




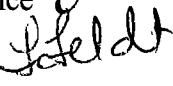
ROCKVILLE, MARYLAND

MEMORANDUM

March 18, 2016

TO: Nancy Floreen, President  
Montgomery County Council

FROM: Joseph F. Beach, Director   
Department of Finance

Lisa Feldt, Director   
Department of Environmental Protection

SUBJECT: Annual Report on the County's Commercial Property Assessed  
Clean Energy program

We are submitting to the Montgomery County Council the first annual report on the County's Commercial Property Assessed Clean Energy financing program (C-PACE), which was created to assist qualifying commercial property owners to make energy efficiency and renewable energy improvements to their buildings. This annual reporting requirement is described in Section 18A-37(b) of the Montgomery County Code, which stipulates that:

*"The Executive must submit an annual report to the County Council by March 15 of each year describing program participation, number and dollar value of surcharge billed and collected, and other relevant information pertaining to the prior calendar year."*

Upon the adoption of Bill 6-15 in 2015, which enabled the County to create a C-PACE program, the Department of Finance and the Department of Environmental Protection coordinated on the development of a robust program as envisioned in the legislation. One goal of the legislation was for the County to have a strong presence in the development of the program while also maintaining a streamlined program to maximize the participation of energy services companies and commercial property owners.

The County has retained, through a competitive contracting process, PACE Financial Servicing as the County's Program Manager and Greenworks Lending as the program's County Designated Lender. The services of these companies are provided at no cost to the County throughout the duration of the contract. The costs these companies incur for their services are collected from recipients of C-PACE loans through fees based on the size of the

Nancy Floreen, Council President

March 18, 2016

Page 2

loan. These organizations have greatly assisted the County with the development of program guidelines; providing information, training, and outreach to building owners and energy services companies; and helping to create program documents that will be used to expedite projects from inception to completion.

The County has held joint work sessions with the Program Administrator and County Designated Lender to develop programmatic, legal, and outreach documents; these documents will be available on the Montgomery County C-PACE program public website in the near future. The County also organized an educational Montgomery County Commercial PACE Open House earlier this month, which was well attended by potential program participants from the lending, contracting, and property owner communities. The County will officially launch the C-PACE program during the Montgomery County Energy Summit in April 2016 with additional trainings and workshops for the commercial building, lending, and contractor sectors.

Since the program's inception in FY16, the County has laid a strong foundation for a successful C-PACE program, and the program has generated a lot of interest from the County's commercial property owners. To date, the C-PACE program does not yet have completed projects to report, but it is anticipated that the first C-PACE projects will be completed in the coming months. Projects completed and submitted to the Department of Finance by May 1, 2016 would be included in next year's property tax billing. We look forward to having more to share with the Council in the March 2017 annual report.

If you have any questions on the C-PACE program or information provided in this annual report, please contact David Crow, Fiscal Projects Manager, Division of Fiscal Management at extension 7-8859 or Lindsey Shaw, Energy Program Manager, Department of Environmental Protection at extension 7-7754.

cc: Isiah Leggett, County Executive  
Timothy L. Firestine, Chief Administrative Officer  
Roger Berliner, Vice President, Montgomery County Council  
Bonnie Kirkland, Assistant Chief Administrative Officer