

# NEWS FROM Congressman **Steve Israel**



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For more information, contact:  
Lindsay Hamilton 202-225-3335  
lindsay.hamilton@mail.house.gov

## **News Release**

### **Rep. Israel Announces Introduction of Property Assessed Clean Energy (PACE) Bonds Legislation**

*Bill provides 100 percent Department of Energy loan guarantees to support PACE Bonds;*

*VP Biden & Secretary of Energy Chu highlight PACE Bonds as part of their "Recovery Through Retrofit" program*

Washington, DC – On Monday, Rep. Steve Israel (D-N.Y.) announced the introduction of legislation to support and expand Property Assessed Clean Energy (PACE) Bond programs (H.R.3836). A PACE bond is a small municipal bond where the proceeds are loaned to commercial and residential property owners to finance energy retrofits and who then repay their loans over 20 years via an annual assessment on their property tax bill. Rep. Israel's legislation will change the Department of Energy indirect loan guarantee program to provide 100 percent guarantees for PACE bond programs.

"PACE bonds are an innovative way to help property owners across America 'go green.' With a little help to finance energy efficient retrofits, property owners reap an immediate savings on their monthly energy bills," said Rep. Israel. "Today Vice President Biden and Secretary Chu highlighted the need for PACE Bond programs as part of our nation's economic recovery strategy. My legislation will help communities initiate their own PACE bond programs by providing 100 percent loan guarantees through the Department of Energy. PACE Bond programs will generate new markets for clean energy technologies, save homeowners money on their monthly energy bills, create green jobs and reduce our dependence on foreign oil."

According to PACE Now, an independent coalition of PACE bond supporters, it is estimated that the potential for PACE bonds could exceed \$500 billion. For most energy retrofit projects, property owners can expect to see an immediate energy savings of 20 – 40 percent. PACE bonds finance energy efficiency upgrades, such as double insulated windows, as well as the installation of clean energy technologies, such as solar panels or geothermal heat pumps. On Monday, Vice President Joe Biden and Secretary of Energy Steven Chu discussed PACE bonds as part of their “Recovery through Retrofit” plan.

PACE bond programs are endorsed by Alliance to Save Energy, Climate Communities, National Association of Real Estate Investment Trusts (NAREIT), Natural Resources Defense Council (NRDC), Real Estate Roundtable, Solar Energy Industry Association (SEIA), Stewards for Affordable Housing for the Future (SAHF), California Energy Commission, the American Institute of Architects and Polyiso Insulation Manufacturers Association (PIMA).

There are more 150 energy efficiency financing programs in the United States, but many have limitations that include short repayment periods, high interest rates, credit requirements that do not account for energy savings, a lack of options for recent homebuyers and limited availability for households most in need. PACE bonds have several advantages for participants over other financing options, including a longer repayment period (up to 20 years), a lien attached to the property – not the owner, reduced transaction costs, tax benefits and low interest rates.

Rep. Israel serves on the House Appropriations Subcommittee on Energy and Water. He is the co-chairman of the House Sustainable Energy and Environment Coalition.