



Question of the Month: Is C-PACE a feasible financing strategy for building healthy buildings? - by Rob Holdsworth

January 05, 2021 - Front Section



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The Commercial Property Accessed Clean Energy, or C-PACE, is a unique public-private financing program designed to help commercial, industrial, non-profit, multifamily, and agricultural property owners and real estate developers fund large scale energy efficiency and renewable energy projects.

How does C-PACE work?

A property owner borrows money from a private lender to pay for a large-scale energy efficiency project and makes the loan repayments using a portion of the project savings. The repayment is made in the form of a temporary assessment charge added to their property tax bill. Several types of energy conservation measures can be included in a C-PACE project, such as LED lighting, solar arrays, HVAC equipment, intelligent thermostats, building envelope solutions, and much more!

How is C-PACE different than other financing options?

100% of the hard and soft costs of the project are funded upfront by the loan, meaning building owners will enjoy day 1 savings on all C-PACE projects with no outlay of capital.

C-PACE loans last for the rated useful life of the installed equipment (often over 20 years!) allowing the cost of the project to be spread out over a longer period versus a traditional loan.

In the event of a property sale, the tax assessment is automatically passed to the new owner, meaning the original borrower is not required to pay off the loan in advance of the sale.

Does my business qualify for C-PACE?

C-PACE is open to owners of new/existing commercial, industrial, non-profit, multifamily and agricultural properties in states that have an active program (PA, DE, NY, RI, CT, MD, OH, VA, MA, DC, and more).

C-PACE is designed for larger projects starting at \$1 million and up. It incentivizes building owners and operators to engage in large-scale green investments with longer term paybacks because the longer financing term of a C-PACE loan, often 20 years or more, generates ongoing positive cash flow for the owner.

C-PACE is a valuable tool for companies looking to adopt or improve the health of their buildings. The program mitigates risk for business owners while providing capital needed to make significant Mother Nature-approved upgrades.

C-PACE has grown in popularity over the past few years reaching a \$670M annual investment equal to 150% growth over 2018. According to PACENation market data, 37 states and the District of Columbia have passed laws enabling C-PACE programs as of 2019. However, only 22 states plus D.C. have active C-PACE programs in operation. Approximately \$1.5 billion in financing has been provided to over 2,000+ commercial buildings.

To get started on your next C-PACE funded project, reach out to a local approved contractor that will provide detailed engineering and project economics for a C-PACE-funded project. Evolution Energy Partners is currently an approved C-PACE contractor in multiple programs across the country.

For more information about C-PACE and energy efficiency projects, contact the EEP team today at info@evolutionep.com or 610-329-8288.

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