



NOVEMBER 19, 2020
WHITNEY S KATCHMARK

C-PACE

Innovative Financing Tool to
Incentivize Energy Efficiency and
Flood Mitigation Projects

Original Focus
energy efficiency projects

COMMERICAL
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.
