



AIR AND CLIMATE PUBLIC ADVISORY COMMITTEE

October 17, 2016
5:30 - 7:30 P.M.
COG Meeting Room 4/5

DRAFT MEETING SUMMARY

ACPAC MEMBERS:

- Reba Elliot (Phone)
- Richard Ezike (Phone)
- Gretchen Goldman (Phone)
- John Howes
- Robin Lewis
- Sarah Mazur
- Natalie Pien
- Maggie Shober
- Gabriel Thoumi
- Glenna Tinney
- Tamara Toles - O'Laughlin

STAFF:

- Leah Boggs
- Amanda Campbell
- Maia Davis
- Michael Truax
- Stephen Walz

GUESTS:

- Lindsey Shaw
- Bracken Hendricks
- Upasana Kaku
- Greg Miller
- Abby Johnson (Phone)

A) CALL TO ORDER, AGENDA, MEETING SUMMARY APPROVAL AND INTRODUCTIONS

Glenna Tinney, ACPAC Chair

The meeting agenda was approved without changes. The meeting summary was approved with the following changes: adding Gabriel Thoumi's name to the list of attendees and the correcting the spelling of John Howes' name.

B) ENERGY EFFICIENCY AND RENEWABLE ENERGY FINANCING

Lindsey Shaw, Montgomery County PACE and Green Bank

Bracken Hendricks, Urban Ingenuity, DC Commercial PACE Program

Abby Johnson, Abacus Property Solutions and Virginia PACE

Montgomery County

Ms. Shaw explained that Montgomery County began developing their property assessed clean energy (PACE) program after Maryland passed enabling legislation allowing local governments to do so. The contractor Montgomery County selected to design their program previously launched a PACE program in Connecticut. The designated lender is Greenworks. The first project is underway, a \$1.4 million project in Gaithersburg, as announced in a press release last Monday. It is the first PACE project in the state of Maryland. Their program offers a specific PACE tool that fills a gap for non-profits that build and manage affordable housing.

The PACE program is one offering of the Montgomery County Green Bank, which was started to spur clean energy and fill gaps in the market to improve financing availability for those residential and commercial entities that need it. A lot of research went into identifying the green investment needs in the county. The Green Bank just formed its Board of Directors (BOD). Technically it is not a bank – they are planning on choosing a new name. Seed funding is from the Pepco Exelon merger agreement, but the BOD is looking at foundations as well. The idea is to leverage public funding to seed private capital investments clean energy. One stipulation of the merger was that funds would be invested in projects that serve low and moderate income residents, but the details have yet to be defined. Those interested in learning more can sign up for the newsletter, [Green Bank News](#).

District of Columbia

The District of Columbia (DC) went through a thorough process to develop their commercial PACE product. DC's program has an open market for lenders. They are seeing a lot of demand from non-profits, the affordable housing sector, and civic-oriented organizations such as schools, healthcare facilities, and religious institutions. It is these 'niche' markets where the need for capital to fund clean energy projects is greatest.

The hurdle in implementing PACE is that lenders are often opposed to a tax payment taking precedence over the first mortgage. In DC, the program was fortunate in that lenders and mortgage holders liked PACE once they understood the value proposition. Difficulties arise only in cases where mortgages are pooled and collateralized. Any property could be covered except for single family residential. That market became difficult to serve after the mortgage crisis. Urban Ingenuity is considering serving residential properties at some point.

DC's program is administered outside of the government. Seven projects have been completed so far, with about \$57 million in additional projects in the pipeline. It takes a lot of lead time to educate property owners. Mr. Hendricks clarified that the program is in discussions with WMATA and DC Water on their projects. Green infrastructure and stormwater best practices may be included in a project if they are shown to have a nexus with the larger project goals.

Virginia

Ms. Johnson described Arlington's development of a PACE program in the Commonwealth of Virginia. Legislation was passed in 2015 allowing the PACE loan to be senior to the first mortgage. In 2016, Abacus developed the underwriting guidelines. The legislation required that Abacus convene stakeholder groups, which they have been undertaking. COG's PACE working group was very helpful

in the process. They issued a request for proposals to find a program administrator, which will probably be awarded in December. Hopefully by mid-year the program will be up and running.

Other Virginia jurisdictions are asking to opt in to Arlington's program or build off of it so that developers wouldn't be subject to different requirements in each jurisdiction. DC, Maryland, and Virginia just received a grant to develop a PACE program regionally. The state Energy Office is the grant recipient in Virginia. Richmond, Norfolk, and Charlottesville have shown interest in opting in to a PACE program.

Discussion

- Ms. Tinney asked how each program is working to serve environmental justice communities. Mr. Hendricks responded that DC's tool is economic development and community development focused. It is about creating jobs and reducing climate change, although environmental justice is not in the law specifically. Ms. Johnson asked to learn more about environmental justice and how it could play a part in the development of Virginia's PACE program. Ms. Tinney said she will follow up with her.
- Ms. Toles – O'Laughlin clarified that underserved communities include not just low-income, but also English as a second language, those living near hazardous activities, and others.

C) ENVIRONMENTAL JUSTICE (EJ)

Glenna Tinney, ACPAC Chair

Since the last meeting, Mr. Howes and Mr. Heald provided additional case studies. Now, Ms. Toles – O'Laughlin is working on unifying the voice of the text. Next, Ms. Fisher will edit more deeply, and then Ms. Goldman will conduct a third review. Then, ACPAC will review the result, and it will go to COG staff for editing. ACPAC will review it once more before it is presented to COG committees and EJ advocates for feedback.

Ms. Tinney said that a conscious decision was made to allow more time for the toolkit to be finalized before going to COG staff. The hope is that it will be approved by MWAQC and CEEPC before the end of the year. The toolkit will be produced in the form of a pdf document.

Ms. Toles – O'Laughlin said that Finance will be in its own section. Seth provided an interesting case study that shows what can happen if things are not handled well – it provides valuable 'lessons learned'. The case study is from outside the region. Mr. Moring provided some helpful information on EJ in Prince George's County. Additional information and case studies on EJ activities in Virginia is needed. Stakeholders are looking forward to reviewing the toolkit.

D) FLEETS FOR THE FUTURE INITIATIVE

Leah Boggs, COG Environmental Programs

COG was awarded a grant through the National Association of Regional Councils to develop a regional cooperative purchase of alternative fuel vehicles (AFVs) and infrastructure. Baltimore and Washington have already merged their cooperative purchasing programs under the name "Mid-Atlantic Purchasing Team" (MAPT). Under the grant, MAPT is in discussions with the Delaware Valley Regional Planning Commission to create even broader purchasing power. MAPT conducted a survey of possible fleet managers, which included COG member jurisdictions, Universities, public utilities,

and schools. Results reveal that 9,000 vehicles were up for replacement, many of which could potentially be replaced by AFVs. Under the Department of Energy's definition, AFVs include vehicles fueled by natural gas, propane, e85, and electricity.

Discussion/Feedback

- Mr. Howes commented that many of the alternative vehicles and infrastructure require a significant amount of energy to construct. Furthermore, many vehicles contain batteries and other components that are difficult to recycle and may create a solid waste problem down the road.

E) COG UPDATES

- a) Climate Action Plan: Ms. Davis shared a shorter list of potential actions with proposed percent implementation goals for committee review. A list of principles also helps define the focus of the actions. Ms. Tinney asked the committee to review these documents thinking about equity and environmental justice in particular. Ms. Davis added that environmental justice will be woven into the resource guide as well.
- b) COG is working on the PACE regional grant through the established working group.
- c) COG's Climate Action Champions designation allowed us the opportunity to apply for additional grants which COG was awarded, including geothermal site assessments and microgrid site assessments. Through the microgrid grant, combined heat and power assessments are being conducted at four sites across the region.
- d) COG received a grant to develop a utility energy registry to automate and standardize utility data analysis, an upgrade from the current manual process. This project begins in January.
- e) COG also received a grant from the Department of Energy that is coordinated through ICLEI and the City of Bellevue, Washington. ICLEI will assess COG's greenhouse gas inventory and identify the causes of changes manifested over time.

F) ADJOURN

The next meeting is scheduled for November 13th, 2016.

Reasonable accommodations are provided upon request, including alternative formats of meeting materials. For more information, visit: www.mwcog.org/accommodations or call (202) 962-3300 or (202) 962-3213 (TDD)