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Yolo County Participates in CaliforniaFIRST Energy Efficiency Program

(Woodland, CA) – Under the auspices of California’s largest statewide joint powers authority, 14 California counties and 126 cities are today launching the nation’s largest PACE program, an innovative financing tool to help commercial property owners reduce their buildings’ energy and water use. Yolo County and the cities of Davis, West Sacramento, Winters and Woodland are participants in this program.

The CaliforniaFIRST program, which is a program of the California Statewide Communities Development Authority, allows commercial property owners to use municipal bonds to finance energy efficiency, water efficiency and renewable energy upgrades – which the owners repay through a special assessment on their annual property tax bill. Through a public-private partnership, private capital will be used to supply the upfront funding for the work, so that local government budgets will not be burdened.

There is huge potential for energy and cost savings in the commercial building market. According to U.S. Department of Energy researchers, if all U.S. businesses and institutions conducted cost-effective upgrades, they could reduce their average energy use by 25%. The total cost of this work would be more than \$100 billion – which would be offset as a result of lower energy bills.

“We are excited to be able to offer the innovative CaliforniaFIRST program to local property owners,” said Yolo County Board of Supervisors Chair Jim Provenza. “This public-private partnership is a win-win-win: it can cut owners’ utility bills, create jobs and dramatically reduce greenhouse gas emissions.”

This financing mechanism, called Property Assessed Clean Energy (PACE), was first pioneered by the City of Berkeley for its residential owners in 2008. The promising residential energy upgrade platform ran into regulatory headwinds in 2010. But commercial PACE programs have since been launched in such diverse local jurisdictions as San Francisco, Los Angeles County and Washington, D.C. The CaliforniaFIRST program is the first multi-jurisdictional program of its kind to be essentially statewide in scale.

“CaliforniaFIRST’s approach has potential to promote energy efficiency retrofits of commercial properties and maintain lien security for mortgage lenders,” said Wayne Seaton, managing director Wells Fargo’s Sustainable Public Infrastructure group. “Wells Fargo’s environmental commitment is cultivated in part from an appreciation of the ways in which we can help our clients and our communities achieve environmental goals.”

Numerous studies, including the Johnson Controls annual Energy Efficiency Indicator, and market analyses in recent years have pointed to the lack of attractive financing options as one of the key barriers that prevent owners from making deep energy efficiency upgrades on their buildings. With the CaliforniaFIRST program, many people view the state of California as the state with the greatest potential to unlock the promising energy efficiency market.

“Building owners are very interested in saving money and energy,” said Beau Engman, Vice President of Commercial Energy Solutions at Johnson Controls, Inc. “What has been lacking up until now was affordable upfront capital to do the work. We see PACE as a promising means of financing deep commercial energy efficiency upgrades.”

In addition to traditional banks such as Wells Fargo, there are a number of innovative financial institutions that are active in the PACE market. San Rafael-based Clean Fund, for example, has financed PACE retrofits in California and Minnesota.

“PACE financing has the potential not only to save energy and money, but to create nearly 25,000 jobs in California,” said Clean Fund CEO John Kinney. “Clean Fund is excited to work in partnership with local governments throughout the state to offer low-cost capital to help commercial property owners finance clean energy upgrades on their buildings.”

The CaliforniaFIRST program is administered by Renewable Funding, the Oakland-based industry leader in PACE administration. Renewable Funding launched the nation’s first PACE program in Berkeley in 2008. The firm advises the U.S. Department of Energy on commercial PACE financing and operates commercial PACE programs for local governments ranging from San Francisco to Melbourne, Australia.

CaliforniaFIRST is a program of the California Statewide Communities Development Authority (CSCDA), which was created in 1988 to provide California’s local governments with an effective tool for the timely financing of community-based public benefit projects. CSCDA is sponsored by the California State Association of Counties and the League of California Cities. More than 500 California cities, counties and special districts are members to CSCDA.

For more information on CaliforniaFIRST energy efficiency program, visit: www.californiaFIRST.org or call (510) 692-9995.

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