

Memorandum



Date: July 8, 2010

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

Agenda Item No. 3(O)(25)(A)

From: George M. Burgess
County Manager

Subject: Miami-Dade County's Participation in a \$5 million State-wide Property Assessed Clean Energy Grant Application to the US Department of Energy (DE-FOA-0000251)

Recommendation

It is recommended that the Board of County Commissioners (Board) ratify the Mayor or the Mayor's designee action in applying jointly with four other Florida counties, two universities and the State of Florida Energy Office for \$5 million in support for launching a Property Assessed Clean Energy (PACE) based program through the U.S. Department of Energy's (DOE) *State Energy Program Strengthening Building Retrofit Markets and Stimulating Energy Efficiency Action grant opportunity (DE-FOA-0000251)*.

It is also recommended that the Board authorize the Mayor or the Mayor's designee to apply for, receive and expend additional funds that may become available through this grant program or other PACE funding opportunities; to file and execute any amendments to the application for and on behalf of the County, and to exercise amendments, modifications, renewal, cancellation, and termination clauses of any contracts and agreements, subject to the approval by the County Attorney's Office.

Scope

Miami-Dade County's Pilot PACE Program under this grant includes all of Miami-Dade County, Florida, which is home to over 2.4 million people and approximately 440,000 owner-occupied private homes that would be the overall target market for this program.

Fiscal Impact/Funding Source

The County's portion of this \$5,000,000 grant is \$800,000.

Track Record/Monitor

The Office of Sustainability (OOS) will implement and manage work funded through a grant agreement, with support from the Finance Department.

Background

During the 2010 legislative session, the State of Florida passed into law a progressive energy bill, House Bill 7179. This legislation enables Florida to implement new financing mechanisms to expand energy conservation and deploy renewable energy technologies. A major component of this legislation is the provision of authority to local governments to develop PACE programs. Local governments now have the framework to levy voluntary non-ad valorem assessments to fund energy efficiency and renewable energy improvements.

Additionally, Resolution No. R-143-10 adopted by the Board in February 2010 expresses the Board's intention to establish a voluntary energy efficiency and renewable energy program, or PACE program. In response, on May 17, 2010 a report outlining PACE options was provided to the Board. If successful, this grant would provide the seed money to start a PACE program.

The Florida State Energy Office (FSEO) has developed a state-wide strategy to implement PACE program best practices. This strategy replicates best practices across the state, develops a self-sustaining approach that will perpetuate and provide benefits beyond this award, and serves a large geographically diverse market area. Five counties were asked to participate as ideal pilot programs for Florida's state-wide PACE initiative, including Leon, Miami-Dade, Orange, Sarasota, and St. Lucie counties.

In total, the five counties encompass 923,500 homes. Each county has developed a specific defined target market for their initial programs. The total defined market, for all five counties, is comprised of 201,401 homes. Through these pilot PACE programs, a total of 4,944 homes may be retrofitted. This program should retrofit, in its first two years, 2.45 percent of its defined target market.

In addition, the FSEO will develop a Technical Assistance Program (TAP) led by the University of Florida, Program for Resource Efficient Communities. The Florida League of Cities will also be granted funding for providing financial and legal services to TAP. The Florida Solar Energy Center will provide assistance for evaluation services.

The state-wide PACE program will achieve the following objectives:

- Develop a financially sustainable PACE model that can be replicated around the state
- Penetrate markets with little to no retrofit activity, significantly reducing Florida's energy demand
- Educate Florida residents and industries about the benefits of energy efficiency and the PACE model
- Facilitate regional communication and coordination, ensuring best practices are implemented

The May 17, 2010 report recommends that, if the Board wishes to create a Miami-Dade County PACE program, then County staff and County financial advisor should begin to structure a plan to finance and draft a single solicitation to assemble the PACE team or a full service third party administrator. This is a worthwhile and beneficial program which provides energy cost savings, reduces greenhouse gas emissions, and benefits the local construction industry. However, existing staff is not equipped to take on the new/added responsibility of administering such a program. Additionally, current County staff does not have the experience or expertise in this new and emerging field. Staff will begin to draft the finance plan and solicitation document, in anticipation of a successful grant application.



Howard Piper
Special Assistant to the County Manager



MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

DATE: July 8, 2010

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 3(O)(25)(A)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 3(O)(25)(A)
7-8-10

RESOLUTION NO. _____

RESOLUTION RATIFYING THE MAYOR OR THE MAYOR'S DESIGNEE ACTION IN APPLYING FOR UNITED STATES DEPARTMENT OF ENERGY'S STATE ENERGY PROGRAM - STRENGTHENING BUILDING RETROFIT MARKETS AND STIMULATING ENERGY EFFICIENCY ACTION GRANT FUNDS IN THE AMOUNT OF \$800,000; AUTHORIZING THE MAYOR OR THE MAYOR'S DESIGNEE TO RECEIVE, EXPEND, AND EXECUTE SUCH CONTRACTS, AGREEMENTS, AND MEMORANDA OF UNDERSTANDING, AND AMENDMENTS AFTER APPROVAL BY THE COUNTY ATTORNEY; AUTHORIZING THE MAYOR OR THE MAYOR'S DESIGNEE TO APPLY FOR, RECEIVE AND EXPEND ADDITIONAL FUNDS THAT MAY BECOME AVAILABLE TO CREATE A PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM IN MIAMI-DADE COUNTY

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference and made a part thereof,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board authorizes the Mayor or the Mayor's designee's action in applying jointly with five other Florida counties, two universities and the State of Florida Energy Office for a total of \$5 million (of which \$800,000 would be allocated to Miami Dade County) in support for launching a Property Assessed Clean Energy (PACE)-based *Transforming Florida's Retrofit Market* program through the *State Energy Program Strengthening Building Retrofit Markets and Stimulating Energy Efficiency Action grant opportunity (DE-FOA-0000251)* from the Department of Energy.

The foregoing resolution was offered by Commissioner
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

Dennis C. Moss, Chairman	
Jose "Pepe" Diaz, Vice-Chairman	
Bruno A. Barreiro	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Dorin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 8th day of July, 2010. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Peter S. Tell

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OFFICE OF THE MAYOR MIAMI-DADE COUNTY, FLORIDA

CARLOS ALVAREZ
MAYOR

May 24, 2010

Honorable Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Ave, S.W.
Washington, DC 20585

Re: State of Florida's Application - State Energy Program (SEP) Strengthening Building Retrofit Markets and Stimulating Energy Efficiency Action, DE-FOA-0000251

Dear Secretary Chu:

On behalf of Miami-Dade County, this correspondence is provided in support of the State of Florida's application to the U.S. Department of Energy's (DOE) State Energy Program (SEP) Strengthening Building Retrofit Markets and Stimulating Energy Efficiency Action, DE-FOA-0000251.

Miami-Dade County is committed to launching a sustainable property assessed clean energy program (PACE), and to be a pilot community under this SEP opportunity. On February 2, 2010, the Miami-Dade Board of County Commissioners adopted Resolution R-143-10 which directed staff to determine how the County would implement a PACE program through a Voluntary Energy Efficiency Financing District. In response, County staff undertook extensive market research on PACE with respect to financing, administration, legal/legislative issues, marketing and an overview of existing programs around the Country. The final report is attached for your reference.

Miami-Dade County is eager to enable innovative financing solutions for the delivery of energy-efficiency and renewable energy installations communitywide. In fact, prior to joining the State of Florida and other PACE-poised counties in responding to this DOE Funding Opportunity Announcement, the County partnered with the City of Miami on a Southeast Energy Efficiency Alliance grant opportunity to set up an communitywide energy-efficiency financing program like the Cambridge Energy Alliance. Miami-Dade also partnered with communities across the country as part of a retrofit ramp-up grant application to establish a nationally replicable PACE-type retrofit program in our County.

Currently, Miami-Dade is developing a sustainability plan called *GreenPrint* utilizing a nationally recognized sustainability planning toolkit based on New York City's plaNYC. We are committed to being a sustainable community. Facilitating greater energy-efficiency and the installation of renewable energy systems, as well as "greening" our local economy, are objectives of *GreenPrint* that will help us meet our communitywide Greenhouse Gas Emissions targets (Cool Counties Declaration) and other related sustainability goals.

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Honorable Steven Chu, Secretary
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PACE is a strategy with the potential to make meeting our sustainability goals and targets a reality. Moreover the partnership with other Florida communities and the State will provide the necessary financial and performance leveraging and cooperation to improve the chances of success for the program. We look forward to partaking in this effort to establish a PACE methodology that can be replicated statewide.

Thank you for your consideration.

Sincerely,



Carlos Alvarez
Mayor

c: Honorable Chairman Dennis C. Moss, Board of County Commissioners
George M. Burgess, County Manager
Susanne M. Torriente, Director, Office of Sustainability
Matthew Stamatoff, Governor's Energy Office, State of Florida
Sandra Bustos, Governor's Energy Office, State of Florida

A State-wide PACE Initiative: Transforming Florida's Retrofit Market

Prepared by:

Florida State Energy Office, Florida Energy and Climate Commission, Florida's
Executive Office of the Governor

With Support from:

University of Florida
Florida League of Cities
Leon County
St. Lucie County
Miami-Dade County
Orange County
Sarasota County



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1. Executive Summary

During the 2010 legislative session, the State of Florida passed into law a progressive energy bill, House Bill 7179. This legislation enables Florida to implement new financing mechanisms to expand energy conservation and deploy renewable energy technologies. A major component of this legislation is the provision of authority to local governments to develop Property Assessed Clean Energy (PACE) programs. Local governments now have the framework to levy non-ad valorem assessments to fund energy efficiency and renewable energy improvements.

The Florida State Energy Office (FSEO) is committed to ensuring the success of these PACE programs. Through ~~meetings and discussions with key stakeholders~~, the FSEO has developed a state-wide strategy to implement best PACE program practices. This strategy replicates best practices across the state, develops a self-sustaining approach that will perpetuate and provide benefits beyond this award, and serves a large geographically diverse market area. Five counties have emerged as ideal pilot programs for Florida's state-wide PACE initiative. These lead pilot programs are Orange County, Sarasota County, St. Lucie County, Miami-Dade County and Leon County.

In total, these five counties encompass 923,500 homes. Each of the 5 pilot counties has developed a specific defined target market for their initial programs. The total defined market, for all five counties, is comprised of 201,401 homes. Through these pilot PACE programs, a total of 4,944 homes will be retrofitted. **This program will retrofit, in its first 2 years, 2.45% of its defined target market.**

In addition, the FSEO will develop a Technical Assistance Program (TAP) led by the University of Florida, Program for Resource Efficient Communities. The Florida League of Cities will also be granted funding for providing financial and legal services to TAP. The Florida Solar Energy Center will provide assistance for evaluation services.

The state-wide PACE program will achieve the following objectives:

- Develop a financially sustainable PACE model that can be replicated around the state
- Penetrate markets with little to no retrofit activity, significantly reducing Florida's energy demand
- Educate Florida residents and industries about the benefits of energy efficiency and the PACE model
- Facilitate regional communication and coordination, ensuring best practices are implemented

2. Program/Strategy Plan

2.1. Approach

Florida's state-wide PACE initiative will develop a Technical Assistance Program (TAP). The program will provide legal, administrative, financial, and evaluation services to cities and counties initiating PACE programs. In addition, TAP will interface with the five pilot programs, coordinating best practices and developing a template that can be replicated around the state.

TAP will act as a resource that can be accessed by all Florida's counties and municipalities. TAP will provide the following services in support of establishing, managing and evaluating local PACE programs:

Legal Support

- Provide education on the full scope and implications of Florida's property assessment financing legislation as defined in House Bill 7179.
- Assist with developing the necessary legal framework required at the local level, such as preparing a template for local ordinances needed to adopt and implement and adopt a PACE program.
- Develop templates for legal and financial documents, including property owner loan applications and financing agreements, notices to lender and subsequent buyers, recordable memorandum of agreement, contracts for auditor and contractor work, title review verification, and lender consent form.
- Develop template authorizing the levy of special assessments and documentation of the assessment to the Tax Collector.
- Develop an agreement template for collection of energy usage data from municipal and investor owned utilities.

Administrative Services for PACE Programs

- Propose strategies for deployment of the PACE program in the five pilot local governments, and a model for deployment to other local governments.
- Develop a shared information website for project partners, where the project team, including the five pilot counties, can view information on the project, post information and receive feedback through shared communications.
- Develop a template protocol for identifying potential high energy users to target for program participation, based on utility-provided energy consumption data. This will include guidelines for participant eligibility by property type.
- Develop general guidelines for processing and approving applications, including: receipt and review of initial applications, property owner and municipal lien searches, and coordination of contractor bids, owner acceptance, final certification and work quality review.
- Develop a protocol for the appropriate and most cost-effective use of energy audits and post-retrofit inspections, including a consideration of the costs and benefits of various approaches.
- Develop a system to collect appropriate documents and record assessment liens.
Develop marketing strategies for several different groups: a. local government; b. property owners (residential single and multi-family, and non-residential), including all potential program participants; c. contractors and auditors; and d. realtors. This is intended to be a dynamic and iterative process that will be refined and revised based on collaboration with the pilot communities.
- Develop local government, contractor and energy auditor training strategies and educational materials. Contractor training will incorporate existing curricula such as the national Green Advantage certification and Florida's Green Remodeling and Remodeling Health and Safety certifications to be developed as part of the Florida Weatherization Training Center to be funded by DOE, but will be expanded to include content specific to working with local PACE programs. Develop program participant (property owner) educational training strategies and materials.
- Develop a policy manual of best practices for program implementation, including the guidelines described in this section, as well as priorities for funding and prerequisites to funding, suggested best practices for contractor selection and for selection of improvements and products to ensure promised energy savings are realized, suggested qualifications for 3rd party administrators, etc.
- Develop a public web-based portal that provides information on the PACE program, links to local programs and guidance on participation and contractor and product selection according to the applicable local governments' program guidelines. This will include the development

- Develop working groups with major investor-owned and municipal utilities to provide coordination of local demand-side management and PACE programs.
- Provide regional train-the-trainer programs to participating local governments on the property owner educational sessions.
- Develop educational and training programs (for property owners, auditors, contractor and realtors) as web-based modules to serve as alternative delivery formats.
- Provide a template customer satisfaction survey that participating local governments can incorporate into their programs.
- Develop a protocol ~~for property owner follow up to encourage~~ program participants to operate their properties to maximize energy savings. The protocol will include options for providing targeted feedback and energy usage reports including comparisons to community energy consumption baselines.

Financial Services

- Develop information to aid in the issuance of bonds and other debt and defining debt structures attractive to investors.
- Propose procedures for debt issuance and strategies for lowering interest rates and administrative cost.
- Collaborate with utilities to leverage PACE program dollars with existing demand-side management, energy audit, rebates and incentive programs.
- Assist with developing customer service protocols.
- Develop tools for internal program financial evaluation, including a financial accounting protocol to ensure quality control and security in the financial management process. This will include a series of checks and balances for the funds disbursement process and a protocol for regular compliance reports.
- Develop a *Savings-to-Investment Ratio* for PACE program assessments.

Program Planning and Evaluation Services

- Develop a tool to compare alternative retrofit options and renewable energy additions based on anticipated energy savings, useful life, loan costs, and other cost-effectiveness indicators. This web-based financial modeling and scoring calculator will be used to evaluate financial and technical program variables to estimate energy saved and GHG emissions avoided as well as financial analysis of alternative program models.
- Develop a system for collecting and reporting program data from participating local governments.
- Develop a protocol to verify energy savings of program participants and retrofit performance using energy consumption baselines.
- Develop a mechanism for a feedback loop for auditors, contractors and participants, to rank ongoing energy conservation benefits from retrofits.
- Develop a standardized tracking system and data reporting template for utility reporting of energy usage.
- Provide information to local governments on alternative retrofit and renewable energy options as a basis for local government prioritization of applications based on energy savings.

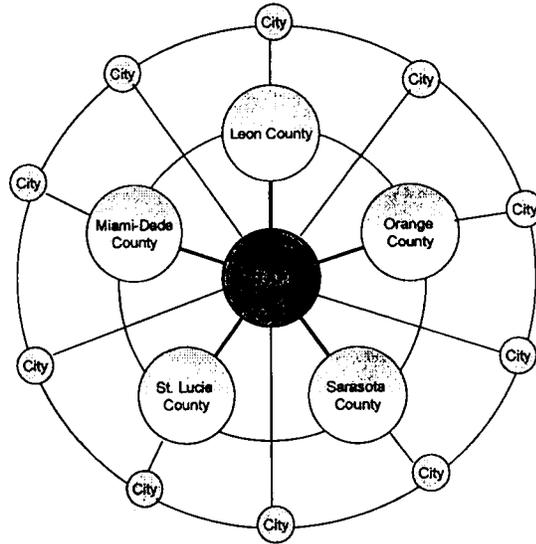
2.1.1 State-wide Coordination, Marketing and Outreach

A major component of Florida's state-wide PACE program is promoting wide-spread adoption of building retrofits and energy-saving activities. TAP will interface with all five pilot programs

providing necessary support and coordinating the implementation of best practices. In addition, through a designated regional coordinator based within each pilot program's local government, the pilot program will report back to TAP. TAP will then document additional best practices learned through the experiences of the pilot programs (see Figure 1).

While the five pilot programs cover a large market area, another critical aspect of this program is to penetrate markets with little or no retrofit activity. Typically these areas are smaller counties and cities that do not have the resources and expertise to start and maintain a PACE program. TAP will act as a clearinghouse and centralized resource of information that can be accessed by all cities and counties. TAP will also target smaller cities and counties and promote its services.

Figure 1 State-wide Coordination



A major goal and objective of this program is to create a system and network that is sustainable and will perpetuate long after this initial award. Through the experiences learned from the pilot programs and the expertise on TAP's staff, a template or model will be developed. This model will give communities without experience in assessment financing a series of tools that can be easily accessed and used to support local implementation. This model and associated tools will be promoted throughout the state to support the goals of Florida's PACE legislation.

In addition to promoting PACE programs to Florida's cities and counties, TAP will assist with developing a marketing and outreach initiative. This campaign will educate Florida residents and industries about the functionality and benefits of PACE programs. Educating the public and advertising these programs, as exemplified by case studies around the nation, is imperative for successful market penetration.

2.1.2 Common Barriers to Reducing Energy Consumption in Buildings

There exist many common barriers to the wide-spread adoption of building retrofits and the investment in renewable energy including consumer awareness, initial capital costs, and knowledge of economic incentives. During the last decade, Florida has launched several programs and implemented measures aimed at promoting energy efficiency in buildings and the deployment of renewable energy technologies. Florida's strategy to reducing energy consumption in buildings has included economic incentives for Floridians who chose to adopt energy efficiency measures or invest in renewable energy.

Created under the 2006 Florida Energy Act, the Solar Energy System Incentives Program, often referred to as the Florida Solar Rebate Program, is recognized as a highly successful program, stimulating investment in solar technologies throughout the state. Any resident of Florida who purchases and installs a new solar energy system from July 1, 2006, through June 30, 2010, is eligible for a rebate on a portion of the purchase price of that solar energy system. The program provides a \$4/per Watt rebate on photovoltaic systems, with a max rebate amount of \$20,000 for residential systems and \$100,000 for commercial systems. In addition, the program provides a

\$500 rebate for residential solar water heaters, a \$15 per 1,000 Btu up to a maximum of \$5,000 for commercial solar water heaters and a \$100 rebate for solar pool heaters.

The Solar Rebate Program has spurred consumer demand for solar energy and effectively resulted in a reduction of greenhouse gases throughout the state. However, due to extreme popularity the funds appropriated each fiscal year to the program have been rapidly exhausted. Therefore, the Solar Rebate Program has been in a constant state of insufficient funding since its inception. The Florida Solar Rebate Program illustrates why many rebate programs are unsustainable and do not provide a long term approach to promoting energy efficient measures and renewable energy. Conversely, the structure of the PACE program has self-sustaining financial mechanisms in place to replenish funds for the program and ensure the program's permanence. In addition, the PACE program's stability allows for the transformation of the retrofit and renewable energy market in the state. The Pace program has the potential to effectively reduce energy consumption in buildings and to remove barriers associated with wide-spread adoption of retrofits and energy saving activities.

Common Barriers	PACE Advantages
Property owners lack information on benefit of energy efficient improvements.	Educating property owners on benefits of energy efficient measures through a coordinated effort between the state, local governments, utilities, and other local actors.
Property owners are skeptical of potential savings of energy efficient improvements.	Utilizing diagnostic and quality assurance tools that assist property owners in selecting the most cost-effective measures and ensuring a positive <i>Savings-to-Investment Ratio</i> . In addition, the information on potential saving from energy efficient measures is coming from a trusted source.
Split incentives exist in cases where the property owner does not receive benefits of improvements.	Energy Financing Districts can be set up to target demographic areas that would most likely participate in retro-fit programs such as areas with high homeowner occupancy versus high tenant occupancy.
Transaction costs associated with financing are often viewed as high and the overall process is viewed as cumbersome.	Reduced transaction costs for property owners due to a more streamlined application process. Property owners do not have to arrange for financing of project on their own.
Initial capital costs deter property owners from investing in energy efficient measures.	Energy Financing Districts typically offer longer repayment periods and lower interest rates. In addition, there are tax incentives for property owners who invest in energy efficiency measures.

Length of return on investment can discourage property owners from investing in energy efficient measures that have a longer payback timeframe.	Repayment transfers with ownership and addresses the property owner's hesitation based on length of return on investment associated with some energy efficiency projects.
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2.1.3. Overview of Five Pilot Counties

Orange County

Location: Central Florida
 County Population: 1.086 Million

Orange County will act as a Pilot PACE Program to promote energy efficiency and renewable energy in both the residential and commercial sectors. Orange County has a large population, is centrally located in the state, and has demonstrated a longstanding commitment to clean energy and energy efficiency initiatives.

In March 2008 the City of Orlando, located in Orange County, became one of the 25 cities designated as a Solar American City by the US Department of Energy.

On September 25, 2007, Orange County Mayor Richard T. Crotty and the Board of County Commissioners launched a Climate Change Plan for Orange County Government. This plan stated Orange County's commitment, discussed climate change, and announced the inventory of GHG emissions from Orange County government operations. Targets were established to reduce these GHG emissions: 15% reduction by 2010; 28% reduction by 2015; and 40% reduction by 2020. Goals were announced to assist in meeting these targets.

A PACE Program would support the County's goals to "Establish and Implement a County Renewable Energy Initiative," "Adopt Educational Programs at the Community Level," and "Supporting Green Buildings." Additionally, this partnership with the FSEO supports the County's final goal to "Formalize Partnership Agreements."

Orange County has implemented many initiatives to address GHG reductions including the installation of a 1 Megawatt Photovoltaic (PV) system at the Orange County Convention Center, the largest rooftop PV system in the southeast U.S., with the assistance of several partners, including the FSEO. Orange County additionally has a Climate Change Education Center located at the Convention Center to promote and showcase new energy efficient technologies. Orange County buildings are also built to green standards.

Orange County's efforts were recognized when Orange County was named one of the top 20 Greenest Fleets in North America by Government Fleet Magazine and was the first government to be recognized by the Florida Green Building Coalition for achieving the gold level as a Florida Green Local Government.

Through this program, Orange County will develop a robust PACE program that will sustain beyond this award and ensure that best practiced learned are replicated around the state.

Sarasota County

Location: Central West Florida
 County Population: 369,765

Sarasota County will be an ideal location to launch a PACE program. Sarasota serves the Central West Florida and has displayed a long history of leadership on sustainability and in energy efficient building strategies.

As the first County in the nation to take the 2030 Challenge to build Carbon neutral by 2030 and the first local government in Florida to build a LEED Certified building, Sarasota County has the experience, commitment and established professional base that would make a PACE program a success. In addition, Sarasota County has committed to focus its Energy Efficiency and Conservation Block Grant funding on building energy retrofits, with the establishment of a residential energy retrofit rebate program and a comprehensive community-wide education program aimed at conveying the benefits of home energy improvements and encouraging homeowners to make changes by providing information on cost and benefits, as well as opportunities to streamline the process. As another sign of this commitment, Sarasota County is implementing energy and water efficiency strategies in the renovation of foreclosed homes under the Neighborhood Stabilization Program (NSP). One home that was just completed was the first NSP home renovation completed in partnership with the U.S. Department of Energy Building America Industrialized Housing Partnership. The structure's Home Energy Rating System (HERS) number was reduced from a score of 100 to 66 and was the first NSP home in Florida to achieve Florida Water StarSM Gold certification.

In addition, the Florida Department of Community Affairs, pursuant to Florida Statute 377.809, designated Sarasota County as an Energy Economic Zone Pilot Program. The Pilot Program addresses economic development and the creation of energy efficient land use patterns.

These programs, among others, combined with engaged citizens and a strong network of private sector professionals working on energy efficiency and renewable energy make our community ideal for the application of the PACE model.

St. Lucie County

Location: Central East Florida
County Population: 266,502

The goal of the St. Lucie's Pilot PACE program is to provide people with the opportunity and funding for cost-effective energy efficiency upgrades. Renewable energy and energy efficiency improvements would include: weatherization, HVAC upgrades, solar water heating and solar photovoltaic systems.

The St. Lucie Pilot PACE program is very different from the typical PACE program structure. The methodology for the St. Lucie program includes a non-profit revolving loan fund and a Property Assessed Clean Energy (PACE) Program. St. Lucie County's program is unique in that it will not depend upon bond issues to fund the revolving loan fund.

- The non-profit revolving loan fund:
 - Requires no bonding or voter referendum.
 - Fundable by private investors
 - \$20 million in commitments from four local banks have been secured.
 - Offers low-interest loans over extended terms to interested property owners.
 - Transitions into becoming a Community Development Financial Institution (CDFI), which will attract additional private and local government investment.

- This CDFI is believed to be the first in the nation to be used solely for energy conservation and efficiency projects.
- The Property Assessed Clean Energy (PACE) Program:
 - Will be developed by establishing a Municipal Services Benefit Unit (MSBU).
 - Allows a simple, secure loan payback method and lower payback costs
 - Through tax assessment for the life of the loan

This program's unique attributes and structure makes it a very valuable pilot program that will be closely monitored for best practices. The FSEO is very interested in St. Lucie's approach not only for Florida, but for its potential on the national scale.

Miami Dade County

Location: South Florida
 County Population: 2,500,625

Miami Dade County covers the southern region of the State of Florida, and is home to a very large portion of Florida's population. In addition, South Florida's climate creates an even greater demand for energy. Miami-Dade was an excellent candidate for a pilot program and has a long-standing history of leadership in sustainability initiatives. Miami-Dade has continued to display a commitment to addressing issues of environment, energy consumption, and the mitigation of climate change.

The County established its first Climate Action Plan in the early 1990s and co-founded the International Council for Local Environmental Initiatives (ICLEI). Over the past year the County was chosen as one of three municipalities to implement a pilot Sustainability Planning Toolkit based on New York City's plaNYC. *Green Print* is the County's Sustainability Plan in development and its focus is community-wide with respect to challenges, goals, targets and initiatives.

The County in 2009 signed onto the Cool Counties Declaration which sets a community-wide Greenhouse Gas Emissions Reduction goal of 80% by 2050 with a 2% per annum reduction each year beginning in 2010. The County created the Sustainable Buildings Ordinance for all County owned, operated and financed building construction in 2005 and currently has over fifteen LEED certified projects underway or nearly completed. These policy aspirations and programs combined with existing non-profit based energy efficiency awareness and behavior change programs and a strong presence of the private sector green building / energy efficiency industry, positions Miami-Dade County well for implementing a robust and high-performance energy efficiency financing program for the larger community.

Leon County

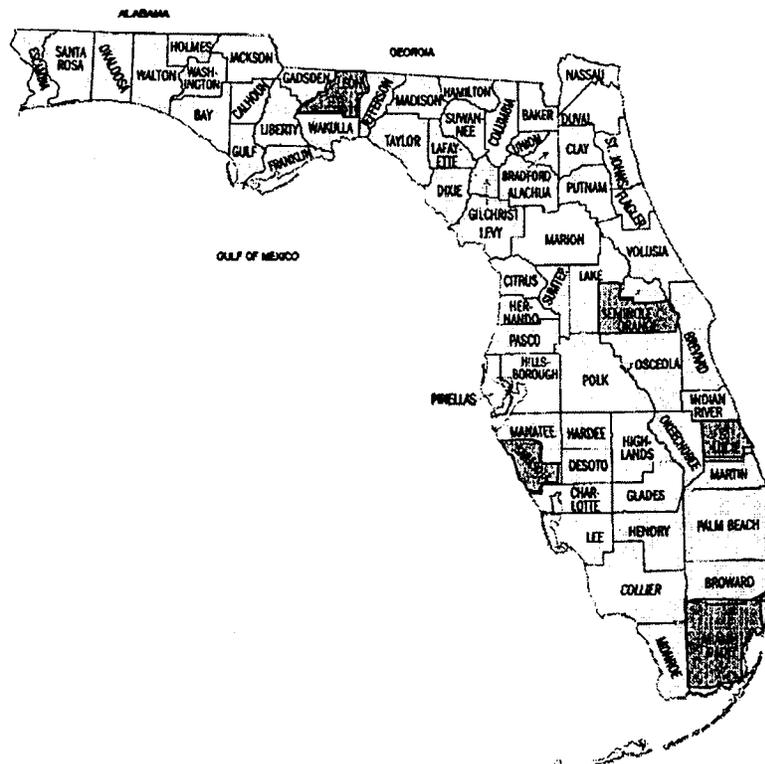
Location: North Florida
 County Population: 265,714

Leon County has demonstrated a clear commitment to leading the community towards a more sustainable future. In addition to the establishment of the Office of Sustainability and hiring a full-time Sustainability Coordinator, the County has established clear and laudable goals for energy conservation and GHG reduction within its operations as well as established an expansive community outreach and education program. Education is not only the sharing of information,

but the distribution of tools and resources as well. Together information and resources can allow our residents to turn interest into action.

On July 14, 2009, the Leon County Board of County Commissioners directed staff to investigate the opportunities to create a revolving loan program to weatherize homes within Leon County. After nearly a year of research and program development, the Board enacted and created the Leon County Energy Conservation District on April 13, 2010. Development of this district was the first of its kind in Florida. Upon creation of the district, the Board also directed the establishment of a pilot program which is currently underway.

Figure 2 Map of Pilot PACE Counties



2.2. Market Definition of Pilot Programs

The initial market to be targeted comprises property owners of the five counties participating in the pilot programs. Overall, the five counties encompass 923,500 homes. Each of the 5 pilot counties has developed a specific defined target market for their initial programs. The total defined market, for all five counties, is comprised of 201,401 homes. Through these pilot PACE programs, a total of 4,944 homes will be retrofitted. This program will retrofit, in its first 2 years, 2.45% of its defined target market. The goal of TAP is to facilitate additional programs throughout Florida's remaining counties and municipalities.

Orange County

Orange County Government is proposing to initiate a PACE Pilot Program. The Energy Financing District will include all of Orange County, Florida, which is home to over 1 million

people and approximately 250,000 owner-occupied private homes that will be one of the target markets for the Orange County PACE Program. The other target market is the commercial sector, which includes potentially over 13,000 commercial properties in Orange County.

Residential

Orange County will target specific safe neighborhood communities and neighborhoods within the City of Orlando where energy use has been identified as being much higher than average. High energy use homes were determined by the City of Orlando when they created a residential energy factor for each household based on annual household electricity consumption per square foot. The resulting information normalizes energy use between varying sizes of houses. Further analysis resulted in an energy efficiency factor ranking for each of the 110 neighborhoods located within the City boundaries. The prime target of the 250,000 owner-occupied private homes in Orange County, are those that were built before 1993, when the energy code was upgraded, and are owner occupied homes. That equals approximately 32,500 homes.

Commercial

Orange County will target all commercial properties within the County limits. No additional filters will be applied to the commercial sector due to the fact that number of projected commercial retrofits reaches the two percent annual goal of retrofitted buildings.

Sarasota County

Sarasota's Pilot PACE Program under this grant will include all of Sarasota County, Florida, which is home to over 350,000 people and approximately 118,500 owner-occupied private homes that will be the general target market for this program. While the County can only commit to implementing such a program in the unincorporated area, there is significant interest among the municipalities and Sarasota County would work with the municipalities to coordinate implementation of a program across jurisdictional boundaries wherever possible.

Residential

For the pilot program, Sarasota County will use filters to limit the target market to older, higher energy consuming homes that are owner-occupied. By limiting the pilot program's market Sarasota aims to get the greatest energy reduction benefit from a limited amount of funds while laying a foundation of information and experience that could be used in future phases of the program and in a broad education campaign to help assist homeowners implement energy saving strategies irrespective of program participation. One of the specific targets includes higher consuming residential homes that were built before the implementation of the Model Energy Code in 1993 which increased efficiency of new homes through additional insulation requirements. Homes would also need to be using enough energy for the investments to result in a significant return. As an initial filter for this consumption, we have consulted with state energy experts and determined that a good threshold for high energy users is use of over 1,000 kilowatt hours per month and that about half of the homes in an average Florida community are using that much or more. In addition, given the need for investment to be linked to consumption, the program would target owner-occupied homes. Combining these factors, the market that the pilot program would address represents a total of 30,984 homes in the unincorporated area of the county. With a goal of reaching two percent of that market each year of program implementation, that would mean a target of 619 homes per year for two years or 1,239 homes over the two year pilot program. There is interest in serving as much of the community as is willing to participate in such a program, so while this target market is limited, the full PACE program when implemented would likely also include additional homeowners and businesses, only adding to the energy savings and economic impact of this program.

St. Lucie County

St. Lucie County has instituted, through local Ordinance, a Special Taxing District that includes the entire county, which is home to over 260,000 people and approximately 60,000 owner-occupied private homes. St. Lucie's Pilot Program will be available to any eligible county resident but will specifically target owner-occupied homes

Miami-Dade County

Miami-Dade County's Pilot PACE Program under this grant will include all of Miami-Dade County, Florida, which is home to over 2.4 million people and approximately 440,000 owner-occupied private homes that would be the overall target market for this program. While the County can only commit to implementing such a program in the unincorporated area, there is significant interest among the municipalities and Miami-Dade County would work with the municipalities to coordinate implementation of a program across jurisdictional boundaries wherever possible.

Residential

Miami-Dade will use filters to limit the target market to older, higher energy consuming homes that are owner-occupied. This pilot program aims to utilize the grant funds in the most effective manner that would produce the greatest energy saving and assist in the development of a sound PACE program. The pilot program will primarily focus on higher energy consuming residential homes in order to ensure high energy savings. Homes built prior to the implementation of the Model Energy Code in 1993, which increased efficiency of new homes through additional insulation requirements, will be used as a filter to identify high energy consuming homes. Homes would also need to be using enough energy for the investments to result in a significant return. As an initial filter for this consumption, we have consulted with state energy experts and determined that a good threshold for high energy users is use of over 1,000 kilowatt hours per month. In addition, given the need for investment to be linked to consumption, the program would target owner-occupied homes. Finally, to further strategically target our market in what is a very populous large County, we would initially limit participation to households with incomes between 200 – 400% of poverty levels. Combining these factors, the market that the pilot program would address across the community including municipalities and unincorporated Miami-Dade represents a total of 49,817 homes in the unincorporated area of the county. With a goal of reaching two percent of that market each year of program implementation, that would mean a target of 996 homes per year for two years or 1,992 homes over the two year pilot program. There is interest in serving as much of the community as is willing to participate in such a program, so while this target market is limited, the full PACE program when implemented would likely also include additional homeowners and businesses, only adding to the energy savings and economic impact of this program.

Leon County

Leon County's Energy Conservation District encompasses the entire county, which is home to over 270,000 people and approximately 55,000 owner-occupied homes that will be the main target of the program. All County residents could potentially qualify for financing under a PACE program as defined by the Energy Conservation District. However, Leon County will utilize filters to reduce the target market for the pilot program.

Residential

Leon County and other municipalities within Leon County offer residents the opportunity to participate in programs aimed at assisting homeowners to implement energy saving strategies and

retrofits. The two primary programs available to homeowners are the Federal Weatherization Assistance Program (WAP) and the City of Tallahassee Loan Program. The Federal WAP is income based, as participants must be within 200% of poverty. The second program in which many Leon County residents qualify for is the City of Tallahassee Energy Efficiency Low Interest Loan program. The City offers 5% interest financing for various energy saving measures to any utility customer even if their property is within unincorporated Leon County.

Therefore, Leon County residents who do not qualify for either the low-income based WAP or the City of Tallahassee loan program. As a result, the Leon County Pilot Program is designed to address those residents who do not qualify for either existing program. Analysis shows 20,000 residents live within Leon County that do not receive City utility services and would qualify for a County loan program. With a goal of reaching two percent of that market each year of program implementation, that would mean a target of 400 homes per year for two years or 800 homes over the two year pilot program.

2.3. Market Actor Integration

Technical Assistance Program (TAP)

In developing the legal, administrative, financial and mechanical tools outlined in the objectives, the TAP program will be calling upon other integral players as appropriate in addition to the five pilot communities. Outreach has already been made to the state professional association representatives of the major market actors, and all are willing to participate in the TAP program as outlined below.

Energy Service Companies- Municipal and investor-owned utilities serving the pilot community markets will participate in the development of tracking mechanisms to standardize energy savings realized from improvements, a continuous feedback loop for property owners and contractors, and standardized agreements between local governments and utility providers for energy consumption information. The program will also seek agreements to use utility bills as a medium for marketing the program.

Contractors- Representatives of the trade organizations of specialized contractors will be brought in for assistance in designing marketing, training, and educational tools, evaluating supplemental certification and quality assurance options.

Real Estate Professionals- Florida law requires a sales contract provide notice of any PACE assessment. As the PACE program is adopted and assessments put in place, the state Realtor's association and local chapters will be asked to take part in informing their members of the new notice requirements, and to provide access to their memberships for program marketing purposes.

Financial Institutions- TAP, through the Florida League of Cities, will have access to the Florida Municipal Loan Council and Commercial Paper program, both creating access to pooled financing resources created by the League.

Orange County

Orange County will collaborate with and engage key stakeholders in order to facilitate the expansion of the building retrofit market within the entire county. Orange County is currently utilizing a network of partners that includes industry representatives, green building organizations, local financial institutions, and utility companies to coordinate the efforts of this project. All these actors will play a critical role in providing data related to the current retrofit

market, expertise on energy saving techniques, potential investment opportunities, and marketing and implementation tools for the defined market. In addition, Orange County will engage various community stakeholders through a variety of marketing and outreach efforts coordinated with the support of local municipalities, existing county programs and coalitions.

Orlando Utility Commission (OUC) and Progress Energy will play a critical role in marketing the Pilot PACE Program and in providing residential property owners with free audits. OUC has also committed to buying down the interest rate by one percent for its utility customers for the first three years of the program. The collaboration between Orange County and both utilities will ensure that the customer receives the maximum benefit from all parties.

Government, Industry, and Community Market Actors:

- Building Owners & Managers Association (BOMA)
- American Society of Heating, Refrigerating, & Air Conditioning Engineers (ASHRAE)
- General Electric (GE)
- U.S Green Building Council (USGBC) – Central Florida Chapter
- First Green Bank
- Orlando Utilities Commission (OUC)
- Progress Energy
- City of Orlando
- City of Winter Park
- Central Florida Energy Efficiency Alliance (CFEEA)
- Orange County Homeowners Energy Efficiency Program (OCHEEP!)
- Space Coast Clean Cities
- Metroplan’s Clean Air Team
- American Lung Association

Orange County aims to reduce program costs, expand trained workforce, and educate property owners to drive demand to the pilot PACE program by engaging the Government, Industry, and Community Market Actors identified above.

Sarasota County

Sarasota County plans to utilize a model of community collaboration, including marketing, utility program integration, homeowner and business participation, and workforce development that will facilitate the transition to an efficient building retrofit market. Sarasota County will build on a well established area network of partners and existing delivery channels, including a substantial outreach element with a multi-stakeholder effort that includes foundations, utilities, universities, public and private sector representatives with expertise on financial, technical, services, commerce, and social mobilization related matters.

Sarasota County has an established relationship with its municipalities and will work closely with interested parties to promote and implement the pilot PACE program. Sarasota County’s strong AAA credit rating for general-obligation debt will also be instrumental in assisting smaller municipalities, within the energy district, that may not be able to independently access the market at similar rates.

Part of Sarasota County’s marketing and outreach strategy includes collaborating specifically with the region’s chambers of commerce, the regional homebuilders’ association, home improvement stores, county libraries, and nonprofit networks to distribute PACE program information.

The primary focus on engaging the Market Actors identified below will be to reduce program costs, expand the available trained workforce through a worker training program, and provide information to homeowners to drive demand.

Government, Industry, and Community Market Actors:

- Historical Preservation
- Sarasota Office of Housing and Community Development (OHCD)
- Florida House Learning Center
- EPA ENERGY STAR
- Florida Power & Light (FPL)
- Greater Sarasota Chamber of Commerce and the Chamber Green Business Leadership Council
- The Economic Development Corporation of Sarasota County
- Sarasota County Green Business Partnership
- Homebuilders Association Sarasota/Manatee Green Building Council and Remodelers Committee
- Sarasota Association of Realtors Green Realtors Alliance
- Florida Gulf Coast American Institute of Architects Sarasota Committee on the Environment
- US Green Building Council, Florida Gulf Coast Chapter, Myakka River Branch
- Florida Solar Energy Industries Association
- State certified commercial and residential Energy Raters
- Florida Association of Plumbing, Heating, Cooling Contractors
- Home Depot, Lowes and other local retailers
- Faith based organizations
- Academic Institutions including:
 - New College of Florida, Sarasota
 - State College of Florida, Sarasota-Manatee
 - University of South Florida Sarasota-Manatee
 - Ringling College of Art and Design, Sarasota
 - School Board of Sarasota County

Sarasota County, working with Government, Industry, and Community Market Actors, plans to provide a one-stop-shop information center where homeowners can arrange and finance projects, locate information on energy improvement opportunities and find qualified contractors to perform the work. By leveraging the county's existing networks of key public, private, and community partners that have already built momentum within the arena of renewable energy and energy efficiency, Sarasota County has the capacity to accelerate comprehensive community-scale energy efficiency and job creation and demonstrate innovative retrofit models that can be widely replicable, both statewide and nationally.

St. Lucie County

A steering committee is already meeting monthly to guide this project forward. These meetings are attended by representatives of the local financial institutions that have expressed an interest in investing \$20 million in private capital in the *Empower St. Lucie* program. Also attending are representatives of the local electric utility companies, solar installation contractors, construction contractors, as well as the St. Lucie County BOCC and staff. This group is overseeing the formation of the non-profit organization, the filing of the application for 501(c)3 status and the development of the name for the organization. All of these Actors have demonstrated their interest and provide input to the process. Efforts are currently underway to engage various sectors of the community who are anticipated to be particularly interested in the program. In addition, at

least one solar manufacturing company has expressed interest in locating a manufacturing facility in St. Lucie County.

Some participants in the meeting, as well as other stakeholders will meet as separate committees to establish loan policies, establish operational procedures, establish certification for various types of contractors and set up the MSBU. Trade organizations will play a critical role in establishing the certification of contractors.

Local educational institutions have also already become partners in the process. In partnership with local labor unions and Workforce Solutions, St. Lucie County has establishing a Green Collar Task Force apprenticeship program. A \$500,000 grant has been secured to establish this program. Also, Indian River State College has initiated a Green Technology Institute to train individuals in green technology occupations. Jobs created through the *Empower* program will provide employment and training opportunities for these students.

Once the non-profit revolving loan fund is established and ready to begin issuing loans, certified energy raters, both independent and through the two local utilities, will be contracted to begin the pre-energy audit process.

Real estate and appraisal professionals will become engaged as part of the marketing/educational efforts during Year 1. It is critical that these professionals understand the value and advantage of the retrofits being added, so that they may more accurately value a property and market it to potential buyers.

Miami Dade County

Miami-Dade County plans to utilize a model of community collaboration, including marketing, utility program integration, homeowner and business participation, and workforce development that will facilitate the transition to an efficient building retrofit market. Miami-Dade will build on a well-established area network of partners and existing delivery channels, including a substantial outreach element with a multi-stakeholder effort that includes foundations, utilities, universities, public and private sector representatives with expertise on financial, technical, services, commerce, and social mobilization related matters.

The County has spearheaded community-wide collaboration on sustainability through the establishment of the Mayor's Sustainability Advisory Board to provide direction and feedback on the development of the community-wide sustainability plan, *Green Print*. This advisory board includes representation of key industries (Building, Real Estate, Insurance/Risk Management, Tourism/Hospitality, Chamber of Commerce), government/municipalities (President of Miami-Dade's League of Cities, State's Energy and Climate Commission Chair), Environmental Community (Florida Audubon), Universities, Colleges and Schools (Florida International University, Florida Atlantic University and Miami-Dade College).

Additionally, Miami-Dade County's strong AA- credit rating for general-obligation debt may be helpful in setting up an energy district that includes the counties' smaller municipalities who may not be able to access the market at similar rates.

The focus on engaging the Government, Industry, and Community Market Actors identified below will be to reduce program costs and to provide information to homeowners to drive demand.

Government, Industry, and Community Market Actors:

- EPA ENERGY STAR
- Florida Power & Light (FPL)
- Greater Miami Chamber of Commerce and the Chamber's Natural Resource Committee
- The Beacon Council – Miami-Dade County's Economic Development arm.
- Eco Chamber
- Building Association of South Florida Green Building Committee
- Realtor Association of Greater Miami and the Beaches
- Miami-Dade County's Climate Change Advisory Task Force
- US Green Building Council, South Florida Chapter
- Florida Solar Energy Industries Association
- State certified commercial and residential Energy Raters
- Florida Association of Plumbing, Heating, Cooling Contractors
- Home Depot, Lowes and other local retailers
- Faith based organizations
- South Florida Workforce
- Academic Institutions including:
 - Miami-Dade College
 - Florida Atlantic University
 - University of Miami
 - Florida International University
 - School Board of Miami-Dade County

Miami-Dade County will engage various market actors to effectively implement the pilot PACE program and ensure program success through coordinated program development and outreach and marketing.

Leon County

Leon County has already greatly collaborated with various market actors in order to establish the Energy Conservation District and pilot program. A weatherization coalition was put together in order to evaluate the program parameters and provide guidance as needed. The coalition includes 40 representatives from the building industry, area non-profits, finance & banking, local and state government, two area utilities, faith based sector, industry consultants, higher education, and work force development. In addition to program development, collaboration will include joint marketing, program integration, community participation, and work force development.

Additionally, Leon County will specifically engage the Government, Industry, and Community Market Actors listed below in order to coordinate the different aspects associated with implementing the pilot PACE program.

Government, Industry, and Community Market Actors:

- Big Bend Labor Council
- The Economic Development Council
- Tallahassee Chamber of Commerce
- Inter City Ministerial Coalition
- NAACP
- Tallahassee Realtors Association
- Talquin Electric Cooperative
- City of Tallahassee Utilities
- Capital Area Community Action Agency
- Bethal CDC
- FL Department of Community Affairs

- EarthSteps Consulting Firm
- Sustainable Tallahassee
- One world Sustainable
- Tallahassee Equity Alliance Ministry
- FL Green Building Coalition
- WorkForce Plus
- State certified commercial and residential Energy Raters
- Academic Institutions including:
 - Tallahassee Community College
 - Florida State University
 - FL A&M University

Leon County will utilize a network of existing partners. This network will include public, private, and community representatives for development and implementation of the pilot PACE program.

2.4. Risk Management

There are a series of uncertain future events that may occur and can have an adverse effect on PACE programs. The key to overcoming these challenges is to properly monitor PACE programs, quickly identify these adverse events, and respond through program redesign and management.

2.4.1 Property Values

A sudden fall in home values indicates a downturn in the housing market and a potential rise in the rate of foreclosures. In the described housing market, existing lenders on properties can become uneasy about tax assessments made through PACE programs due to the fact that these tax assessments are paid prior to the first mortgage in the event of a foreclosure.

Identify: Utilize the Florida Realtor Association’s monthly forecasts to monitor housing market trends for the defined market area and through out the state.

Analyze: Use available data on the housing market to decide on an appropriate course of action and to assess the overall potential impact on the program goals and targets.

Response:

- Require property owners to disclose of intent to participate in a PACE program prior to final loan agreement.
- Allow portion of assessment to be paid instead of the full amount prior to lender collecting mortgage.
- Utilize reserve fund to cover portion or entire assessment in certain cases in order to increase lender confidence in a specific market

2.4.2 Investor Confidence in PACE Bond Market

There exists limited experience with the marketability of PACE bonds collateralized through assessments due to the fact that PACE financing is a relatively new mechanism throughout the nation. Therefore, initial investor confidence for PACE bonds may need to be addressed.

Identify: Gauge investors' interest in PACE bonds through the five pilot counties' ability to sell these bonds.

Analyze: Use data collected from the financial industry, TAP, and the five pilot counties to decide on an appropriate course of action and to assess the overall potential impact on the program goals and targets.

Response:

- Utilize communication networks to reassure investors of sound mechanism used to collect.
- Highlight the League of Cities and the five pilot counties' strong credit ratings to bolster investor confidence.

2.4.3 Demand for PACE Programs

The success of PACE program is highly contingent upon the participation rate of properties owners in the defined market. A low level of participation would reduce the effectiveness of the program and fail to promote the wide-spread adoption of building retrofits and energy saving activities. In addition, a lack of demand for the program would impede the degree of market penetration in the defined markets.

Identify: Monitor demand of a PACE program through number of applicants, the use of surveys in the selected market area, the number of property owners that successfully complete the process, and the number of referrals.

Analyze: Utilize a figures such as applications received, approved, and denied to assess the average number of successful projects and overall program activity within the defined market.

Response:

- Conduct outreach programs aimed at educating community members on the benefits of building retrofits and the financing options offered through PACE.
- Coordinate outreach efforts with utility companies, local organizations, and regional actors.
- Offer subsidized energy audits that highlight energy efficiency measures with the highest *Savings-to-Investment Ratio*.
- Launch an interactive website that aims to educate and streamline the application process for property owners.

2.4.4 Applicant Completion of Process

Case studies of other jurisdictions, such as the City of Boulder, Colorado, indicate that there exists a high early consumer interest in financing opportunities available through PACE programs. However, a substantial number of property owners fail to complete the entire process.

Identify: Monitor the number of applicants that complete the retrofits recommended to the property owner in the pre-audit.

Analyze: Utilize a figures of the rate of completed retrofits within the defined market to decide on an appropriate course of action.

Response:

- Place emphasis on post-audit meetings with property owners.

- Conduct outreach programs aimed at highlighting to the property owner the benefits of building retrofits suggested on their customized property energy audit.
- Offer subsidized energy audits that highlight energy efficiency measures with the highest *Savings-to-Investment Ratio*.
- Launch an interactive website that aims to educate and streamline the application process for property owners.

2.4.5 Communication Barriers

Coordination between principal investigators and all participants is critical for the success of this program. A high degree of coordination among participants will facilitate the dissemination of information and services available through TAP and the five pilot counties. Therefore, a cohesive response and communication structure needs to be established in order to effectively promote the five pilot PACE programs and to share related information with other interested counties and municipalities.

Identify: The FSEO will be the central point of contact of all participating parties and will gauge the overall level of communication among participant through the level of information parties are exchanging with each other. In addition, the Oversight Committee, as described in section 4, will assist in ensuring that all program participants are exchanging information and working closely with each other.

Analyze: The FSEO will use quarterly reports and feedback from participants to assess the level of interaction between participants.

Response:

- Establish a communication structure that clearly indicates a communication flow-chart.
- Conduct meetings, facilitated by the Oversight Committee, to resolve potential problems.

2.4.6 Market Penetration

Florida's PACE initiative will aim to transform the retrofit market and penetrate relevant industries by engaging those market actors. The main challenge is educating property owners of the benefits of energy retrofits and training workers to perform energy saving retrofits.

Identify: Monitor consumer interest in energy saving retrofits and the number of certified technicians in the relevant industry sectors.

Analyze: Utilize the number of applicants and certified technicians to develop an appropriate strategy to ensure market penetration.

Response:

- Develop work force training programs through TAP.
- Identify figures such as age and location of property and existing utility bills to target properties most likely to benefit from improvements funded by PACE.
- Target marketing to multi-family and non-residential property managers such members of Florida Realtors, NAIOP, and other non-residential property managers groups, to outline the advantages for marketing improved properties.

2.5. Sustainability

A portion of the grant funds requested will be used to establish standardized, but customizable legal documents for administration of the program as well as seed money for the loans backed by assessments, or buy downs of the interest rates on assessments. Ultimately, these projects will have on-going sustainability by building administrative costs into the financing. The grant moneys will assist in reducing those costs by providing templates to be used statewide, providing best practices and efficiency information that will be utilized throughout the state, and pooling loans through the League of Cities pooled bonding program.

2.6. Schedule and Deliverables

Each pilot pace program will have a separate schedule and deliverables. In addition, TAP will have an independent set schedule and deliverables (see Technical Appendix TA.A). This agenda and all program requirements will be closely monitored by the FSEO. Each pilot program and TAP will provide progress reports to the FSEO. If a program is not on schedule the participants will have to inform the FSEO the reason the program has diverged from the plan. The participants also must deliver a strategy for getting the program back on schedule. The FSEO will make a determination on how to proceed based on the information provided.

Each county's deliverables are tied to a set number of retrofits performed in Year 1 and Year 2.

2.7. Costing and Funding Profile

The Costing Profile projects the costs incurred by each county and TAP on a monthly basis over the 36 month grant agreement (see Technical Appendix TA.B). In addition, the FSEO has calculated the total funding distributed each month for this State Energy Program (see Technical Appendix TA.B). The Funding Profile displays the total funding distribution among each pilot county and TAP. This SEP Application is requesting a total award of \$5 million.

2.8. Bibliography and References

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3. Potential Project Impact (Metrics and Savings Opportunities)

Each pilot PACE program has projected for the years 2011 through 2012 the amount retrofits completed each year, total energy saved, greenhouse gases avoided, and total electricity saved (see Technical Appendix TA.C.).

3.1 Strengthening Retrofit Market

By addressing the most important barrier to widespread adoption of building retrofits, that of sustainable financing, this project's greatest impact will be to create new retrofit opportunities for building owners throughout the state of Florida. With the passage of PACE-enabling legislation and the growing interest of many local governments in Florida to implement such programs, it is imperative that a sound model be established in order to facilitate programs that will be successful in producing long-lasting energy saving activities and that can continue to transform the energy retrofit market.

The proposed project incorporates several key features that will help to strengthen those market transformations, including: 1.) use of a low-interest finance mechanism that will be viable beyond short-term funding and that will generate energy efficiency savings to homeowners that, in monetary terms, are greater than the loan costs incurred ; 2) development of pilot programs covering all regions of the state, which, in addition to the direct energy savings achieved, will function as models for other local governments and as a means to refine best practices for the Florida energy efficient retrofit market; 3) development of tools to compare alternative retrofit options based on anticipated energy savings, useful life, loan-related variables and other cost effectiveness indicators; 4) collaboration with utilities to leverage retrofit dollars with existing demand-side management programs, rebates and incentives; 5) on-going monitoring and analysis of metered energy consumption data to verify energy savings achieved; 6) active participation by property owners and development of resources to incorporate behavioral changes into the whole-building approach to retrofits; and 7) standardized training and certification for contractors and auditors based on national models but customized for Florida's unique climatic and other conditions.

Therefore, this project will not only facilitate implementation of a viable and sustainable financing mechanism that will be attractive to property owners, it will also increase the number of contractors and energy auditors trained to perform energy efficiency retrofits and will provide property owner education and models for targeted feedback to increase energy efficient behaviors. Only by engaging all of the key participants (local governments, property owners, utilities, and private contractors), as this project does, can significant market transformations come about.

4. Partnership Structure and Capabilities: Roles of Participants/Demonstration of Commitment

There are seven principal roles involved in Florida's statewide PACE program. These roles are defined as follows:

Oversight Committee:

The Oversight Committee, selected by the Florida Energy and Climate Chairman, will provide support for this program by coordinating the FSEO, TAP, and the five pilot counties to ensure program success. In

addition, the committee will assist in resolving potential conflicts that arise.

SEP Grant Manager/Administrator: The Florida State Energy Office (FSEO) is the designated recipient to receive and manage funding under the State Energy Program (SEP). The FSEO will report to the US Department of Energy and ensure that all funding reimbursements adhere to the requirements and guidelines of the State Energy Program.

Technical Assistance Program: The program will be led by the University of Florida. TAP will coordinate administrative services for PACE programs, program planning and evaluation services, regional coordination and outreach, and training programs. The Florida League of Cities will provide financial services and legal support. The Florida Solar Energy Center will assist in developing evaluation services.

Pilot PACE Counties There are five pilot PACE programs, Orange County, Sarasota County, Miami-Dade County, and Leon County. Each county will administer their respective PACE programs. Within each county there will be a designated Principal Investigator (PI). Each PI will report progress of their pilot programs to TAP and the FSEO.

Principal Investigators (PIs)

Organization	Lead Contact
Florida State Energy Office	Matthew Stamatoff, Senior Grant Manager
Technical Assistance Program (TAP), University of Florida & League of Cities	Pierce Jones, PhD, Energy Extension Program Leader and Director, Program for Resource Efficient Communities
Orange County	Jodi Dittell, Environmental Program Supervisor
Sarasota County	Lee Hayes Byron, Sarasota County Sustainability
St. Lucie County	Glen Henderson, Grants/Resource Developer
Miami-Dade County	Devesh Nirmul, Sustainability Program Manager
Leon County	Maggie Theriot, Sustainability Coordinator

Coordination Management Plan

There are seven PIs involved with implementation, administration, and oversight. In order to effectively coordinate and organize multiple PIs, a plan/process has been designed for the following:

- Making decisions on the scientific and technical direction
- Communication among PIs
- Resolving potential conflicts
- Administration, technical assistance and scientific responsibilities
- Monitoring grant funding, milestones, and deliverables

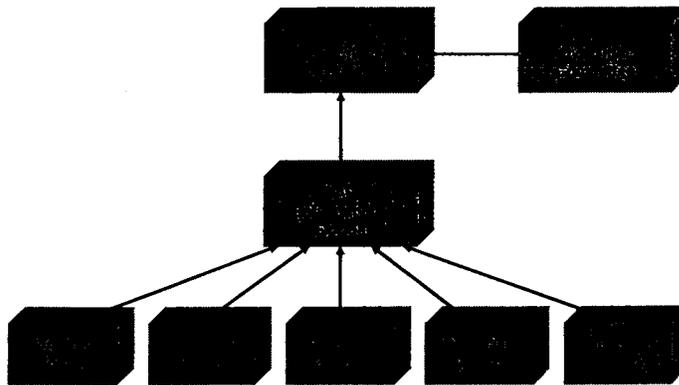
Making decisions on the scientific and technical direction

TAP, led by the University of Florida, will act as the chief advisor for scientific and technical guidance. TAP will specifically develop the scientific and technical strategies for the PACE template. This template will be made available to all counties and municipalities. TAP will develop tools such as a system for collecting and reporting program data and a mechanism to compare alternative retrofit options and renewable energy additions based on anticipated energy savings, useful life, loan costs, and other cost-effectiveness indicators (see Section 2.1 Approach).

Communication among PIs

All five of the pilot PACE programs will have a designated PI on staff. As a pilot program progresses, all staff working on the PACE program within the county will provide all relevant program information to the county's PI. The PI will report the status of the program directly to TAP (see Figure 3 Communication Plan below). The PACE template, being developed by TAP, will incorporate effective strategies implemented and barriers encountered that are unique to Florida. In addition, the Oversight Committee will interface with each of the PIs.

Figure 3 Communication Plan



Resolving potential conflicts

There are a series of potential conflicts that could arise during the course of the program, such as different viewpoints among actors on PACE design elements or the misconceived perception of inadequate support and assistance between PIs. If a conflict arises, the Oversight Committee will hold a meeting with all PIs involved and act as a mediator. The FSEO does not foresee any such conflicts developing due to the PIs' enthusiasm to work as a team and reach ambitious targets of total properties retrofitted.

Administration, technical assistance and scientific responsibilities

As the designated manager of SEP funds for the State of Florida, the Florida State Energy Office (FSEO) will act as the principal for administering this program. The FSEO will track all reimbursements and ensure they are consistent with each SF424A budgets attached hereto. All of the five pilot counties and TAP will report progress reports and cost reimbursements to the FSEO.

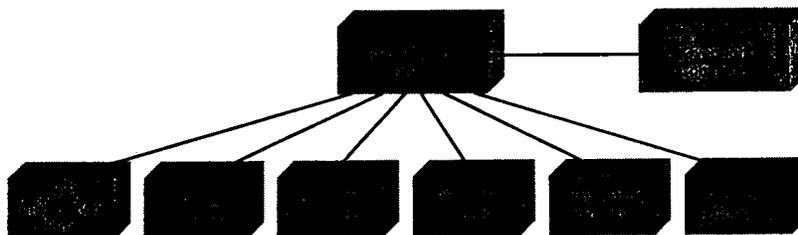
TAP will act as a clearinghouse for all technical assistance and scientific expertise required. The five pilot counties will have access to all of the resources developed and maintained by TAP. In addition, TAP will provide services to other counties and cities that are interested in launching PACE programs.

Pilot counties will be responsible for administration of their individual pilot programs. They will document best practices, barriers encountered and metrics for each of their pilot programs.

Monitoring grant funding, milestones, and deliverables

As the designated manager of SEP funds for the State of Florida, the Florida State Energy Office (FSEO), will closely monitor each pilot PACE county and TAP (see Figure 4). The FSEO will ensure that all funding reimbursements adhere to the requirements and guidelines of the State Energy Program. The FSEO will conduct site visits to verify the performance of each sub-grantee.

Figure 4 Role of Monitoring Grant Funding, Milestones and Deliverables



5. Quality Assurance (QA)/Evaluation, Measurement and Verification (EM&V)

5.1. Quality Assurance

A recommended approach for property energy audits and sampling protocols will be developed for participating local governments, including a protocol for post-retrofit inspections to confirm proper installation of the approved measures. Training and evaluation of participating auditors and contractors for consistency of installation standards, as well as HERS rating services, will be available as part of the technical assistance program. In addition, a comparative scoring tool will be developed to evaluate and forecast estimated energy saved, GHG emissions avoided and financial analysis of alternative program models and retrofit options to assist program participants in selecting the most effective measures. This tool, in conjunction with coordination of information from participating auditors, will help to prioritize the retrofits to maximize energy and financial savings. Finally, pre- and post-retrofit monitoring of actual energy performance using energy consumption data as described below can be used not only to verify program energy savings but also to trigger feedback to participating households to further maximize the benefits of the retrofits.

5.2. EM&V

To move the proposed program past the pilot stage by demonstrating its effectiveness and generating acceptance and adoption by other jurisdictions, it will be critical to verify the energy savings and cost effectiveness that are achieved. Technical assistance will be provided supporting implementation of energy savings measurement and verification protocols by evaluating pre- and

post-retrofit consumption data. UF/PREC has experience working with utilities to collect and analyze this type of data.

A system for comparatively evaluating pre- and post- energy consumption in individual households will be developed to merge energy consumption data obtained from the appropriate utilities with relevant data from the property appraisers. This will include a mechanism to measure and verify energy savings based on community baselines against which individual households are measured. Yearly baselines normalize annual variations not only for weather, but also for economic conditions and unusual events (such as hurricanes). UF/PREC uses these techniques to evaluate the effectiveness of certification programs (such as ENERGY STAR) and utility demand side management programs. A protocol for further analysis of energy performance of participating properties will be created to assist in both program streamlining and in identifying property owners to target for follow-up communication, as well as providing the basis for program accountability and reporting of performance data.

T.A.B.

Project Costing Profile

	2011														
	1	2	3	4	5	6	7	8	9	10	11				
Orange County Pilot	\$0	\$21,994	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000			
Sarasota County Pilot	\$0	\$16,000	\$0	\$50,000	\$18,500	\$70,125	\$76,375	\$82,575	\$114,875	\$118,625	\$79,925	\$51,000			
St. Lucie County Pilot	\$0	\$0	\$0	\$66,667	\$66,667	\$66,667	\$66,667	\$66,667	\$66,667	\$66,667	\$66,667	\$66,667			
Miami-Dade County Pilot	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Leon County Pilot	\$0	\$16,000	\$0	\$50,000	\$18,500	\$70,125	\$76,375	\$82,575	\$114,875	\$118,625	\$79,925	\$51,000			
Technical Assistance Program (TAP)	\$88,398	\$41,178	\$41,178	\$41,178	\$41,178	\$41,178	\$41,178	\$41,178	\$41,178	\$41,178	\$41,178	\$25,207			
Total	\$88,407	\$41,188	\$73,189	\$52,184	\$229,840	\$156,847	\$176,848	\$280,099	\$492,600	\$505,001	\$569,602	\$577,103	\$283,733	\$225,984	\$230,985

Orange County Pilot
Sarasota County Pilot
St. Lucie County Pilot
Miami-Dade County Pilot
Leon County Pilot
Technical Assistance Program (TAP)
Total

Project Funding Profile

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential Building Retrofits	0	325	976	1,627	2,278	2,929	3,580	3,905	4,230	4,555	4,880
Commercial Building Retrofits	0	0	260	520	780	1,040	1,300	1,560	1,820	2,080	2,340
Total Energy Saved (MMBtus)	0	3,299	81,776	163,553	245,329	327,105	408,882	490,658	569,130	647,602	726,075
Greenhouse Gas Emission Avoided (Tons CO ₂ Equiv)	0	581	14,400	28,800	43,200	57,600	72,000	86,400	100,219	114,037	127,855
Total Electricity Saved (KWh)	0	966,936	23,866,267	47,832,534	71,898,800	95,865,067	119,831,453	143,797,838	166,795,743	189,795,648	212,791,553
Sarasota County Pilot	619	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238
Residential Building Retrofits**	5,333	10,666	21,332	31,998	42,664	53,330	63,996	74,662	85,328	95,994	106,660
Total Energy Saved (MMBtus)	935	1,869	3,738	5,607	7,476	9,345	11,214	13,083	14,952	16,821	18,690
Greenhouse Gas Emission Avoided (Tons CO ₂ Equiv)	1,562,962	3,125,924	6,251,848	9,377,772	12,503,696	15,629,620	18,755,544	21,881,468	25,007,392	28,133,316	31,259,240
Total Electricity Saved (KWh)	40	505	960	1,445	1,920	2,400	2,885	3,360	3,845	4,320	4,800
Leon County Pilot	360	4,550	8,650	13,020	17,300	21,600	25,900	29,800	33,700	37,600	41,500
Residential Building Retrofits	76	958	1,821	2,741	3,642	4,509	5,355	6,200	7,045	7,890	8,735
Greenhouse Gas Emission Avoided (Tons CO ₂ Equiv)	105,600	1,333,200	2,534,400	3,814,800	5,068,800	6,415,200	7,761,600	9,108,000	10,454,400	11,800,800	13,147,200
Total Electricity Saved (KWh)	1,032	2,076	3,093	4,109	5,126	6,143	7,162	8,181	9,200	10,219	11,238
Miami-Dade County Pilot	9,967	20,057	29,881	39,704	49,527	59,350	69,173	79,044	88,892	98,739	108,586
Residential Building Retrofits	1,797	3,615	5,386	7,157	8,927	10,698	12,473	14,247	16,022	17,797	19,572
Greenhouse Gas Emissions Avoided (Tons CO ₂ Equiv)	2,921,206	5,878,375	8,757,671	11,636,627	14,515,583	17,394,539	20,280,575	23,166,610	26,052,646	28,938,681	31,824,717
Total Electricity Saved (KWh)	400	800	800	800	800	800	800	800	800	800	800
Leon County Pilot	3,593	7,187	14,374	21,561	28,748	35,935	43,122	50,309	57,496	64,683	71,870
Residential Building Retrofits**	757	1,514	2,271	3,028	3,785	4,542	5,299	6,056	6,813	7,570	8,327
Greenhouse Gas Emission Avoided (Tons CO ₂ Equiv)	1,797	1,054,917	2,108,037	3,161,157	4,214,277	5,267,397	6,320,517	7,373,637	8,426,757	9,479,877	10,532,997
Total Electricity Saved (KWh)	1,797	1,054,917	2,108,037	3,161,157	4,214,277	5,267,397	6,320,517	7,373,637	8,426,757	9,479,877	10,532,997

Orange County Pilot
Sarasota County Pilot
St. Lucie County Pilot
Miami-Dade County Pilot
Leon County Pilot
Technical Assistance Program (TAP)
Total

Metrics Table

	2013													
	1	2	3	4	5	6	7	8	9	10	11	12	Total	
Residential Building Retrofits	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$31,012	\$800,000
Commercial Building Retrofits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$800,000
Total Energy Saved (MMBtus)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$800,000
Greenhouse Gas Emission Avoided (Tons CO ₂ Equiv)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$800,000
Total Electricity Saved (KWh)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$800,000
Total	\$25,207	\$25,207	\$25,207	\$25,207	\$25,207	\$25,207	\$19,927	\$23,547	\$13,592	\$13,592	\$13,592	\$13,592	\$108,739	\$1,000,000
Total	\$57,207	\$57,207	\$57,207	\$57,207	\$57,207	\$57,207	\$51,927	\$55,547	\$45,592	\$45,592	\$45,592	\$45,592	\$139,751	\$5,000,000

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential Building Retrofits	0	325	976	1,627	2,278	2,929	3,580	3,905	4,230	4,555	4,880
Commercial Building Retrofits	0	0	260	520	780	1,040	1,300	1,560	1,820	2,080	2,340
Total Energy Saved (MMBtus)	0	3,299	81,776	163,553	245,329	327,105	408,882	490,658	569,130	647,602	726,075
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Total Electricity Saved (KWh)	400	800	800	800	800	800	800	800	800	800	800
Leon County Pilot	3,593	7,187	14,374	21,561	28,748	35,935	43,122	50,309	57,496	64,683	71,870
Residential Building Retrofits**	757	1,514	2,271	3,028	3,785	4,542	5,299	6,056	6,813	7,570	8,327
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Total Electricity Saved (KWh)	1,797	1,054,917	2,108,037	3,161,157	4,214,277	5,267,397	6,320,517	7,373,637	8,426,757	9,479,877	10,532,997

All figures above are aggregate. **Please note: Sarasota County and Leon County do not add additional retrofits beyond year 2013. Sarasota County currently has a cap on total bonds issued per program in their county charter. This issue will be visited through the Technical Assistance Program, and is an example of how through a coordinated effort this program will overcome barriers. The FSECO anticipates these figures changing. Leon County believes that their market area cannot exceed 800 due to demand in Leon County. TAP will also be revisiting this data and will work on a strategy to facilitate greater demand.

6. Statement of Project Objectives (SOPO)

GOALS

- Create greater energy independence & security for our state and nation
- Create jobs and be a leader in a new clean energy economy
- Reduce green house gas emissions

6.1. Title of Work

A State-wide PACE Initiative: Transforming Florida's Retrofit Market

6.2. Objectives

- Develop a sustainable PACE model that can be replicated around the state
- Penetrate markets with little to no retrofit activity, significantly reducing Florida's energy demand
- Educate Florida residents and industry about the benefits of energy efficiency and the PACE model
- Facilitate regional communication and coordination, ensuring best practices are implemented

6.3. Scope of Work

The Florida State Energy Office (FSEO) has worked with key stakeholders to develop a state-wide PACE program. This initiative will develop a strong retro-fit market substantially reducing Florida's energy-use. Five counties (Orange, Sarasota, St. Lucie, Miami-Dade and Leon), which are geographically diverse, have emerged as leaders in energy-efficiency and renewable energy initiatives. In addition, these counties have been at the forefront of developing PACE programs and are ideal candidates for pilot PACE programs. This funding award will be used for accelerating development of these counties' programs and ensuring their success.

In addition, this program will create a Technical Assistance Program (TAP). TAP will be led by the University of Florida and work closely with the Florida League of Cities. TAP will coordinate with all five pilot PACE counties, documenting best practices and barriers encountered, and provide a portfolio of services to the five pilot counties and all other counties and municipalities interested in launching PACE programs.

6.4. Tasks to be Performed

Technical Assistance Program (TAP)

Legal

1. Develop list of documents for a PACE program
2. Develop draft documents for circulation to team
3. Finalize template legal documents

Administrative Services

4. Develop project team website
5. Develop template protocol to target high energy users
6. Develop application processing and approval procedures

7. Develop protocol for energy audits and inspections
8. Develop system to collect documents and record liens
9. Develop marketing strategies
10. Develop best practices policy manual
11. Develop deployment strategies for pilot programs
12. Develop working groups with utilities
13. Develop contractor and auditor training
14. Develop property owner educational training
15. Develop criteria for online application
16. Deliver train-the-trainer programs to pilot counties
17. Develop web-based education and training
18. Develop template customer satisfaction survey
19. Develop protocol for property owner follow up

Financial Services

20. Develop bond information
21. Develop procedures for debt issuance
22. Collaborate with utilities to leverage DSM programs
23. Develop customer service protocols
24. Develop *Savings-to-Investment* Ratio for assessments
25. Develop tools for financial program evaluation

Program Planning and Evaluation Services

26. Develop comparative scoring calculator
27. Develop system for collecting and reporting data
28. Develop protocol to verify energy savings
29. Develop feedback mechanism for auditors & contractors
30. Develop template energy data tracking/reporting system
31. Deliver contractor trainings in pilot counties
32. Provide guidance to pilot program counties as needed

Orange County Pilot

1. Create internal PACE
2. Hire consultant coordinator
3. Develop legal and financial framework
4. Develop marketing
5. Develop program administration
6. PACE committee approval
7. Senior staff approval
8. Board of County Commissioners approval
9. Develop grant application
10. Integrate marketing
11. Identify staff needs
12. Focus group meetings
13. Launch program
14. Program monitoring
15. Retrofit 325 homes in year 1
16. Retrofit 651 homes in year 2
17. Retrofit 260 commercial buildings in year 2

Sarasota County Pilot

1. Develop financing plan
2. Procure administrator
3. Formalize program ordinance
4. Obtain line of credit
5. Market program
6. Applications received and reviewed
7. Approved applicants sign closing documents
8. Record assessment
9. Sell bonds
10. Retrofit 619 homes in year 1
11. Retrofit 619 homes in year 2

St. Lucie County Pilot

1. Advertise and fill
2. Establish committees
3. Develop design criteria
4. Set up account
5. Engage contractors
6. Launch marketing
7. Research and prepare CDFI application
8. Retrofit 40 homes in year 1
9. Retrofit 465 homes in year 2

Miami-Dade County Pilot

1. Procure administrator
2. Establish voluntary non ad-valorem taxing district
3. Develop financing plan
4. Formalize program ordinance
5. Secure financing partner
6. Market program
7. Applications received and reviewed
8. Approved applicants sign closing documents
9. Record assessments
10. Sell or remarket bonds
11. Retrofit 996 homes in year 1
12. Retrofit 996 homes in year 2

Leon County Pilot

1. Develop financing plan
2. Procure administrator
3. Formalize program ordinance
4. Obtain line of credit
5. Program implementation
6. Market program
7. Applications received and reviewed
8. Approved applicants sign closing documents
9. Record assessment

- 10. Sell bonds
- 11. Retrofit 400 homes in year 1
- 12. Retrofit 400 homes in year 2

6.5 Deliverables

- Retrofit 4,944 homes, 2.45% of the defined market
 - Quarterly reports, including documentation of progress, best policy practices developed, and barriers encountered from each PACE pilot county and TAP products and guidance delivered. Project collaboration website with knowledge exchange among partners
- PACE website as part of marketing efforts
- Series of training courses for counties and cities (train-the-trainer workshops and web-based training)
- Series of training courses for property owners/public
 - Technical training courses for contractors and auditors
 - Summaries of training delivery (number trained, number of training sessions) and training/educational session announcements
- PACE template/policy manual including:
 - ✓ Recommended legal procedures
 - ✓ Recommended bonding and financial procedures
 - ✓ Procedures for debt issuance
 - ✓ Templates of legal and financial documents (ordinance language, authorization to levy special assessments, agreement for collection of energy use data from utilities, financing agreements, loan applications and forms, etc.)
 - ✓ Model application and approval procedures
 - ✓ Model protocol for energy audits and inspections
 - ✓ Model protocol for identifying and targeting high energy users for program participation
 - ✓ Recommended best policy practices
 - ✓ Marketing materials for PACE programs
 - ✓ Template customer satisfaction survey
 - ✓ Customer service model protocols
 - ✓ Model protocol for property owner follow up
- Savings-to-Investment ratios (SIR) and summary of utilization of SIR
- Comparative scoring calculator
 - Energy data tracking/reporting system
 - Summaries of performance evaluations of retrofitted homes based on utility-supplied energy consumption data and energy consumption baselines.
 - Summary of customer satisfaction surveys where available

BUDGET JUSTIFICATION

Florida State Energy Office (FSEO)

The FSEO is not requesting any funding from this award.

Technical Assistance Program (TAP)

▪ University of Florida (\$725,000)

Personnel/Salaries (\$380,001):

Project Manager, PREC Program Director (1144 hours * \$54.30 = \$62,128)
Project Coordinator (6,240 hours * \$28.85 = \$180,027)
Educational Materials Development Specialist (1040 hours * \$39.26 = \$40,829)
Energy Analyst (624 hours * \$20.67 = \$12,898)
Materials Developer (1,040 hours * \$26.89 = \$27,969)
Training Coordinator (1,248 hours * \$30.69 = \$38,298)
Research Associate (624 hours * \$28.61 = \$17,852)

Benefits (\$102,917):

UF's fringe benefits pool rates are 28.3% of base pay for faculty positions and 2.4% for OPS (Other Personnel Services), including Social Security, Medicare, Health Insurance, Retirement, Life Insurance, Clinical disability insurance, Worker's Compensation, and Unemployment Compensation.

Project Manager - \$62,128 x 28.3% = \$17,582
Project Coordinator - \$180,027 x 28.3% = \$50,948
Educational Materials Development Specialist - \$40,829 x 28.3% = \$11,555
Energy Analyst - \$12,898 x 28.3% = \$3,650
Materials Developer - \$27,969 x 28.3% = \$7,915
Training Coordinator - \$38,298 x 28.3% = \$10,838
Research Associate - \$17,852 x 28.3% = \$429

Travel (\$4,050): Travel to pilot program sites for training sessions (including local government trainings and train the trainer sessions), meetings with utilities and project meetings: Average \$150/trip x 27 trips = \$4,050

Travel costs are consistent with chapter 112.061, Florida Statutes.

Mileage – 0.445/mile; rental car \$26.58/day; lodging – actual; per diem - \$80/day - \$6 (breakfast), \$11 (lunch), \$19 (dinner).

Equipment (\$1,348): Computer for project coordinator

The costs are based on prior purchase of similar items.

Contractual (\$150,000): legal and financial consulting services (\$40,000); website development services (\$85,000); building sciences technology consulting services (\$25,000). Contractors have not yet been selected. These cost estimates are based on standard market value.

Other (\$20,775): Printing of marketing, educational and training materials (\$15,000); supplies for training workshops (\$3/person x 1,925 people = \$5,775)

These estimates are based on prior purchase, previous invoices and historical data.

Indirect Costs (\$65,909): IDC is UF's negotiated rate for state agencies at 10% of total direct costs.

▪ **League of Cities (\$275,000)**

Personnel/Salaries (\$21,400):

A percentage of existing staff including a loan services manager and administrative assistant has been assigned to provide reporting requirements of the grant as well as coordination of the PACE program among the TAP, BMO and FA. Personnel expenses also include supervisory review by a department director and in-house legal counsel.

Benefits (\$8,000): are estimated at 37% based upon Florida's League of Cities' benefit packages.

Travel (\$12,474): Staff will utilize efficient means of communication such as teleconference and email to conduct PACE program business; however, it is anticipated that some travel will be required. \$12,474 has been budgeted for travel expenses over the 36 month grant period.

Travel costs are consistent with chapter 112.061, Florida Statutes.

Mileage – 0.445/mile; rental car \$26.58/day; lodging – actual; per diem - \$80/day - \$6 (breakfast), \$11 (lunch), \$19 (dinner).

Contractual (\$227,126):

Legal Contractual The Florida League of Cities (FLC) will contract with Bryant Miller and Olive (BMO) to provide legal services for the PACE program. BMO has submitted a summary of legal services to be provided over the 36 month grant period. See list of services that was attached to the grant application for additional information. BMO services will be billed to FLC. The total amount budgeted is \$137,126. Per the grant application, Legal Support includes:

- Provide education on the full scope and implications of Florida's property assessment financing legislation as defined in House Bill 7179
- Assist with developing the necessary legal framework required at the local level, such as establishing local ordinances needed to implement and adopt a PACE program
- Develop templates for legal and financial documents, including loan applications and financing agreements with the property owner, notices to lender and subsequent buyers, recordable memorandum of agreement, contracts for auditor and contractor work, title review verification, and lender consent form.
- Develop template authorizing the levy of special assessments and documentation of the assessment to the Tax Collector.

- o Develop an agreement template for collection of energy usage data from municipal and investor owned utilities.

Financial Advisor (FA) Contractual The FLC has budgeted \$90,000 for a financial advisor with PACE program experience to provide the following services:

- o Develop information to aid in the issuance of bonds and other indebtedness; defining debt structure attractive to investors.
- o Propose procedures for debt issuance and strategies for lowering debt and administrative cost.
- o Collaborate with utilities to leverage PACE program dollars with existing demand side management, energy audit, rebates and incentive programs.
- o Assist with developing customer service protocols
- o Develop tools for internal program financial evaluation including a financial accounting protocol to ensure quality control and security in the financial management process. This will include a series of checks and balances for the funds disbursement process and a protocol for regular compliance reports
- o Develop a *Savings-to-Investment Ratio* for PACE program assessments

Contractors have not yet been selected. These cost estimates are based on standard market value.

Other (\$6,000): \$4,500 has been budgeted for meeting expenses associated with PACE program including the rental of meeting space, audio video rental, printing of handouts, and Webinars. These meetings would be held for educational purposes.

These estimates are based on prior purchase, previous invoices and historical data.

The FLC has a financial statement audit performed annually. \$1,500 has been requested to cover the additional audit costs incurred for our auditors to review the PACE program.

Orange County Pilot PACE Program

Personnel/Salaries (\$120,000):

Through the 36 month grant period \$120,000 will be applied toward the following positions: County Comptroller, County Tax Collector, Program Manager, Financial Administrator, Administrative Specialist, Budget Advisor, Division Manager.

Benefits (\$60,000): are estimated at 30% based upon a review of benefit packages in the County's salary plans.

Contractual (\$546,480): Includes legal and consultant fees to establish the organization and develop the business and marketing plans; to develop and maintain the website; to develop promotional materials to include the design and printing or placement of promotional brochures, print ads and radio spots.

Indirect Cost (\$73,520): IDC is Orange County's negotiated rate for state agencies at 9.19% of total direct costs.

The Orlando Utilities Commission (OUC) will provide a 1 percent interest rate buy down for the first three years of this program. This commitment from OUC will equate to \$300,000 of additional funding.

Sarasota County Pilot PACE Program

Sarasota County will use \$800,000 of grant funding for program administration and financing costs. Specifically, the County's program will apply \$326,250 toward start-up administration costs and \$473,750 towards buying down the interest rate and reducing transaction costs. Examples of reducing transaction costs may include, audit fees, application fees etc.

Contractual Expenses: Sarasota County is proposing to use grant funds to cover the administrative costs of setting up and implementing a PACE program, including legal and consulting fees.

The Sarasota County Pilot will leverage through bonding an additional \$18,595,000 towards the program.

St. Lucie County Pilot PACE Program

Grant funding will be used primarily for the Year 1 initiation and administration of a non-profit revolving loan fund that will provide low interest loans to homeowners for the installation of energy efficiency and conservation purposes. Approximately \$315,000 of the grant fund will be used to seed the no-profit revolving loan fund itself. The grant is intended to become self-sustainable after it transitions into a CDFI in Year 2 and receives infusion of investment capital from private investors.

1. *Personnel/Salaries (\$152,000):* As indicated, the revolving loan fund will be established as a non-profit and will transition into a non-profit Community Development Financial Institution (CDFI). Staffing and expenses are presumed to be similar for both non-profit organizations.
 - a. The non-profit revolving loan fund staff will oversee the development, implementation and administration of the revolving loan fund and its transition into a Community Development Financing Institution (CDFI). The staff also will oversee the development of the marketing, promotional and educational elements as well as fielding questions from the public. The CDFI will have a full-time Executive Director with an annual salary of \$80,000, The Executive Director will be responsible for the budget and operation of the CDFI, the securing of additional investments into the loan fund and will perform marketing, education and outreach through his connections within the community. An Administrative Assistant (\$30,000) and a Loan Coordinator/Analyst (\$42,000) will manage the office and the loan process. The Loan Coordinator/Analyst will oversee the loan processing done on-line as well as in person and will assist with the budget and reporting requirements of the SEP grant.
 - b. Salaries have been determined based upon based upon a review of the industry and of specific job descriptions, as well as of existing and comparable salaries within the County's salary plan.
 - c. Benefits (\$60,800) are estimated at 40% based upon a review of benefit packages in the County's salary plans.

Leon County will use \$800,000 of grant funding for program administration and financing costs. Specifically, the County's program will apply \$326,250 toward start-up administration costs and \$473,750 towards buying down the interest rate and reducing transaction costs. Examples of reducing transaction costs may include, audit fees, application fees etc.

Contractual Expenses (\$326,250): Leon County is proposing to use grant funds to cover the administrative costs of setting up and implementing a PACE program, including legal and consulting fees. Contractors have not yet been selected. These cost estimates are based on standard market value.

The Leon County Pilot will leverage through bonding an additional \$6,100,000 towards the program.