

Open C-PACE

Property Assessed Clean Energy Financing

Niagara County Center for Economic Development
February 11, 2020



Energy Improvement Corporation

- ❑ Not-for-profit, Statewide Local Development Corporation
- ❑ Mission to operate a successful Commercial PACE program in NYS that increases clean energy adoption and reduces greenhouse gas emissions
- ❑ Funded by NYSERDA and revenue from financings

Clean Energy Public Benefits

Property Assessed Clean Energy (PACE)



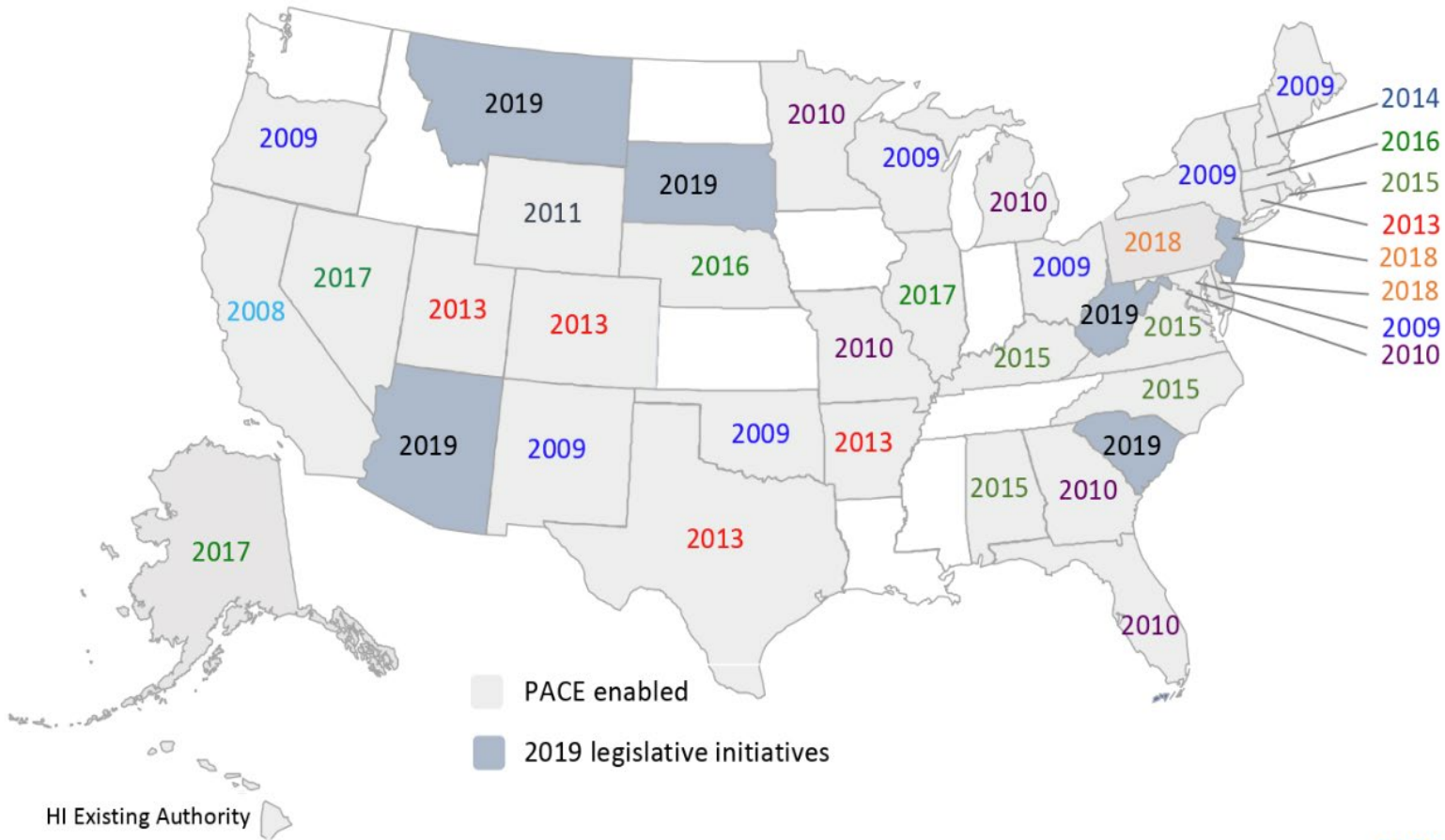
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“Municipalities would fulfill an important public purpose by providing financing to property owners for the installation of renewable energy systems & energy efficiency measures.”

- Article 5L of the NYS General Municipal Law

- Repayments secured through a municipal based assessment lien

PACE is Nationwide



HI Existing Authority

PACE Benefits

Property Assessed Clean Energy (PACE) = alternative, affordable financing

- PACE is not a bank loan
- Pays for up to 100% of the cost of renewable and energy efficiency projects
- Automatically transfers to new owner if the property is sold
- Flexible loan terms not to exceed the average useful life of the improvements, often 20-30 years
- Competitive interest rates

PACE and Economic Development



Lowers Cost of Funds

- ❑ PACE has lower origination costs than mezzanine or equity capital

Less Need for Equity/Mezzanine Capital

- ❑ PACE provides a long term, fixed rate payback period

Pass Through Expense

- ❑ PACE is a municipal lien and may be passed through as an operating expense on net leases, similar to tax charges and utility expenses

Supports Deeper Efficiency in Gut Renovations

- ❑ Facilitates deep energy efficiency retrofit choices and renewable energy projects that might not otherwise be prioritized

Eligible Building Types

Commercially-owned + Not for Profit buildings



- Multifamily
- Healthcare
- Hospitality
- Industrial
- Warehouse
- Office
- Retail
- Agricultural
- Institutional
- Private colleges

Ineligible Buildings Include

- *Public Sector Properties*
- *1-to-4 Family Homes*

Eligible Clean Energy Improvements

Efficiency:

- Lighting
- HVAC Equipment
- Chillers
- Boiler Conversions
- Furnace Upgrades
- Insulation
- Windows
- Smart Controls
- Pumps
- Variable Speed Drives
- Combined Heat + Power

*Existing Buildings Eligible
(State legislation pending for new
construction)*

Renewables:

- Solar Thermal
- Solar Photovoltaic (PV)
- Small Wind
- Ground Source Heat Pumps
- Anaerobic Digester Gas
- Fuel Cells
- Air Source Heat Pumps
- Air-to-Water Heat Pumps
- Wood Heating Systems
- Energy Storage

*Existing Buildings &
New Construction Eligible*

Capital Providers

Competition and choice for property owners and developers
= lower rates and longer terms

- CleanFund
- Counterpointe Energy
- Dividend Finance
- Greenworks Lending
- Lever Energy
- LordCap PACE
- PACE Equity
- PACE Loan Group
- Petros PACE Finance
- Twain Financial Partners
- White Oak

Starting a Transaction

- ❑ Apply directly to participating capital providers
- ❑ Property Underwriting
 - No bankruptcy
 - Current on property taxes & mortgages
 - Mortgage Lender Consent required
- ❑ NYSERDA CPACE Guidelines for technical qualifications
- ❑ If qualified for capital:
 - Finance Agreement between Capital Provider and Property Owner
 - Benefit Assessment Lien placed on improved property
 - EIC bills and collects directly with property

Program Administration

EIC's Responsibilities:

- Review applications, energy audits, scopes of work
- Manage capital provider list
- Record the PACE lien on the property when financing is originated
- Bill property owner with instructions to repay the capital provider
- Deliver an Annual Report to Municipality with lists of improved properties and schedule of repayments

Member Municipality Advantages:

- No collection or enforcement responsibilities
- No obligation to backstop finance repayments
- No financial exposure for EIC and its member municipalities
- No fees to participate

Participating Counties (as of 2/6/20): active programs and *in-process*

- Broome County
- Chautauqua County
- Clinton County
- Dutchess County
- Franklin County
- Madison County
- Niagara County
- Oneida County
- Otsego County
- Putnam County
- Rockland County
- Suffolk County
- Sullivan County
- Warren County
- Wyoming County
- Yates County
- Albany County
- Cayuga County
- Columbia County
- Cortland County
- Lewis County
- Montgomery County
- Nassau County
- Orange County
- Ulster County

Participating Cities & Towns (as of 2/6/20): active programs and in-process

- City of Amsterdam
- City of Beacon
- City of Canandaigua
- City of Geneva
- City of Glens Falls
- City of Kingston
- City of New Rochelle
- City of Niagara Falls
- City of North Tonawanda
- City of Saratoga Springs
- City of Schenectady
- City of Syracuse
- City of Troy
- City of White Plains
- City of Yonkers
- *City of Buffalo*
- *City of Port Jervis*
- *City of Rye*
- Town of Bedford
- Town of Cortlandt
- Town of Harrison
- Town of Lewisboro
- Town of Mount Kisco
- Town of North Salem
- Town of Ossining
- Town of Rye
- *Town of Greenburgh*
- *Town of New Castle*
- *Town of Yorktown*

For More Information

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