Outline

1. What is PACE Financing & How it Works
2. Projects Getting Funded
3. The Capital Market Perspective
4. Opportunities for the future
But first....
3 Truth’s and a Lie

1. I’m very flexible because of over a decade of yoga practice.
2. I was raised a ballroom dancer but transitioned to breakdancing in my 20’s and all-styles hip-hop 2 years ago.
3. I once was homeless, living in my car, a two door Honda Civic, for two months.
4. I learned to speak fluent Japanese because it was the only language class in college that worked with my work scheduled.
What is PACE Financing?
Property Assessed Clean Energy (PACE) Financing

Unique form of finance that funds energy & water savings improvements as well as hurricane & seismic strengthening depending on the state.

Enabling legislation in over 30 states

Not a new concept, just repurposing of an existing mechanism (property assessments) for a defined public good
PACE in Action

• Property owner works with a contractor to make improvements to their property.

• Payback of those improvements is done through the property taxes.

• PACE Administrator bundles projects together and sells them on the capital market as a rated asset.
What’s Getting Funded through PACE?
Mission Specific Financing...by law

Program is structurally designed to only allow measures that meet the legislative mandate and therefor also provide mitigation and/or adaptation benefits.
Projects going in the ground

- Cool roofs / Green Roofs:
  - Over $400 million

- Wind hardening / Hurricane:
  - $100+ million

- Grid Resiliency through EE/ DG/ Storage:
  - $3.5 billion+

- Water Conservation / Drought:
  - $160+ million
Capital Market Perspective
Capital Markets:

- Bonds are consistently oversubscribed and each round has a broader investor base.
- Green bond features helpful.
- Structure and security strongest driver.
Opportunities for the Future
Opportunities for the Future

District financing a powerful tool to manage and finance adaptation/mitigation.

- Sea Walls?
- Urban heat island mitigation district?
- Grid Resiliency investment

Key to engaging private capital is structure and risk-mitigation

Forward flow agreements could help manage consumer cost expectations
Thank You

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