



Overview

Property Assessed Clean Energy (PACE) is a financing tool used to provide property owners affordable, long-term capital to implement energy efficiency and renewable energy improvements. [Thirty six states and D.C.](#) have enabled commercial PACE, and several others are considering legislation despite attempts to roll back the program.

PACE financing is attached to the property rather than the owner, enabling PACE financing terms to reach as long as 20 years, making projects much more affordable in many cases. Since 2008, residential PACE financing has been available in a few jurisdictions in states such as California and New York, and at least four states now offer residential PACE financing. After original Federal Housing Administration (FHA) objections, the FHA released [residential PACE guidance \(PDF\)](#) for properties with FHA-insured mortgages, and the U.S. Department of Energy (DOE) released updated [Residential PACE Best Practices](#).

Legislation

- [Thirty six states and D.C.](#) have enabled commercial PACE, and several others are considering legislation despite attempts to roll back the program.
- Nebraska implemented an interim study that analyzes residential energy efficiency under PACE, provided at this [link](#).

KEY POINTS

- Since 2019, over [200,000 homeowners](#) have made \$5 billion in energy efficiency and other improvements to their homes through PACE financing.
- PACE financing stays with the building upon sale and [100% of the cost is repaid for up to 20 years](#) as an assessment added to the property's tax bill.
- Commercial PACE has been successfully implemented in 33 states. Residential PACE programs have had a slower start, but are starting to gain traction after revised [FHA guidance](#).

Other Resources

- PACENation resources: <http://www.pacenation.us/>
- Department of Energy's PACE best practice guidelines: energy.gov/eere/slsc/property-assessed-clean-energy-programs

