



“Bay Area communities working together for a sustainable energy future.”

Memorandum

To: ABAG Member Jurisdictions
From: Jennifer K. Berg, BayREN Program Manager
Re: Regional Collaborative Services Agreement for Residential PACE
Date: April 6, 2016

This memo is provided to explain the Association of Bay Area Governments (ABAG) Regional Collaborative Service Agreement (RCSA) for residential PACE programs (Property Assessed Clean Energy) in the nine county Bay Area region.

BayREN and PACE

The Association of Bay Area Governments (ABAG) serves as the Program Administrator for the Bay Area Regional Energy Network (BayREN), a consortium of the nine counties that work together to develop and implement innovative energy efficiency programs, funded primarily by California ratepayers. PACE programs allow qualified property owners to obtain affordable, long-term financing for energy efficiency, renewable energy, and water conservation improvements, and repay it through their secured property tax bills. BayREN was originally authorized to run a *commercial* PACE Program, with a focus on providing outreach and education to help commercial sector stakeholders take advantage of this powerful new financing mechanism.

In the past few years, residential PACE has made resurgence in California, mainly due to demonstrated success in Southern California, and by the establishment of the State’s [PACE Loss Reserve](#) program. In order to help BayREN member jurisdictions better prepare joining third-party administered residential PACE programs, in 2015, ABAG issued an RFI to active PACE administrators to help identify and institutionalize key best practices through the use of the RCSA.

Regional Collaborative Services Agreement (RCSA)

The RCSA is intended to ensure consistent application of key programmatic elements (“best practices”) considered to be critically important for local government partners. These include: consumer protections and disclosures; local government risk mitigation and indemnification; co-marketing complementary energy efficiency programs; contractor and project quality assurance; and performance tracking, data, and reporting.

ABAG will execute the RCSA with active PACE administrators; member jurisdictions can then sign an “ABAG Member Acknowledgement Form” to the RCSA in order for these terms to apply to PACE activities in their community, and return the executed Acknowledgment to ABAG. This procedure will result in greater efficiency and help streamline the process for ABAG member jurisdictions.

IMPORTANT NOTE: Local jurisdictions will still need to pass required resolution(s) to join a residential PACE program for their own city or town. While opting into an existing program or programs is simpler than setting up your own Program, you are giving up some control over program activities. With the RCSA, jurisdictions can have confidence that Programs will adhere to high program standards; provide relevant data for local program performance tracking; and are minimizing risk for community members and the local agency.

For more information, please contact Jennifer Berg, jennyb@abag.ca.gov.