



## **PACE ARKANSAS INITIATIVE (SB 640)**

### **What is PACE?**

A Property Assessed Clean Energy (PACE) bond or lien is a debt device where proceeds are lent to interested property owners to finance energy efficiency improvements, water conservation improvements, and renewable energy projects that reduce their energy costs.

### **Why do Arkansans need access to PACE loans?**

- Property owners can finance for up to 20 years the costs of energy and water efficiency improvements and renewable energy projects. There are no upfront costs.
- Energy cost savings from PACE-eligible improvements exceed the loan payments which are assessed annually on the property owner's property tax bill. For business owners, this means that PACE improvements increase their company's cash flow.
- Cities, counties, and even the state have the opportunity to create jobs with no added credit risk.
- PACE improvements increase property values.

### **How does a PACE program work?**

- PACE legislation authorizes voluntary creation of energy improvement districts which will be certified to issue general revenue bonds. Proceeds from these bonds will fund loans to interested property owners for energy efficiency improvements, water conservation improvements, and renewable energy projects.
- Energy Improvement Districts may consist of individual cities and counties, or a combination of the various jurisdictions. A district could be organized statewide.
- Creates a PACE Board of Directors to govern the program.
- Loans or liens stay attached to the property until loan/lien is repaid.
- Energy and water improvement work must be performed by qualified and certified providers thus protecting property owners and PACE districts.

### **Why does the AAEA endorse the PACE Initiative?**

- An effective PACE program can be an economic boost for the entire state. PACE will reduce energy costs for participating consumers and create jobs in the energy efficiency and renewable energy sectors.