

*Inefficient Buildings Costing You Money & Tenants?*

# COLORADO C-PACE CAN HELP



## What is C-Pace?

Commercial Property Assessed Clean Energy (C-PACE) is a state-sponsored financing program designed to give property owners greater access to financing for renewable energy and energy efficiency improvements for building retrofits or new development projects.

C-PACE allows for private financing payments through a county **special purpose assessment**. The C-PACE assessment obligation is attached to the property so payments can transfer to future owners/tenants if the property is sold. This unique structure provides the potential for building owners to modernize building systems and increase property value with no upfront cost, competitive financing rates, positive cash flow, and repayment terms of up to 25 years.

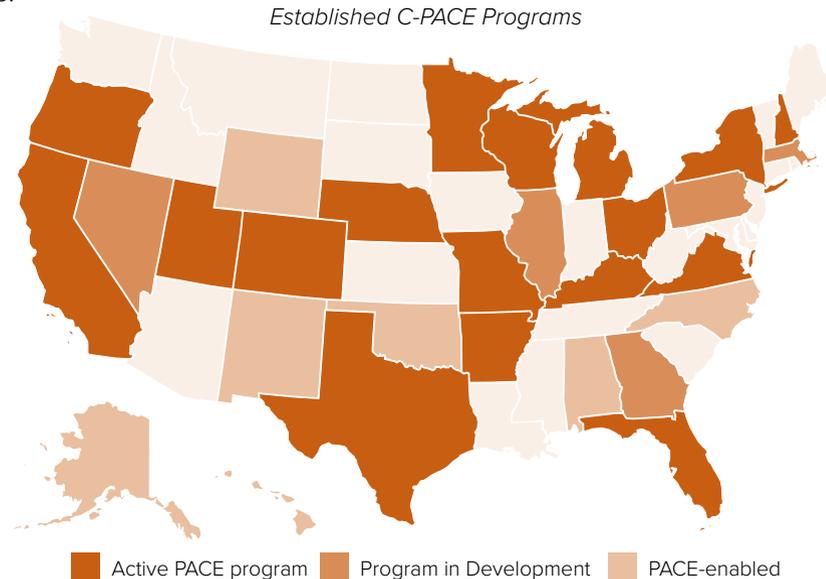
Due to the unique benefits C-PACE programs offer building owners, the programs are growing in popularity across the country. Currently, 19 states have well-established programs - with more state programs in development. Colorado's program was established in 2016 and has financed \$50.3 million in energy projects across the state.

## What can I use C-PACE for?

The goal of C-PACE financing is to facilitate the adoption of clean energy practices in commercial buildings. As such, it can be used for any improvements that will save money on utility bills. C-PACE financed projects typically range between \$50,000 to \$3,000,000, but can be higher.

C-PACE funds can also be used for ancillary project costs associated with any of these improvements. This could include expenses for energy audits, electrical upgrades, or asbestos abatement.

For new construction projects, C-PACE can be utilized to provide between 15% and 20% of a building's total construction costs.



## EXAMPLES PROJECTS INCLUDE:

-  **Energy efficiency upgrades** including projects such as lighting retrofits, HVAC equipment replacement and/or controls, and building envelope upgrades.
-  **Renewable energy projects** such as solar photovoltaic (PV) installations.
-  **Water efficiency improvements** such as efficient plumbing fixtures or smart irrigation controls.
-  **Electric vehicle (EV) charging stations**





### Energy Efficiency Improvements

Old, inefficient energy and plumbing equipment could be costing you thousands of dollars a year in utility and maintenance expenses. Updating inefficient systems is one of the easiest ways to reduce overhead costs, eliminate waste, and improve the overall cash flow of your building. These updates can also help attract and retain tenants. Modern, efficient energy systems perform better, are more reliable, and improve the look and feel of your property. An independent study found, in 2015, that efficient buildings have a 10% increase in occupancy rate over traditional buildings (Institute for Market Transformation, 2016).



### Renewable Energy Projects

Average electricity prices have increased 5% over the last two years in Colorado (US Energy Information Administration, 2019). Adding renewable energy generation to your building can significantly cut electricity costs and protect against future utility cost increases. In addition, the cost associated with installing solar and other renewable energy technologies has also been steadily declining. Solar prices dropped nearly 70% from 2010 to 2016, making it a great time for renewable energy improvements (IRENA, 2018).



### EV Charging Stations

EVs are a rapidly-growing part of the transportation sector; in 2018 there was an 81% increase in EV sales nationwide (Loveday, 2019). As EVs become more common, tenants and customers, along with city preparedness policies, will begin to emphasize charging infrastructure.



### High-Performance New Construction

Many of these benefits also apply to new construction projects. Modern, high efficiency energy systems provide a greater level of comfort and performance in your spaces. Leveraging these improvements with C-PACE financing could help your development stand out from the rest.

## WHY WOULD I FINANCE USING C-PACE?

The structure of the C-PACE program allows it to offer some unique financing benefits over more traditional financing options.

1. Building owners might have zero upfront costs since C-PACE supports financing for up to 100% of all energy efficiency or renewable energy improvements and related costs, with competitive rates and repayment terms of up to 25 years.
2. For many C-PACE projects, cost savings realized from utility bills are greater than the financing repayments resulting in immediate positive cash flow.

The truly unique benefit of C-PACE financing over other funding avenues is the structure of the repayments. Since C-PACE financing is repaid through a special purpose assessment on the property, the repayments are transferable to a new owner if the building is sold before the end of the finance term. C-PACE loans are also typically based on the financial health of the building, not the financial state of the owner - so building owners don't assume the risk associated with a personal guarantee of borrowed funds.

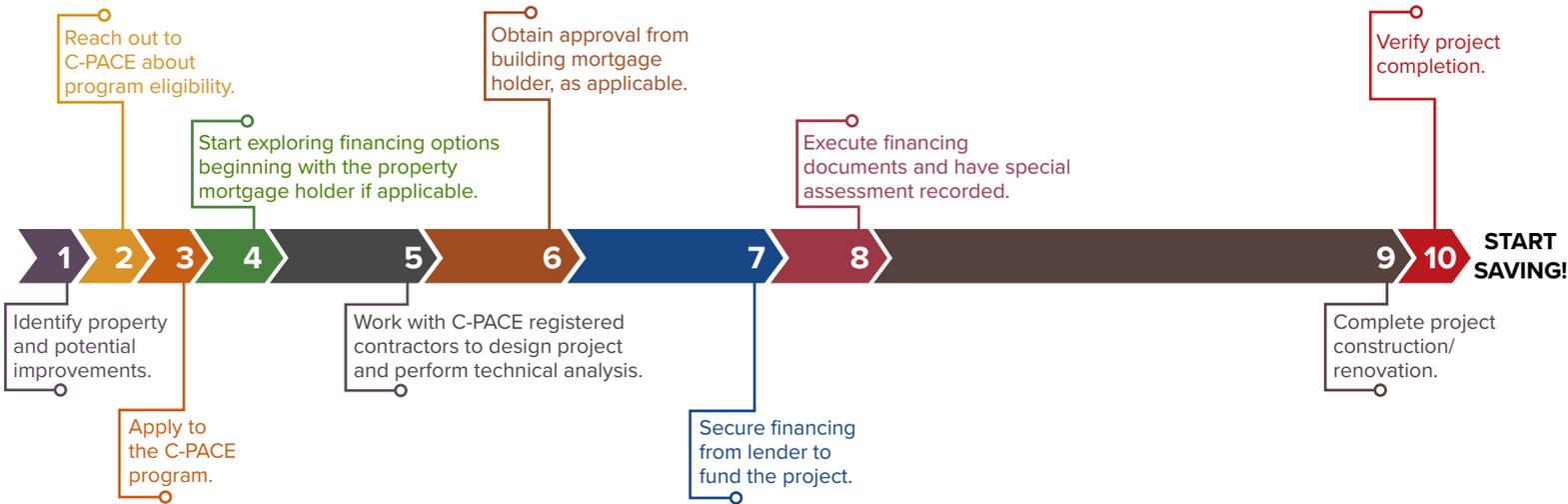
C-PACE projects must go through a thorough evaluation by a C-PACE registered contractor or project developer, including an energy analysis of the proposed improvements and a financial study to estimate the cash flow of the project. Quality assurance is also provided through program administration. This helps reassure building owners and lenders that project improvements will deliver the financial savings expected.



## HOW TO INTEGRATE C-PACE FINANCING WITH A TRADITIONAL CONSTRUCTION TIMELINE.

The C-PACE process is intended to progress in parallel with the typical construction or planning process, as shown in the diagram below. As soon as the project is identified or in early schematic design phase, the building owner or project manager should reach out to the C-PACE office to determine the project's eligibility. The C-PACE director will help the project team work through the steps of securing financing.

C-PACE Steps and Estimated Duration



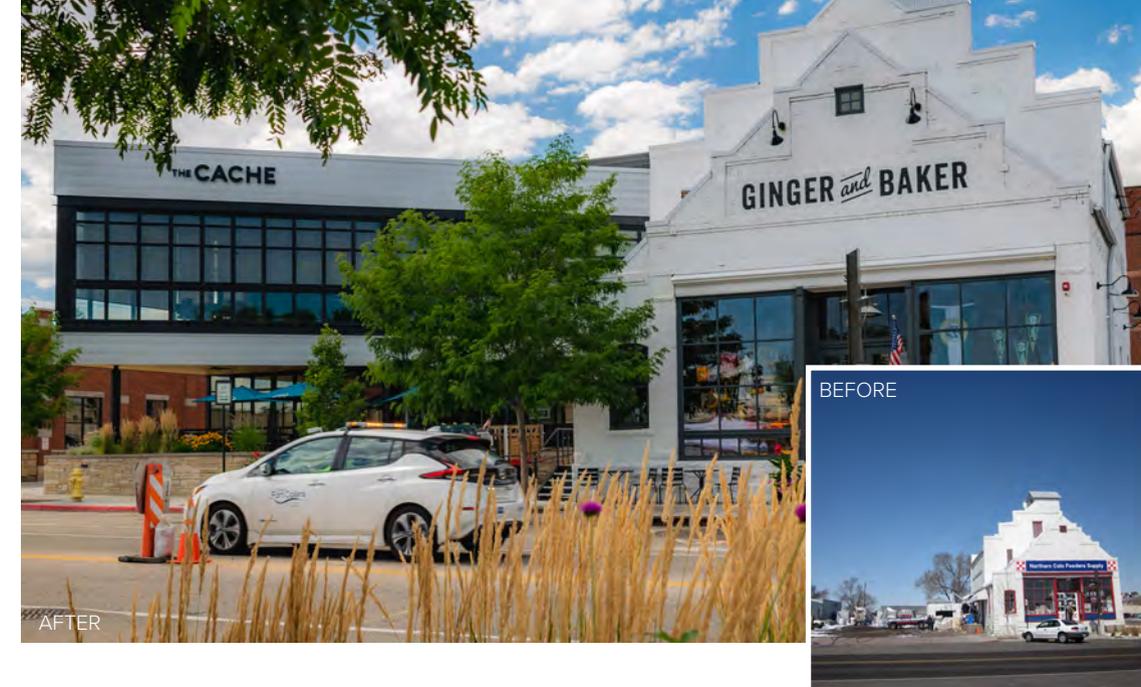
Traditional Construction Steps and Estimated Duration



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**GET STARTED!**



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