C-PACE

Innovative Financing Tool to Incentivize Energy Efficiency and Flood Mitigation Projects
Original Focus
energy efficiency projects

COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY

New Focus
stormwater and flood mitigation projects
What exactly is C-PACE?

Innovative Financing Tool

Financing mechanism for energy efficiency, renewable energy, water conservation and flood mitigation projects. It can be used for commercial and multi-family buildings. Loans are negotiated directly between property owners and private lenders. Localities place lien on the property which enables 100% financing and lower annual payments paid through the property's real estate tax bill.
How does C-PACE incentivize resiliency investments?

**Loan Security and Low Interest Rates**
C-PACE loans are secured by the special assessment liens on property.

**No Future Risk**
Pay for loan over 20 years. Loan stays with the property upon sale and is non-accelerating.

**Savings Offset Initial Investment**
Projects may reduce energy bills, water bills or flood insurance rates.
Elements of Local Ordinance

- **ELIGIBLE PROJECTS**
  - Clean energy
  - Water efficiency
  - Flood mitigation

- **REQUIREMENTS OF LOAN PROGRAM**
  - Period of repayment, fees or funding for program administration

- **SCALE OF LOANS**
  - Establish minimum and maximum amount of loans

- **SPECIAL ASSESSMENT LIENS**
  - Locality must place lien against property that is equal to loan
Local Administration
PASS ORDINANCE, CONDUCT PROGRAM ADMINISTRATION WITH LOCALITY STAFF OR HIRE CONSULTANT

State Administration
PASS ORDINANCE, LET CONSULTANT SELECTED BY DEPARTMENT OF MINES, MINERALS AND ENERGY HANDLE ADMINISTRATION (STARTING SPRING 2021)
PROPOSED ACTION

Approve the resolution which recommends the following:

Encourages localities in Hampton Roads to consider adopting ordinances to establish local C-PACE programs.

Recommends that localities in Hampton Roads coordinate with the Department of Mines, Minerals and Energy to determine whether local administration or participation in the state program is the preferred option for managing a C-PACE program.

Directs the HRPDC Coastal Resiliency Committee to keep apprised of developments related to C-PACE programs, legislation and regulations in the Commonwealth and provide updated information and recommendations to the Commission and its member localities as appropriate.