



## **Accelerating Commercial PACE**

November 29-30, 2011  
Pocantico Conference Center  
Tarrytown, NY

### **DRAFT AGENDA**

#### **DAY 1 – NOVEMBER 29, 2011**

##### **10:00-11:00AM     SESSION 1: Welcome and Introduction**

- **Introductions:**
  - Welcome from the hosts – RBF, PACE Now & CAP
  - Lightning round of introductions from attendees
  
- **Conference Objective:** *To convene leaders from organizations and disciplines who are (or could become) key PACE stakeholders, with the goal of building common understandings and forging shared strategies for overcoming market barriers and speeding the growth, scale, and standardization of PACE Commercial financing to become a mainstream financial product.*
  
- **Outlining the Four Challenges that Organize Our Agenda:**
  1. *Establishing Robust PACE Programs and Market Models:* Building from what's working on the ground, to establish a strong national market with meaningful standards and quality outcomes.
  2. *Building Demand in Commercial Real Estate Markets:* Establishing interest and trust among building owners, tenants and investors to create strong, predictable demand for PACE financed energy retrofits.
  3. *Gaining bank acceptance:* Aligning the interests of commercial lenders, mortgage markets, and PACE loan originators and servicers to establish market trust and increase the velocity of transactions.
  4. *Building PACE as a Mature Asset Class:* Ensuring a robust secondary market for PACE as a financial product with well understood risk and return profiles that match the needs of institutional investors.

**11:00-12:00PM      SESSION 2: Setting a Shared Foundation of Information**

- **Presentation: The Rapid Rise and Potential Promise of PACE**
  - PACE 101 in three slides – How it works
  - The Recent History of Residential PACE
  - Commercial PACE
    - Market potential
    - Results on the ground in Sonoma & Boulder pilots
    - Overview of emerging programs in key cities and differences in strategic approach around the country
    - Potential regulatory concerns and other barriers
  
- **Interactive discussion on goals, concerns, and priorities**

**12:00-1:00PM      LUNCH**

**1:00-2:30PM      SESSION 3: Building PACE as a Mature Asset Class (breakout) *Ensuring a robust secondary market for PACE as a financial product with well understood risk and return profiles that match the needs of institutional investors.***

➤ ***Key Themes for Discussion:***

- Beginning with the end in mind, design backward from a mature market condition.
- Characteristics that PACE assessments must share to enable aggregation and investment at scale
- Can underwriting standards be created and adopted to support wide scale aggregation of PACE assessments?
- Transitioning from “owner arranged” pilot program financings to volume that allows for aggregation
- How must the tremendous variation in commercial building types and uses be addressed?
- What roles can foundation PRI money play?
- What will institutional investors demand from this product?
- Are there regulatory obstacles and can they be overcome?
- Managing Risk and return: understanding hurdle interest rates, opportunities for credit enhancement, and the role of rating agencies.

**2:30-3:00PM      BREAK**

**3:00-4:30PM      SESSION 4: Gaining Bank Acceptance for PACE (breakout) *Aligning the interests of commercial lenders, mortgage markets,***

*and PACE loan originators and servicers, to establish market trust and increase the velocity of transactions.*

➤ **Key Themes for Discussion:**

- Addressing strategies for achieving appropriate lender notification and approval of PACE assessments
- Can cost effective and creditworthy insurance products make existing lender approval automatic?
- What basic criteria might be established by lenders for approval of PACE assessments?
- Managing risk for primary lien holders to achieve alignment
- Can organizations like CREFC establish criteria for pre-approval of PACE assessments?

**4:30-5:30PM      TOUR OF KYKUIT, HOME OF ROCKEFELLER FAMILY**

**6:00PM-7:00PM      DRINKS ON THE CARRIAGE ROOM**

**7:00-8:30PM      DINNER**

**8:30PM      INFORMAL EVENING DISCUSSION IN THE HAYLOFT**

**DAY 2 – NOVEMBER 30, 2011**

**7:30-8:30AM      BREAKFAST**

**8:30-10:00AM      SESSION 5: Building Demand in Commercial Real Estate Market (breakout) *Establishing interest and trust among building owners, tenants and investors to create strong, predictable demand for PACE financed energy retrofits.***

➤ **Key Themes for Discussion:**

- What are the roles of local governments, program administrators, ESCOs, individual property owners and the organizations representing them (e.g. real estate boards, chambers of commerce)?
- Marketing strategies, and identifying new sales channels
- Understanding the value proposition for key market actors
- Managing key risks during pilot market development
- Exploring strategies for scaling building off of regional efforts
- Assessing gaps in current marketing and public communications

**10:00-10:30AM**      **BREAK**

**10:30-12:00PM**      **SESSION 6: Establishing Robust PACE Programs and Market Models (breakout)** *Building from what's working on the ground, to establish a strong national market with meaningful standards and quality outcomes*

➤ ***Key Themes for Discussion:***

- Building shared national political and campaign strategies to support growth and coordination among local, regional PACE programs.
- Reviewing the landscape of what is working on the ground with individual municipalities, consortiums, and the role of statewide agencies
- Developing centralized resources to streamline program development (avoid re-inventing the wheel)
- Identifying building blocks, capacity gaps, and resource needs.
- Discussing and narrowing the venues in which it will be most productive to pursue commercial PACE
- Exploring potential tradeoffs between pursuing speed vs. depth in building market acceptance
- Mapping allies, powerful interests, and key validators

**12:00-1:00PM**      **LUNCH**

**1:00-3:00PM**      **SESSION 7: Mapping Next steps – Building Collaborative Campaigns and Shared Strategies for Market Growth.**

- **Recap distilled findings from the 4 challenges**
- **Summarize needs and opportunities across regional programs and markets**
- **Discuss institutional capacity and interest in collaboration across organizations with an interest in PACE**
- **Distill next steps and action items**

**3:00PM**              **ADJOURN**