



pennsylvania environmental council

October 16, 2017

Members of the Senate Community, Economic and Recreational Development Committee
Re: Support for Senate Bill 234 (P.N. 255)

Dear Senators:

Ahead of tomorrow's Community, Economic and Recreational Development Committee meeting, we wanted to restate our support for Senate Bill 234 (P.N. 255), sponsored by Senators Blake and Reschenthaler. The proposed legislation will allow local government entities, such as county economic development agencies and municipalities, to unlock clean energy potential in their jurisdictions.

Property assessed clean energy (PACE) financing can be an important tool for increasing energy efficiency, renewable energy, and green infrastructure projects in the commercial sector because it ties both the value and the cost of improvements to the property, rather than the owner. This removes a significant barrier to energy improvements as the repayment responsibility, as well as the benefits of the improvement, will remain with the new owner if the business must move before receiving its full return on investment. For well-structured projects, the monthly savings may be equal to the monthly repayment fee.

This financing tool can be especially important to projects that have longer payback periods, which are often the projects that result in longer term savings. For instance, property owners may choose to replace lighting systems, but maintain inefficient appliances, heating and cooling systems, and poor quality insulation because of the longer return on investment. Not only does the business owner miss out on the potential savings, but this also reduces the potential for economic growth in the energy efficiency industry.

According to a recent report (*Clean Jobs Pennsylvania*, presented by Environmental Entrepreneurs and Keystone Energy Efficiency Alliance, July 2016), more than 66,000 Pennsylvanians are employed in the energy efficiency sector. Unlike many industries, this employment number is growing every year. These are jobs in local communities that cannot be outsourced. Further, these jobs are spread across every county in Pennsylvania, urban and rural alike.

Finally, we are pleased to see that the bill also provides for green infrastructure improvements. As more and more Pennsylvania cities struggle with stormwater management and consider charging fees to property owners based on the amount of impervious surface, PACE financing

could be an important tool to allow owners to reduce their future financial liability by investing in green infrastructure improvements. Establishing this enabling legislation at the state level allows municipalities the option to offer PACE financing if and when stormwater fees are put into place.

Because this bill simply allows for the creation of PACE financing programs, rather than mandating it, each local government entity is free to determine what is the right choice for its community.

We commend the sponsors, and hope you will vote to support this important legislation.

Thank you for your consideration.

Sincerely,



Lindsay Baxter
Program Manager, Energy and Climate



John Walliser
Senior Vice President