



Commercial Property Assessed Clean Energy (C-PACE)

Presented by

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Background

What is C-PACE?

- C-PACE is a mechanism for financing energy efficiency, renewable energy, and resilience improvements on private property
- The program allows a commercial property owner to finance the up-front cost of energy improvements and pay them back through a voluntary assessment attached to a property tax bill
- A unique characteristic of PACE assessments is that the assessment is attached to the property rather than an individual, thereby the assessment stays with the property upon transfer of ownership



Background

- Previous legislation (SB97) was thought to enable C-PACE financing, however, the statute was not designed well and thus lacked legislative details and components of a C-PACE program.
- The NC Clean Energy Plan in 2019 identified C-PACE as a viable option to finance clean energy projects. In response, the NC DEQ assembled a PACE Workgroup to identify barriers and draft legislation to enable the program
- Senate Bill 358 was filed on March 25, 2021, which would authorize a statewide C-PACE program for NC



Program Design

State Administrator:

- Responsible for preparing guidance, all documentation, determining eligibility, imposing fees, evaluate and approve applications

Capital Provider (NC Green Bank?):

- Responsible for all billing, collection, and enforcement of the special assessment and lien

Local Government:

- Must adopt a resolution authorizing C-PACE in their jurisdiction
- Place voluntary assessments and liens on properties that participate



"§ 160A-239.15. Local government participation.

(a) A local government seeking to participate in the C-PACE program shall adopt a resolution which shall include all of the following:

- (1) A grant of authorization for the C-PACE program to operate within its jurisdictional boundaries and to offer C-PACE financing to willing and qualified property owners.
- (2) The local government's intent to participate in the program and to execute and place voluntary C-PACE assessments and liens on properties in its jurisdictional boundaries to allow eligible and voluntary property owners to repay to private capital providers the financing for available qualified projects.
- (3) A statement that the local government intends to (i) authorize direct financing between property owners and capital providers as the means to finance qualified projects and (ii) delegate billing, collection, and enforcement duties for the assessment and lien to capital providers.
- (4) A statement identifying the local government department or employee that will, upon receipt of an approved application for C-PACE financing within its jurisdictional boundaries from the administrator, execute the C-PACE documentation set.
- (5) A statement that the local government shall be reimbursed by the administrator or applicant for the costs associated with the performance of the activities described in subdivision (4) of this section.
- (6) A description of the boundaries of the region where property owners are eligible.
- (7) A statement of the time and place for a public hearing on the proposed program.



Discussion

