while decreasing energy costs and improving the value and quality of the housing stock.

The Town of Brattleboro is currently exploring the feasibility of setting up a PACE district, with assistance from the Brattleboro Energy Committee and the Vermont Energy Investment Corporation, a nonprofit organization that currently administers the Efficiency Vermont program. Authorization to set up a PACE district would need approval by Town Meeting Representatives at the annual Town Meeting in March.

For more information about PACE, please contact Paul Cameron at 251-8135 or pcameron@brattleboro.org.