



In Alliance with **Apollo**

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Rep. Kathleen James, Chair
House Energy and Digital Infrastructure Committee
Vermont House of Representatives
Vermont State House
115 State Street
Montpelier, VT 05633-5301

RE: S. 138

Representative James:

I am writing as a member of the Board of Directors of the C-PACE Alliance, the industry trade group or all C-PACE capital providers and transaction partners, and on behalf of Petro PACE Finance, LLC, one of the nation's leading C-PACE capital providers, in support of S.138 with a slight amendment to the Senate version.

In my role, I have helped legislatures across the country draft C-PACE statutes that conform to the prevailing best practices that have helped the industry grow over 500% over the past 10 years. Most recently, I worked with the New Hampshire legislature on amending their C-PACE statute to make it workable, and just last week Alabama signed amendments into law I helped to draft that will allow C-PACE to begin in their state.

In its current form, S. 138 will allow C-PACE to begin in the communities of Vermont. With one small change, however, which was an oversight of mine when I helped Senator Chittenden and his staff in the Senate, it will make it workable and available in accordance with best practices.

In §3276(f), the term "assessed value" should be replaced as follows:

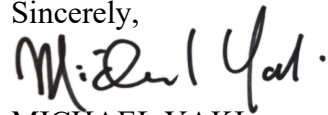
(f) The combined amount of the assessment plus any outstanding mortgage obligations for the property shall not exceed 90 percent of the assessed appraised real property value of that property, as stabilized or as complete.

"Assessed value" has been an impediment in other states because a) sometimes assessments lag in terms of a property's real value and b) when it comes to bare land for new construction, or devalued property requiring repositioning or a gut-rehab to make it viable, the assessed value will often be far below the construction costs. In fact, the use of assessed value has been removed from all other state statutes and programs.

It is important to know that any other lender on the property – that must give consent for C-PACE financing to be utilized – will be using “as stabilized” or “as complete” for the purposes of underwriting their loan for construction, so this language change allows C-PACE to be utilized as part of the projected capital stack, rather than being artificially excluded from having its climate and economic benefits being available to a property owner.

I appreciate the opportunity to testify in favor of an amended S.138 and look forward to collaborating with communities in Vermont to launch C-PACE programs in the near future.

Sincerely,

A handwritten signature in black ink that reads "Michael Yaki". The signature is written in a cursive, slightly slanted style.

MICHAEL YAKI

Senior Vice President and Sr. Counsel
Petros PACE Finance, LLC