Pennsylvania C-PACE
COMMERCIAL- PROPERTY ASSESSED CLEAN ENERGY
Senate Bill 234

- Permit the establishment of a C-PACE district by local government.
- Establish the framework for placing the assessment and define the role of local government.
- Place certain limits on the program (e.g. no multifamily, lender consent required).
Fundamentals of C-PACE

Set up by local government; managed by 3rd party

Owners receive funding from private capital providers

For Existing Commercial, Agricultural and Non-Profit properties

Lien is senior to existing mortgage; and subordinate to property taxes.

Assessment transfers upon sale and does not accelerate
C-PACE Team

- Existing Lender
- Capital Provider
- Property Owner
- Project Developer
- Local gov't Program Admin
C-PACE Deal Structure

- PACE Lender
- PACE Financing
- Property Owner
- Approve Project
- Assessment Payments
- Taxing Authority & Program Administrator

Assessment Payments
The Process to Develop PA C-PACE

1. Stakeholder Meetings
2. Develop Draft Program Guidelines
3. Feedback from Stakeholders
4. Finalize Program Guidelines
5. Take to Counties
Development Process

- Single point of contact
- Qualifications for contractors
- Qualifications for properties
- Qualifications for projects
- Collection of baseline data
- Lender Consent
- Post installation certification
- Public notice
Application and Development

Property Owner develops project

Property Owner submits application package to C-PACE Administrator based on application checklist

C-PACE Administrator reviews and approves project based on county-validated guidelines

Checklist may include:
- Project description
- Summary of financing terms
- Summary of baseline energy analysis
- Signed lender consent form
- Signed disclosure of risk form
- Copy of title demonstrating legal owner of the building
- Evidence of meeting financial and technical requirements
- Unexecuted draft copies of Assessment Agreement

Identifies contractor:
Works with them to develop a proposed scope of work

Identifies lender:
Works with them to obtain credit approval and proposed financing terms for C-PACE
PACE process

**Legend**
- Applicant
- County
- Program Admin
- Capital Provider

**Flowchart:**
1. Bring Project
2. Project Meet Initial Qualifications
   - Yes
   - Complete Application
     - Yes
     - Lender Consent
       - Capital Provider Approves Project
         - Calculate Assessment Schedule
         - Financing Agreement / Assessment Contract
1. Record Lien / closing
2. Construction of Project
3. Verify and Certify tax rolls
4. Remit payments if requested
   - Database reporting
     - Program Admin fee
     - Remaining funds to contractor
     - Capitalized Interest
C-PACE Administrator circulates Assessment Agreement for signature

C-PACE Administrator ensures recordation of Assessment Agreement

County includes C-PACE assessment on annual tax bill

County collects C-PACE assessment and follows standard delinquency process

County remits C-PACE assessment to C-PACE Administrator pursuant to Cooperative Agreement

C-PACE Administrator remits C-PACE assessment to lender

Assessment Agreement signed by: County, Property Owner, & Lender

C-PACE Administrator prepares annual report for the County certifying the subject parcel ID and assessment payment amounts for that year. C-PACE Administrator monitors successful creation and mailing of bills.
No Cost - C-PACE requires no credit exposure or general obligation funds from Counties

Statewide Approach - uniform program, applied consistently, helps promote scalability by simplifying participation for stakeholders

Single Point of Access - 3rd party administrator serves as 1) go-to contact for stakeholders 2) ensures project compliance and 3) services special charge repayment

Open Market - qualified private lenders provide property owners competitive rates and financing terms. Any contractor or project developer can work on a qualified project
Next Steps

- Public Comment on Draft Guidelines - December 2018
- Program Guidelines release - January 2019
- Outreach to counties - 1st and 2nd Quarters 2019

Help Adopt PACE in your jurisdiction!