C-PACE

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
Barriers to Commercial Solar

Are Commercial Solar financing options currently available?
- Most developers provide in-house financing and/or work with private lenders; rates are good

Commercial Developers Identified Impediment to adoption as:
- ROI – typically 9-10 years is too long for most commercial businesses; 4-5 yrs is desired
- NC Cost of electricity is low on avg. making ROI longer (5-6 yrs in areas with more expensive kWh)

Alternative Options authorized by GS
- Revolving Loan Fund and Loan Loss Reserves
- Update Economic Development policy to include renewable energy incentive
- Work with Chamber to commercial entities that might be interested in solar
- Explore incentives for new construction
- Partner with Blue Horizons on Commercial Solarize campaign/education & outreach
Focus Areas

1. Water Quality
2. Open Space
3. Climate Resiliency
4. Renewable Energy Transition
5. Clean Energy Financing
# Future Agendas

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<tr>
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<tr>
<td>Nov. 19, 10am</td>
<td>Solid Waste program overview; follow-up items</td>
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<tr>
<td>Dec 17, 10am</td>
<td>Finalize prioritization discussion; ?</td>
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