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**PALM DESERT SUES TO PROTECT ENERGY EFFICIENCY PROGRAM**

**PALM DESERT, CA (October 4, 2010)** – The City of Palm Desert today filed a lawsuit in federal court in San Francisco to protect a wide-ranging city energy efficiency program. The Palm Desert Energy Independence Program, adopted in 2008, provides financing for property owners to install solar panels and other energy saving devices and systems. Funds advanced by the City are repaid by assessments on the property over a period up to 20 years.

The Federal Housing Finance Agency (FHFA) has undermined the Palm Desert program and others like it by prohibiting home mortgages with energy assessments from being acquired by Fannie Mae and Freddie Mac, the two federal agencies which purchase or guarantee most residential mortgages in the country. The FHFA regulation, announced in July 2010, has effectively shut down the energy independence program in Palm Desert and elsewhere in California.

The lawsuit alleges that the FHFA regulation is unlawful, and in fact directly conflicts with the energy conservation policies of the federal Department of Energy and the White House.

Palm Desert Mayor Pro Tem Jim Ferguson, principal author of the Palm Desert program, said, “The City will do what it takes to help residents conserve energy, realize savings on their energy bills, and reduce Palm Desert’s carbon footprint. The FHFA regulation is completely out of step with the law and policies of the federal government and the State of California.”

Mayor Cindy Finerty agreed, saying, “It’s ironic that the City has to sue the Federal Government to remove an impediment to energy efficiency and conservation – when that is a central part of the Department of Energy’s policy. The City Council believes this is a battle worth fighting.”

Ferguson said, “This City is committed to participating in the fight against global climate change and wasteful energy practices. We have 4,000 hours of sunshine each year, and temperatures frequently exceeding 110 degrees. Utilizing the sun’s radiation to produce electricity will make a significant reduction in the amount of power Palm Desert homeowners consume each year. That saves money and helps preserve our environment – we are not going to be railroaded by an irrational policy decision by federal bureaucrats who are elected by no one and who seek to stand a hundred years of California assessment law on its ear.”

For further information, please call 760-346-0611.

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