



NYSERDA

Energize NY Finance

A High-Impact Action for the Clean Energy Communities Program

Communities and Local Government Team at NYSERDA

Clean Energy Communities Program

Provides **rewards and recognition** to city, town, village, and county governments that demonstrate clean energy leadership

STEP 1: Earn the **Clean Energy Communities** designation by completing **4 out of 10 high-impact actions**

STEP 2: Access **grant funding**, up to \$250K with no local cost share, to support additional clean energy projects

Dedicated and knowledgeable local coordinators are available to assist communities as they implement high-impact actions i.e. free on-demand technical support, decision support, step-by-step guidance, case studies, model ordinances, RFPs, etc.

10 High-Impact Actions

1. Benchmarking
2. Clean Energy Upgrades
3. LED Street Lights
4. Clean Fleets
5. Solarize
6. Unified Solar Permit
7. Energy Code Enforcement Training
8. Climate Smart Communities Certification
9. Community Choice Aggregation
10. Energize NY Finance



Energize NY Finance

- Energize NY Finance, also known as Property Assessed Clean Energy (PACE) Financing, is adopted by an eligible local government that allows property owners to pay back the cost of clean energy upgrades to commercial, multi-family or non-profit property over a long term with repayment secured through a benefit assessment lien on the property.
- Energize NY Finance enables eligible buildings to secure financing to fund significant energy upgrades and renewable energy projects.
- Energize NY Finance is available through the Energy Improvement Corporation (EIC). EIC is a local development corporation and a New York State nonprofit established specifically to assist municipalities and property owners achieve long-term energy savings and/or generate renewable power for use on site.

Requirements

Demonstrate completion of the Energize NY Finance action by submitting the following documentation:

- Submit a copy of the official letter from the Energy Improvement Corporation (EIC) confirming the local government's EIC membership or a screenshot of EIC's Participating Municipalities webpage that shows the applying jurisdiction listed as a current member.

Energize NY Finance - Open C-PACE Product

APPLICATION

- Apply directly to participating capital providers
- Capital providers listed on EIC Web site
- Mortgage Lender Consent required
- NYSERDA CPACE Guidelines for technical qualifications
- If qualified for capital:
 - Finance Agreement between Capital Provider and Property Owner

OPEN C-PACE CAPITAL PROVIDERS

- YGreene
- PACE Loan Group
- Counterpointe
- Greenworks Lending
- Lever Energy
- NYCEEC
- Lord Capital
- PACE Equity
- Clean Fund
- Petros PACE Finance

Energize NY Finance - Open C-PACE Product

- EIC bills the property owner with instructions to repay the capital provider directly.
- The bill is backed by a PACE lien which is subordinate to municipal taxes.
- EIC places the PACE lien on the property record when the PACE financing is originated.

Municipal Member benefits:

- No administrative role
- No financial exposure
- No obligation to backstop delinquent repayments

Examples of Energize NY Finance Upgrades

Lighting Upgrades

- Interior
- Exterior

Building HVAC

- Controls / Building Management Systems
- Motors and VSDs
- Boiler and chiller plant upgrades

Building Envelope

- Doors and windows
- Insulation

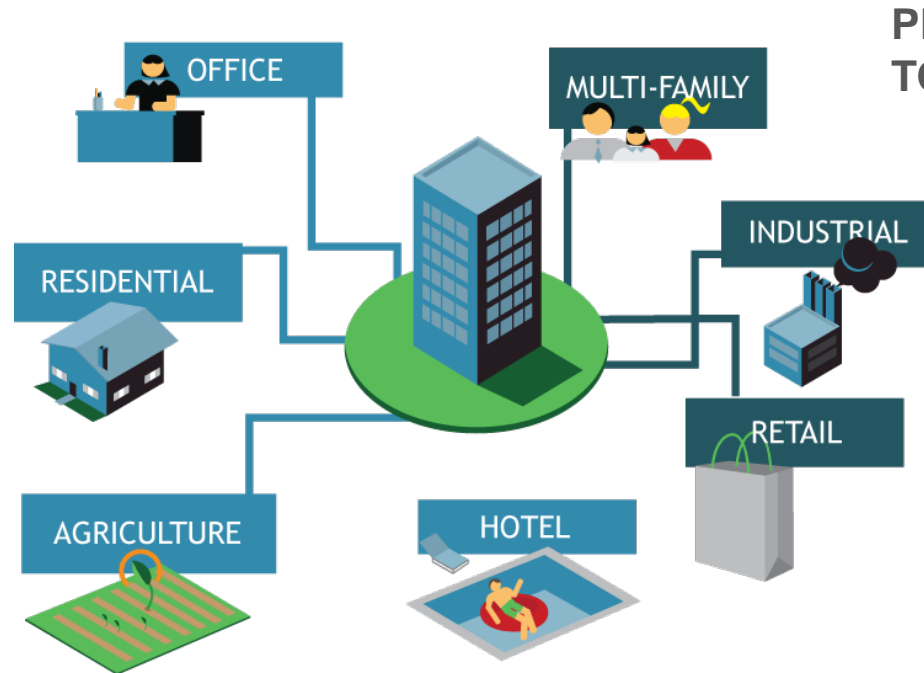
Domestic water heating systems

Renewable Energy Projects

- Solar photovoltaic (PV)
- Geothermal Heat Pumps
- Wind Turbines

Eligible Building Types

Commercially-owned including Non-Profits



**PRIVATE COLLEGES
TOO!**

Member Municipality Duties

- At the closing of a transaction, certify Local Law and Municipal Agreement are in effect
- Receive EIC Annual report summarizing all completed financings from previous 12 months
 - *No collection or enforcement responsibilities*
 - *No backstop on finance repayments*
 - *No underwriting responsibilities*
 - *No fees to join*

EIC Duties

- Receive and review applications, energy assessments, scopes of work and requested financing amounts
- Manage capital provider list for Members' constituents
- Record the Benefit Assessment Lien
- Deliver an Annual Report to Member with lists of improved properties and schedule of repayments
- Review completed projects to check operability

Benefits of PACE to Community & Building Owner

- Covers up to 100% of project cost
- Flexible customizable loan terms from 5 years to a term not to exceed the weighted average of the useful life of the improvements up to 30 years
- Competitive interest rates
- PACE is not a bank loan
- Automatically transfers to next property owner
- Aligned with community goals
 - Job creation
 - Improve building stock
 - Meet sustainability goals

Sample Project – Hotel Retlaw



Historic hotel renovation in
Fond du Lac, WI

Capital Provider: PACE Equity

- Built in 1924, the hotel fell on hard times and was acquired in 2015.
- Funding the total rehabilitation of the building utilized historic tax credits, public financing, a bank construction loan, and a state grant. PACE filled the funding gap to see the project move forward.
- The project used \$2,400,000 in PACE financing. The building represents an investment of nearly \$21m to the area.
- The capital provider, PACE Equity, provided project governance, energy engineering, funding and an energy savings guarantee.

Sample Project – Lewtan Building



The landmark Lewtan Building transformed into mixed use multifamily/retail in Hartford, CT.

Capital Provider: Greenworks Lending

- This five-story office building was built in 1860. It sat vacant for five years prior to acquisition by current owner.
- The building owner is redeveloping the property into 28 apartments and ground-floor retail.
- The project is utilizing \$1,088,816 PACE financing to include energy improvements to the building.
- The owner-developer is “positioning the building on the right track for the future” by incorporating:
 - Energy efficient (historic replica) replacement windows
 - HVAC upgrades
 - LED lighting
 - Insulation
 - 60kW solar installation

Sample Project – Cambridge Court



Energy conservation measures for affordable multifamily housing in Greenville, MI.

Capital Provider: Petros PACE Finance

- PK Housing, owner of multiple affordable multifamily properties, faced prohibitive upfront costs to installing energy efficiency upgrades to buildings that were wasting energy and money.
- At Cambridge Court, the owner used PACE to add 20kw solar installation, LED lighting, low-flow plumbing fixtures, and HVAC upgrades.
- The owner combined the \$117,580 PACE financing with a USDA REAP grant.
- Outcome: 40% reduction in electricity and natural gas consumption, and 29% reduction in water use.

Enabling Energize NY Finance

1. Municipality passes local law establishing program within municipal borders
2. Sign Municipal Agreement that codifies EIC duties and program operations

Tools and Resources

Sample Legislation

Template Local Law to authorize Energize NY Finance - Open C-PACE

Sample Agreement

Template EIC/Municipal Agreement to implement Energize NY Finance - Open C-PACE

Technical Support

Dedicated and knowledgeable local Clean Energy Coordinators are available to help municipal officials implement Energize NY Finance. To access this support, please send an email to cec@nyserra.ny.gov

The Bottom Line

Local government officials that implement Energize NY Finance can expect to:

- ✓ Help businesses save money with energy-saving upgrades
- ✓ Provide financing to improve the local building stock
- ✓ Spark new energy efficiency and solar projects

Contact

Communities and Local Government

New York State Energy Research and Development Authority (NYSERDA)

Email: cec@nyserda.ny.gov

www.nyserda.ny.gov/cec