



www.efficiencyvermont.com
888-921-5990 | 802-860-4095

December 13, 2017

Town of East Montpelier
ATTN: Town Administrator
PO Box 157
East Montpelier VT 05651

Dear Town Administrator,

Financing options for customers looking to invest in energy improvements are getting better every day.

What started as a nascent sector in 2009 with the creation of the Property Assessed Clean Energy (PACE) financing program, is now a sector serving thousands of Vermont families with low-interest loans to invest in energy upgrades. Due to this market evolution, Efficiency Vermont will no longer administer new PACE financings, but rather shift our focus to administer the HeatSaver Loan program.

Your town created a PACE district and adopted the PACE program pursuant to Title 24, Chapter 87 of Vermont Statutes Annotated, as amended (the Act). The program allows homeowners to finance energy efficiency improvements and renewable energy systems through an assessment attached to their residence.

Under the Act, Vermont Energy Investment Corporation d/b/a Efficiency Vermont is responsible for providing information to municipalities concerning the implementation of the Act.

In addition, Efficiency Vermont is the Program Administrator for your municipality's PACE program, under a Program Administrator Agreement dated **September 12, 2013**. Your municipality has also entered an Interlocal Contract with other municipalities and the National Bank of Middlebury to provide funding for a Credit Facility to support the participating municipalities' PACE programs. The Interlocal Contract provides for Efficiency Vermont as Program Administrator to determine the timing and amount for the participating financial institution(s) to provide funds for deposit in the PACE Credit Facility.

To date, no homeowners in your municipality have obtained PACE financing.

128 Lakeside Avenue, Suite 401, Burlington VT 05401-5907



In recent years, the market for financing clean energy improvements has evolved. More products for wider audiences, across a range of financial institutions are now available. Although PACE filled an important role in jumpstarting the market, uptake has slowed given the growth of this sector and diversity of products.

Due to this market evolution, Efficiency Vermont will no longer administer new PACE financings nor will we direct financial institutions to provide funds for deposit in the PACE Credit Facility. Instead, we will work with the Department of Public Service and lending institutions to focus on the HeatSaver Loan program, which offers similar income-qualified rates and can be used for residential energy efficiency projects. Unlike PACE, however, HeatSaver loans are available to Vermonters statewide and require no action by municipalities enabling homeowners to participate. By dedicating more resources to the HeatSaver loan, we hope to maintain the positive momentum for financing for clean energy.

As a result, and in accordance with Section (4)(b) of the Program Administrator Agreement, we are writing to provide you with 90 days' notice that Efficiency Vermont is terminating the Program Administrator Agreement with your municipality. However, under the Act your municipality may continue to offer a PACE program using another Program Administrator and, as necessary, another funding source.

If you or residents in your town have questions about PACE or the HeatSaver loan, please don't hesitate to contact Efficiency Vermont at (888) 921-5990 or visit us online at www.encyvermont.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Karen Glitman".

Karen Glitman

Director, Efficiency Vermont