



September 24, 2010

Dear members of Congress:

Environmental Entrepreneurs (E2) represents a national community of 850 business leaders who promote strong environmental policy to grow the economy. We are entrepreneurs, investors and professionals who collectively manage nearly \$90 billion of venture capital and private equity. Our members have started over 1,100 businesses, which in turn have created over 500,000 jobs

We ask you to support legislation that guarantees local government the right to establish clean energy programs, known as Property Assessed Clean Energy (PACE). PACE is a local government solution that helps home and building owners finance energy efficiency and renewable energy improvements to their properties without relying on federal or local subsidies. In addition to bringing much-needed private capital into the retrofit market, PACE financing is central to many state and municipal efforts to develop their local economy and is crucial for property owners seeking to reduce their energy costs.

As business owners and entrepreneurs, we recognize the critical role PACE financing plays in the deployment of clean energy solutions, and the resulting job generation and economic growth. The Center for American Progress estimates that every \$1 million of investment in energy efficiency retrofits will result in 12.5 full-time-equivalent jobs per year, and efficiency retrofits can save property owners thousands of dollars per year in energy costs.

In just the past two years, twenty-three states and the District of Columbia have passed laws enabling local governments to develop PACE programs. From the residential perspective alone, assuming a very conservative 3% PACE penetration rate over the next decade, 3,300,000 homes would be retrofitted, which at an average job cost of \$15,000 would result in just under \$50 billion of construction activity financed almost entirely by the private sector. This retrofit activity would create well over 100,000 long term jobs in the construction industry, lead to substantial reduction in national energy consumption, and make a very meaningful contribution to meeting our nation's targeted greenhouse gas reductions.

Under these circumstances, we cannot afford the recent actions by our nation's regulators, FHFA and OCC, to block PACE financing pilot programs. The regulators' action is a direct challenge to states' rights to levy tax assessments for public purposes, based on the erroneous assertion that PACE financing is a loan program rather than a tax assessment-based financing mechanism.

Our nation's ability to scale and deploy our clean energy technologies, create new jobs and reduce the cost of energy will be greatly enhanced by PACE financing programs. We urge you to promote PACE by passing S. 3642 and H.R. 5766, the PACE Assessment Protection Act, or similar PACE legislation that guarantees the right of state and local government to form special assessment districts to promote clean energy programs and fulfill the promise of PACE.

Sincerely,

The following 245 E2 members have signed this letter:

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