

New Jersey Property Assessment Clean Energy (NJPACE) Municipal Financing Program  
By State Senator Bob Smith

In these times of economic uncertainty, we think about the outlook for the national and state economy. Jobs and job creation are foremost in everyone's minds. Exploring emerging industries here in New Jersey ensures that our workforce in the Garden State remains amongst the best in the nation. Close to four years ago, I had the opportunity to serve as moderator for the Governor's Conference on Workforce and Economic Development. Reporting on the potential for jobs going green and the next generation of job creation through technological innovation and sustainability was a personal highlight. Historically, New Jersey has grown through an industrial revolution that brought rural citizens to the cities to support many blue-collar manufacturing jobs. Through access to a variety of educational opportunities, we have a highly skilled workforce. New Jersey has been a great home to industry leaders and top corporations that support white collar jobs and keep America moving. Now, taking their place amongst the blue-collar and white-collar workers are workers wearing the bluish-green and greenish-white collars representing a new sector of employees, the "green-collar" workers.

As we work towards reinventing our workforce and as a new chapter in our history unfolds, the possibilities are boundless as technological breakthroughs continue to be made in the field of renewable energy. These jobs are wide-ranging, interesting and necessary. From the construction of windmills and solar panels to manufacturing, transportation, finance, research, engineering, education, architecture, and in other traditional industries there are or could be "green" components. As we strive to make an impact on global climate change both abroad and at home, we need to work to ensure a better environment in the Garden State, while are creating a new and sustainable workforce.

As a conference moderator those years back, I lead a panel discussion of how the Energy Master Plan for the State of New Jersey corresponds to Job Growth. This happens two ways: maintaining resources through conservation and efficiency and growing opportunities through alternative/new energy sources. Working to expand job training to include the Green-Collar Apprenticeship and Training Programs is underway

workers are being trained in green construction and energy-efficiency fields. Research and green-white collar jobs continue to emerge with the multitude of technological advances in the area of renewable energy.

In recent years, we, in the Legislature have made significant steps in this area by passing laws to promote sustainability. These measures most often garner bi-partisan support and make for good public policy coming from both sides of the aisle in Trenton. Funding clean energy became paramount and meeting this objective, culminating years of work, came to fruition with the signing of the New Jersey Property Assessment Clean Energy (NJPACE) Municipal Financing Program by the Governor on January 17, 2012.

NJ PACE is permissive with regard to municipal and county participation. It establishes a tried-and-true financing system where municipalities could assist their residents in making their homes more energy efficient with improvements such as more efficient windows, boilers or air conditioners or with alternative energy improvements such as wind turbines or solar systems. The municipalities would provide the money for the improvements and then collect a special assessment from the taxpayer while collecting the quarterly tax bill. Most municipalities are already using this system to make public benefit improvements to curbs and sidewalks.

To participate, municipalities would apply for approval to the Department of Community Affairs (DCA) for entrance into the program. A municipality may adopt an ordinance to establish a program to finance the purchase and installation of renewable energy systems and energy efficiency improvements by property owners. The governing body may apply to a county improvement authority that issues bonds or may issue bonds to finance the program. Funds for the purchase and installation of renewable energy systems and energy efficiency improvements shall be loaned to property owners in exchange for a clean energy special assessment on the property to be paid quarterly. In the case of financing provided by bonds issued by a county improvement authority, the clean energy special assessment shall be used to repay the bonds. The property owner who purchases and installs a renewable energy system under the program may also assign any solar renewable energy certificates or other renewable energy credits that accrue to the property owner from the operation of the system to the municipality or the county improvement authority to repay the loan for the system.

This program is a win-win for communities throughout New Jersey. Not only will it reduce the energy costs for local property owners by providing them with access to renewable energy sources or energy efficiency improvements, but it will also increase the values of improved properties. This will benefit the municipalities, all while creating local jobs and protecting the environment. This law will assist New Jersey communities in becoming green and sustainable. This system provides homeowners with the cheapest possible financing. Homeowners with energy efficient homes will realize money savings on their monthly electric, gas or water bills. Simultaneously, the municipalities would benefit with homes that are more valuable, which would be reflected in the tax assessment. Most importantly, though, municipalities would see the properties and homeowners in their communities moving towards greener, sustainable living.

During my time in the New Jersey Legislature, I have worked to write laws that impact our quality of life and leave a better New Jersey for our children and grandchildren. The initiatives have been wide-ranging from clean water (in our taps and in our coastal and inland waterways) to reducing diesel particulate emissions and ensuring the proper disposal of electronic waste and recycling. As we all get older, many of us consider what our legacy will be and how we have worked to help others and make a positive contribution. For me, perhaps my climate change minded legislation, which includes renewable energy, is the most important array of bills that I will contribute to the future of our state. As a former science professor, this is an opportunity to enact good public policy by using good science. The benefit is a cleaner and healthier environment and the creation of new jobs for our residents here in our state.