

From: Prosper, Terrie D.  
Sent: 7/14/2010 9:22:25 AM  
To: Prosper, Terrie D. (terrie.prosper@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: CPUC Information Alert - Letter to California Congressional Delegation re: PACE Financing

**CPUC Information Alert - Letter to California  
Congressional Delegation re: PACE Financing**

Below  
is a letter sent yesterday by California Public Utilities Commission  
President Michael R. Peevey and Commissioner Dian M. Grueneich to the California  
Congressional Delegation regarding the halt of PACE  
financing.

Please  
let me know if you have any questions.

Terrie Prosper  
Director, News & Public  
Information Office  
California Public Utilities  
Commission  
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July 13,  
2010

Dear Members of the  
California  
Congressional Delegation:

California needs your help immediately. The Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac struck a body blow this month to California's landmark efforts to lead the nation in weatherizing homes and placing solar panels on buildings, bringing to a halt more than \$450 million in retrofit projects. Absent immediate federal action, California's launch of the largest retrofit program in the country cannot happen.

On July 6, FHFA issued a statement that effectively halts the promising PACE (Property Assessed Clean Energy) financing programs in California and in communities across the country. First pioneered in California just two years ago, PACE is an innovative local government tool that eliminates the upfront cost associated with energy efficiency, renewables, and water conservation retrofits.

California has allocated \$50 million in American Recovery and Reinvestment Act (ARRA) stimulus funding to PACE financing programs. As a result, more than 200 California communities have either launched or are preparing to launch PACE programs, and together they will leverage more than \$400 million that is now in limbo due to FHFA's statement. PACE programs enable homeowners to dramatically reduce their utility bills, while creating thousands of local construction and other jobs. And they have enormous potential to help California achieve critical reductions in energy use and greenhouse gas emissions.

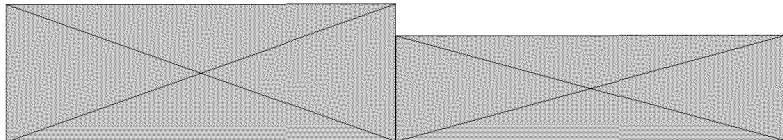
California has adopted a Long Term Strategic Plan for Energy Efficiency and a key component is the comprehensive retrofit of buildings throughout the state, to provide us with a clean energy economy. The Commission has reshaped energy efficiency and low income programs to align with PACE programs, so that utility ratepayer dollars can be combined with ARRA funding and PACE financing to achieve maximum energy and dollars savings. Thus, the halt of PACE financing jeopardizes not only ARRA funded programs but also this Commission's authorized \$3.8 billion energy efficiency programs set for 2010-2012.

If this is not addressed

immediately by expedited Congressional legislation or other appropriate action, then the efforts that California has made, working in harmony with our federal counterparts, to launch this popular job creation/energy saving program across California will come to naught.

We request your leadership in addressing the critical issue to California at the earliest opportunity.

Respectfully,



Michael R.  
Peevey

President

Dian M.  
Grueneich

Assigned Commissioner, Energy  
Efficiency and Low Income Energy  
Programs

cc:  
The Honorable Timothy Geithner, Secretary, U.S. Department of the  
Treasury

The Honorable Shaun Donovan, Secretary, U.S. Department of Housing and Urban Development

The Honorable Stephen Chu, Secretary, U.S. Department of Energy

Mr. Edward DeMarco, Acting Director,  
Federal Housing Finance Agency

The Honorable Arnold Schwarzenegger, Governor, State of California

The Honorable Nancy Sutley, Chair,  
Council on Environmental Quality

Ms. Carol Browner, Director, White House  
Office of Energy and Climate Change

The Honorable Bill Lockyer, State  
Treasurer and Chair, CAEATFA

Mr. Charles E. Haldeman, Jr., Chief  
Executive Officer, Freddie Mac

Mr. Michael J. Williams, President and  
Chief Executive Officer, Fannie Mae

Ms. Karen Douglas, Chair, California Energy  
Commission