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REQUEST FOR INFORMATION

Implementing and Administering Property Assessed Clean Energy (PACE) Programs in Texas

April 15, 2014

To All Interested Parties:

PACE financing programs will soon be launched in Texas. With this Request for Information (RFI), we encourage all interested parties to review the final draft of **PACE in a Box** and to provide comments and suggestions to optimize the success of the **PACE in a Box** model program we have established and help us avoid pitfalls for the benefit of all potential stakeholders. We also hope that reviewing **PACE in a Box** will encourage you to consider participating in the implementation and operation of PACE programs and promoting projects throughout Texas.

Working with a broad-based coalition of expert volunteers, Keeping PACE in Texas (“KPT”), a non-profit association, has developed “**PACE in a Box**” – a model toolkit to assist local governments in establishing standardized commercial and industrial PACE programs pursuant to The Property Assessed Clean Energy Act. This Act was enacted in 2013 and codified in Texas Local Government Code Chapter 399. The new Act and **PACE in a Box** is the first model program designed from the start by a collaboration of business stakeholders, local governments and others.

The goal of **PACE in a BOX** is simple: To facilitate the creation of uniform and user-friendly PACE programs throughout Texas that will be sustainable and can be scaled to regional administration. KPT will provide **PACE in a Box** to local governments at no cost in an effort to help expedite the implementation and widespread use of uniform PACE financing programs.

A final draft of **PACE in a Box** (click [here](http://www.keepingpaceintexas.org/pace-in-a-box/)) is available for review and downloading at the KPT website: <http://www.keepingpaceintexas.org/pace-in-a-box/>. KPT is seeking constructive feedback on this draft from all interested parties. Respondents may choose to answer only those questions relevant to that respondent (e.g., a water efficiency company may just want to answer the one water question and welcome that feedback even if it is to only that question). All replies to the attached Request for Information (RFI) will be considered and greatly appreciated. Please submit responses and questions to:

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www.KeepingPACEinTexas.org

To be considered, responses must be received by May 15, 2014. Thank you, in advance, for taking the time to help in the design, implementation and administration of **PACE in a Box**.

Request for Information



In order to evaluate and improve upon the **PACE in a Box** model program, KPT is soliciting comments and suggestions from potential third-party administrators, implementers, lenders and all other PACE stakeholders. Responses to this RFI will be utilized in developing the final version of the **PACE in a Box** toolkit.

KPT requests responses to the items listed below and/or any other information the respondent may wish to provide:

1. Name, address, email and telephone information, and primary place of business (including contact information for follow-up inquiries).
2. Please describe your organization's experience in implementing and/or administering commercial PACE programs and note whether your experience includes any water efficiency projects as well as any agricultural projects.
3. Based on your experience with the necessary steps and tasks involved with setting up and administering a commercial PACE program, describe the roles and responsibilities your firm would propose to do to implement and/or administer a **PACE in a Box** model program.
4. Please provide general guidance for program administrators in cost recovery. What do you consider to be the best way to structure the fees to be charged for administration of a PACE program? Should fees be fixed amounts or calculated as a percentage of project cost? Should fees be charged on a one-time basis or spread out over the life of the assessment?
5. Should lenders handle their own debt servicing? If private lenders could not service the debt, describe the assessment process you would recommend and who would administer it.
6. Can you suggest ways to streamline and/or minimize the cost of the PACE application process?
7. Can you suggest ways to ensure that all available incentives are utilized?
8. What role, if any, should an administrator have in marketing PACE programs?
9. PACE financing will be available in Texas for water efficiency projects.
 - a. Can you suggest ways to promote PACE financing for water efficiency projects?
 - b. What recommendations do you have for measuring and verifying water efficiency measures?
 - c. Which technical standards would you recommend using to evaluate water efficiency projects?
10. PACE financing will be available in Texas for multifamily projects consisting of five or more dwelling units. Can you suggest ways to promote **PACE in a Box** to multifamily building owners? Please provide any additional information or suggestions for meeting the needs of the multifamily sector.
11. How would you promote PACE to the agricultural and industrial sectors?

12. What recommendations do you have for maximizing the creation and use of PACE in rural areas?
13. What recommendations do you have for maximizing the use of PACE for historical and non-profit properties?
14. What recommendations do you have for encouraging the development of regionally administered PACE programs using the **PACE in a Box** model?
15. The Texas PACE statute permits PACE assessments where the property owner “contract[s] directly, including through lease, power purchase agreement, or other service contract, for the installation or modification of a qualified improvement.” What **PACE in a Box** program elements must be in place to enable PACE applicability to third-party contracts in the context of both private capital and public bonds? What elements should be avoided?
16. What recommendations do you have for communication among Texas PACE administrators over time to:
 - a. Coordinate program feedback and improvement in a standardized way;
 - b. Stay uniformly current with developing best practices and national programmatic standardization;
 - c. Collect, disseminate and use uniformly collected data; and
 - d. Collaborate on efficiencies and support among PACE programs in Texas?
17. What recommendations or examples can you provide for “best practices” for property owners considering applying to a PACE program (contractor selection, measurement and verification, etc.)?
18. Please provide any other comments or information that should be considered in improving the design, implementation and administration of the **PACE in a Box** model PACE program in Texas.

Additional information about PACE in Texas is available at www.keepingpaceintexas.org

Please note: Information provided pursuant to this RFI may be subject to applicable laws regarding public records.