

DEPARTMENT OF BUSINESS OVERSIGHT*Ensuring a Fair and Secure Financial Services Marketplace for all Californians***Jan Lynn Owen****Commissioner of Business Oversight**

IN REPLY REFER TO:

FILE NO: PRO 02/17

April 19, 2018

**SECOND INVITATION FOR COMMENTS ON PROPOSED RULEMAKING
IMPLEMENTATION OF AB 1284
LICENSURE OF PACE PROGRAM ADMINISTRATORS UNDER THE
CALIFORNIA FINANCING LAW
(PRO 02/17)**

BACKGROUND

On December 1, 2017, the Department of Business Oversight (“Department”) sought comments from interested parties on the implementation of AB 1284 (Chapter 475, Statutes of 2017), which set forth a licensing scheme administered by the Department for property-assessed clean energy (PACE) program administrators.¹ The Department received comments from interested parties, and developed draft rules. Prior to initiating a rulemaking action, the Department invites interested parties to provide comments on the draft rules.

SECOND INVITATION FOR COMMENTS

In addition to providing comments on the Department’s draft rules, interested parties may submit comments related to any area under which the Department has authority to adopt rules related to PACE programs. If an interested party previously recommended the Department proceed in a manner that does not appear in draft text, the Department requests that the interested party further explain the need for the rule, as follows:

- Provide an explanation of the need for the rule, including data to substantiate the need, if available;
- Provide an explanation of the costs and benefits of the requested rule;
- Provide sample text of the requested rule; and

¹ A “program administrator” is a person administering a PACE program on behalf of a public agency. (Fin. Code, § 22018.) A PACE program is a program where financing is provided for the installation of efficiency improvements on real property and funded through property assessments, as authorized by specified laws. (Fin. Code, § 22016.)

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- Explain whether other businesses engaged in financing energy improvements are subject to the same rule, and if not, explain why the requested rule is appropriate for PACE financings.

The Department requests commenters provide the following:

- Explain the support of, or objection to, the draft rule, including data to substantiate the position, if available;
- Explain the impact of the draft rule; and
- Explain the costs and/or benefits of the draft rule.

When commenting on the draft rules, the Department requests commenters consider and comment on how the recommendations will impact the availability and cost of PACE financing, and whether the benefits of the rules outweigh the cost.

TIME FOR COMMENTS

Comments should be submitted by June 8, 2018.

HOW TO SUBMIT COMMENTS

You may submit comments by either of the following means:

Electronic

Comments may be submitted electronically to regulations@dbo.ca.gov. Include PRO 02/17 (PACE) in the subject line, and copy Colleen Monahan at colleen.monahan@dbo.ca.gov.

Mail

Department of Business Oversight, Legal Division
Attn: Mark Dyer, Regulations Coordinator
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CONTACT PERSONS

Questions regarding this invitation for comments may be directed to Colleen Monahan, Senior Counsel, at (916) 323-7384 or colleen.monahan@dbo.ca.gov.