



CITIZENS UTILITY BOARD
Empowering Minnesota Consumers

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March 15, 2018

Representative Tim O'Driscoll
559 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

Senator Eric Pratt
95 University Avenue W.
Minnesota Senate Building, Room 3219
St. Paul, MN 55155

RE: Support for HF 3688/SF 3245

Dear Representative O'Driscoll and Senator Pratt:

On behalf of the Citizens Utility Board of Minnesota (CUB), I am writing to support HF 3688/SF 3245, which would reauthorize residential Property Assessed Clean Energy (PACE) financing in Minnesota with sufficient consumer protections.

CUB is a nonprofit advocate for Minnesota's residential and small business energy consumers. We are interested in additional options for homeowners to finance energy improvements that can lower both their utility bills and their energy-related emissions. However, significant consumer concerns led us to support last year's suspension of residential PACE, combined with a stakeholder process to identify the protections necessary. The bills you carried last year named CUB to that task force, and we learned greatly through the process. This letter will discuss only a few of the important topics covered by the task force and included in the bills that you are carrying this year.

Consumers should have every option to invest in cost-effective energy improvements to their homes. However, home energy investments should not put consumers at undue financial risk – especially when the financing has actual or perceived endorsement by a state or local government. We believe that your bills appropriately balance these interests. Clear oversight and accountability is crucial for ensuring consumer protections in the residential PACE program, and CUB supports oversight by the Minnesota Department of Commerce. Where options exist to help consumers finance energy improvements, it is reasonable to require PACE providers to make those options known to their customers. This is especially true for low-income consumers, who may qualify for subsidized weatherization, energy assistance, and financing programs. Finally, a third party that does not have a financial stake in the loan should determine which energy improvements are eligible for residential PACE financing. Your bills ensure this will happen, without requiring duplicative work by regulators, by relying on an existing list of cost-effective energy efficiency measures, while also allowing flexibility for additional, cost-effective improvements to qualify.

Thank you for your leadership on this issue.

Sincerely,

Annie Levenson-Falk
Executive Director

Cc: Senator David Osmek, Chair, Energy and Utilities Finance and Policy Committee
Representative Pat Garofalo, Chair, Job Growth and Energy Afford. Policy and Finance Committee
Members, Senate Energy and Utilities Finance and Policy Committee
Members, House Job Growth and Energy Afford. Policy and Finance Committee