



Empowering you to make
smart energy choices

C-PACE: A financing tool for building owners

Energy Challenge in Connecticut



High Cost

CT has THE highest cost for electricity in the "lower 48"



Old, Energy Inefficient Building Stock

CT has some of the oldest and most energy inefficient building stock



Need for "Cleaner / Cheaper" Energy Sources

Programs that will diversify our energy mix into renewable/clean power



"More Reliable" Grid

5 major storms in 2 years with widespread outages

Connecticut Green Bank: Mission and Goals

Attract and deploy capital to finance the clean energy goals for Connecticut



Develop and implement strategies that bring down the cost of clean energy in order to make it more accessible and affordable to consumers

Reduce reliance on grants, rebates and other subsidies and move towards innovative low-cost financing of clean energy deployment



Attract and Deploy Capital

Financial Innovation AND Marketing Innovation

Attract and deploy capital to finance the clean energy goals for Connecticut

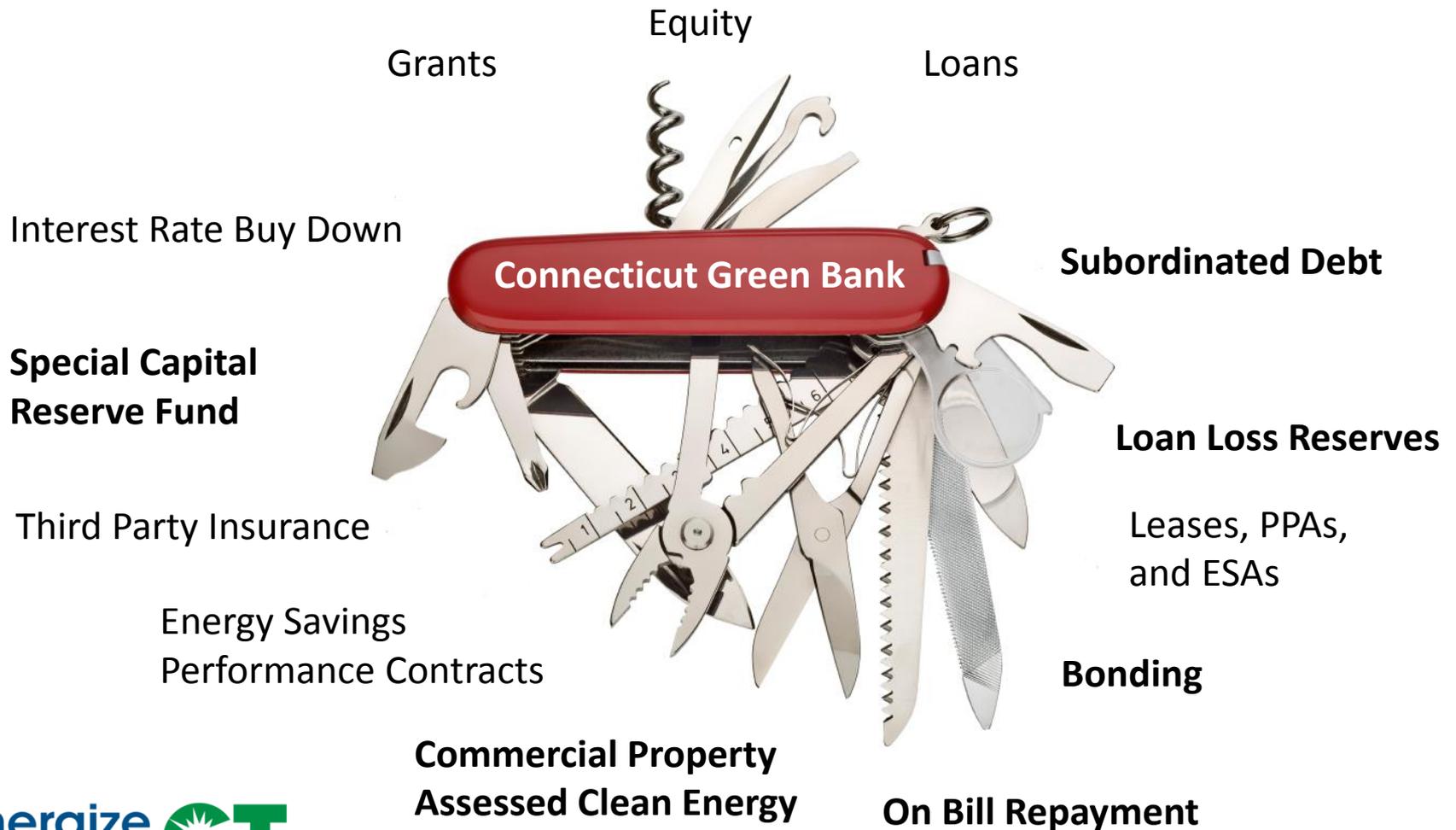


Increase the attractiveness to capital providers



Increase the attractiveness to consumers

Connecticut Green Bank: Financial Tools



C-PACE

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Property Assessed Clean Energy

CEFIA provides
100% upfront,
low-cost, long-
term funding

Owner repays
over time
through
property taxes

A senior PACE
lien is put on the
property and
stays regardless
of ownership

C-PACE Addresses Key Barriers

Lack of funding?

Near term plan to sell?

Insufficient payback/ROI?

Split incentives?

Uncertain savings/technical expertise?

100% financing for 20 years

Tax obligation fixed to property

Positive cash flow in year 1

Assessment/savings pass to tenants

Technical underwriting / SIR>1

Case Study: Non profit, Boiler Upgrade



Location: 319 Barnum Avenue, Bridgeport CT

Building Type: House of Worship

Building Size: 10,600 Square Feet

Total Project Cost: \$53,087

Incentives: \$3,460 UI incentive (**boiler only*)

C-PACE Financing: \$49,627

Term: 10 Years

Annual Interest Rate: 5%

Annual C-PACE Assessment: \$6,506

Annual Energy Cost Savings: \$13,678

Lifetime Energy Cost Savings: \$136,776

Annual Energy Savings: 241 MMBtu

Case Study: Non profit, Energy Efficiency



Location: 166 Capitol Avenue, Hartford CT

Building Type: Entertainment / Culture

Building Size: 95,000 Square Feet

Total Project Cost: \$650,000

Incentives: \$16,000 CL&P incentive;
\$250,000 CEBs grant

C-PACE Financing: \$384,000

Term: 20 Years

Annual Interest Rate: 5%

Annual C-PACE Assessment: \$30,596

Annual Energy Cost Savings: \$59,071

Lifetime Energy Cost Savings: \$1,181,420

Annual Energy Savings: 703,248 kBtu

Case Study: Non profit, CHP & Lighting



Location: 110 W Main Street, Meriden CT

Building Type: Recreation

Building Size: 40,000 Square Feet

Total Project Cost: \$372,466

Incentives: none

C-PACE Financing: \$372,466

Term: 19 Years

Annual Interest Rate: 4.94%

Annual C-PACE Assessment: \$30,446

Annual Energy Cost Savings: \$34,450

Lifetime Energy Cost Savings: \$688,991

Annual Energy Savings: 489.2 MMBtu

Program Snapshot

- \$70 million in deals approved; \$38 million closed
- Sold initial \$30M+ portfolio through bid process (closed 5/15/2014)
- 109 towns on board = 85% of the CT market eligible
- 100+ contractors trained
- 20 qualified capital providers
- 100 Projects in Pipeline = over \$70M
- 30 mortgage lenders have provided consent

Connecticut General Statute: C-PACE

- Commercial, industrial, multi-family & **non-profit** property
- Requires the consent of the existing mortgage lender
- Requires $SIR > 1$; permanently affixed
- Enables municipalities to opt-in
- Enables CEFIA to administer a statewide program

What upgrades are eligible?

Anything that saves energy from baseline ... *as long as it isn't going anywhere*

- High efficiency lighting
- HVAC upgrades
- New automated building and HVAC controls
- Variable speed drives (VSDs) on motors fans and pumps
- High efficiency chillers, boilers, and furnaces
- High efficiency hot water heating systems
- Combustion and burner upgrades
- Fuel switching
- Water conservation
- Heat recovery and steam traps
- Building enclosure/envelope improvements
- BMS
- Renewable energy systems
- District heating and cooling
- Micro grids

THE C-PACE PROCESS

1 GETTING STARTED



Building owner works with contractor to develop a project plan.



Owner submits project plan and financing application to C-PACE.



Application is reviewed.

2 GETTING PROJECT DONE



C-PACE contacts local municipality and a lien is placed on property.



C-PACE loan is closed and funding goes to building owner.



Project begins.

3 PAYING IT OFF



Owner begins saving money on their energy bills



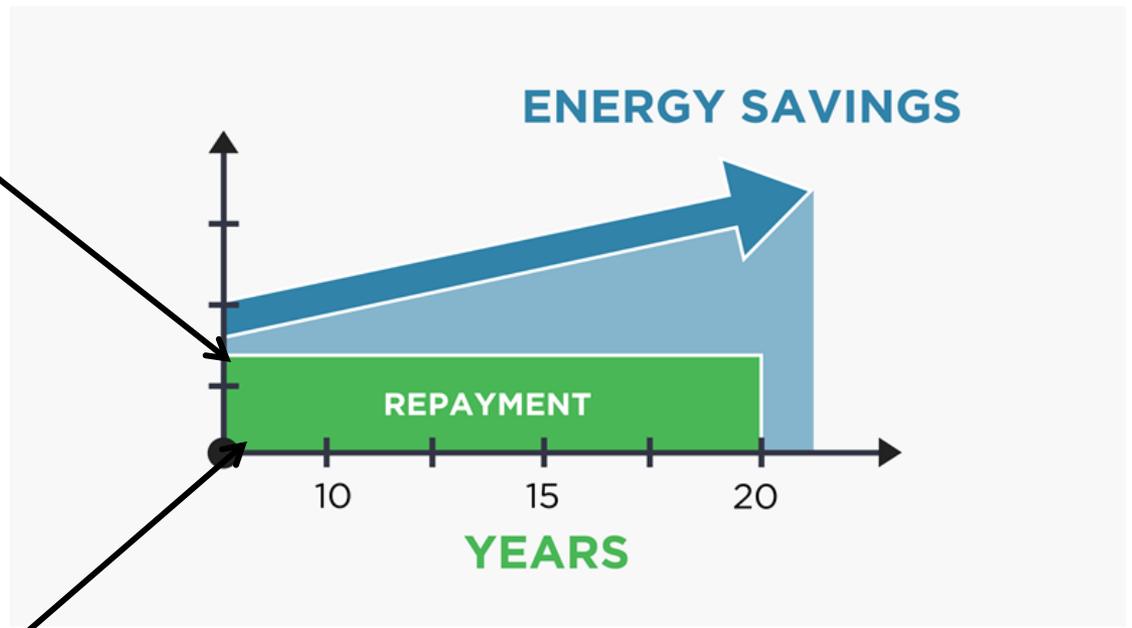
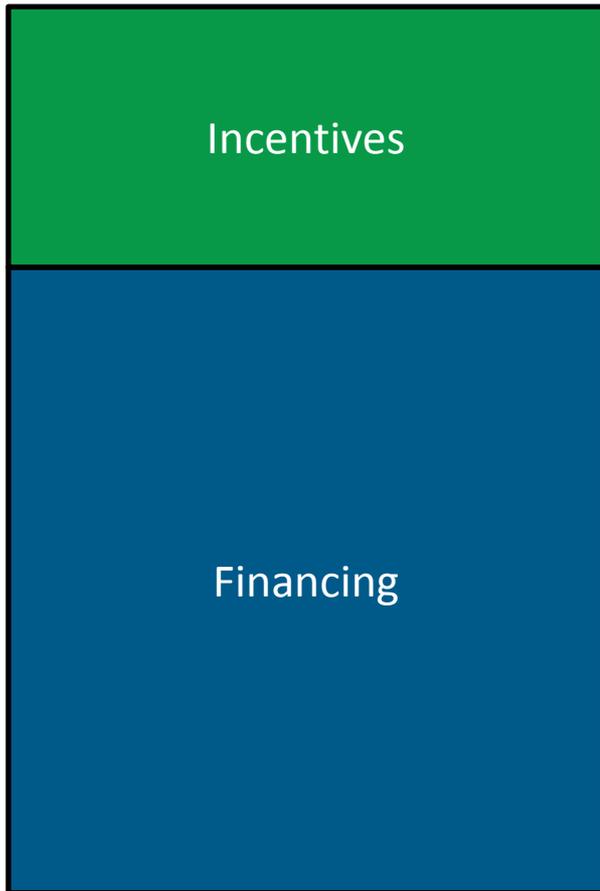
Owner repays C-PACE loan through a benefit assessment charge on their municipal tax bill.



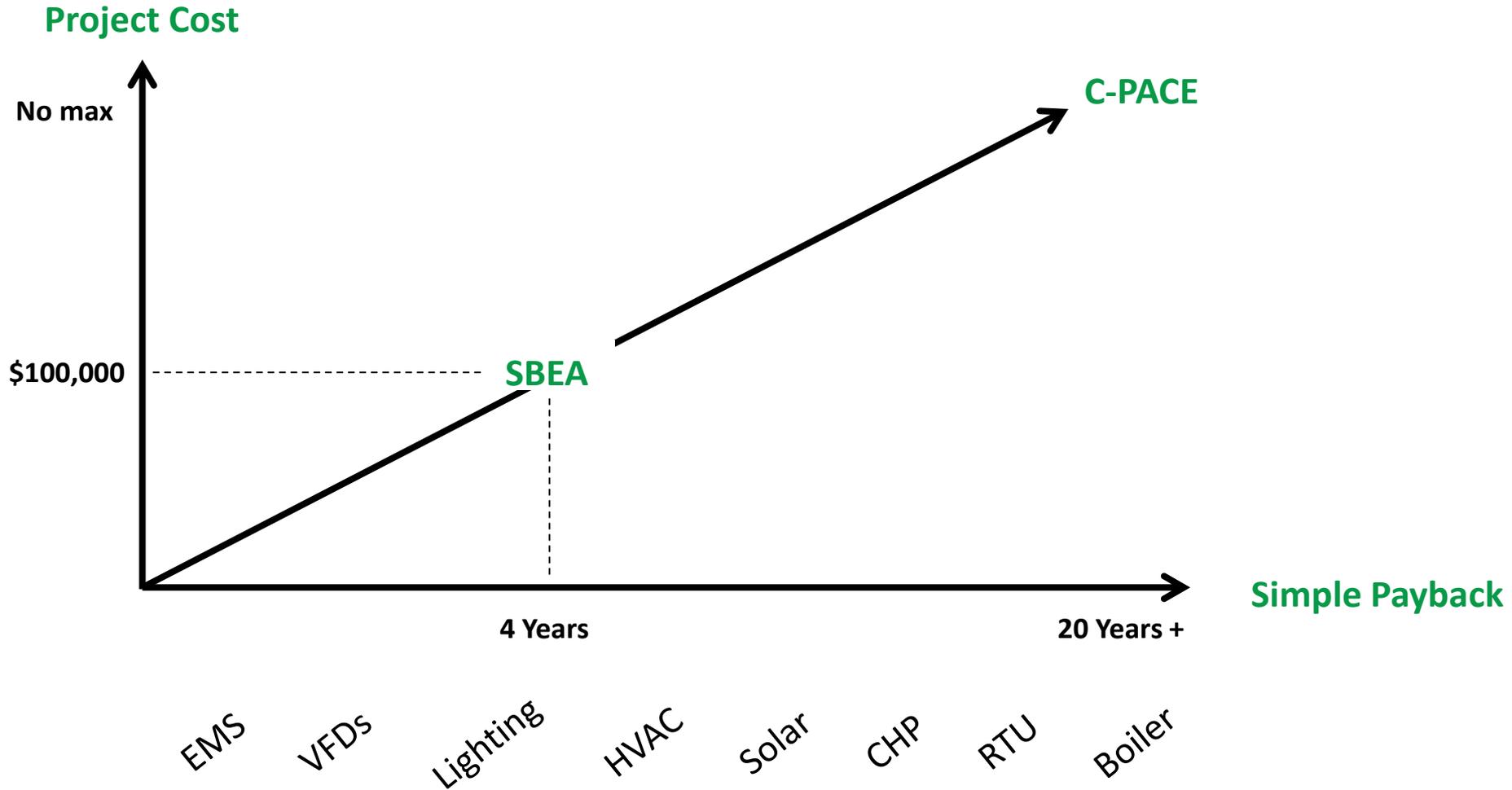
Through improved property, owner enjoys increased cash flow and lower operating costs.

Working together: Incentives + Financing

Capital Stack



Working together: Incentives + Financing





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