WHAT IS C-PACE and HOW DOES IT WORK?

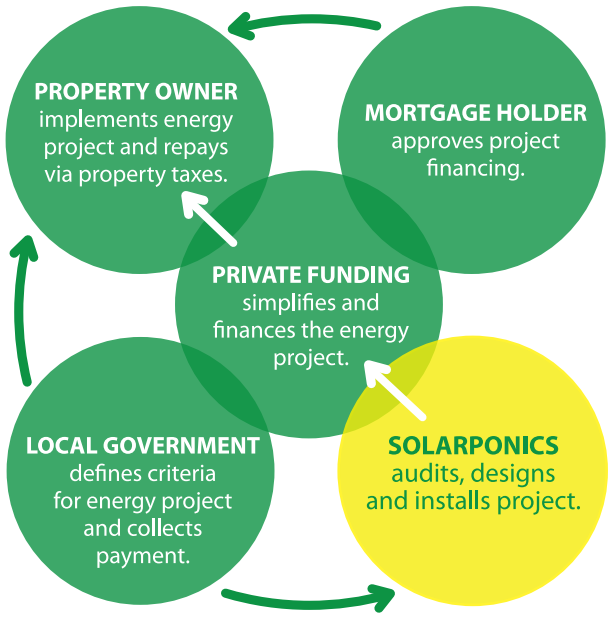
C-PACE (Commercial - Property Assessed Clean Energy), also referred to as AB 811, is a financing tool that allows commercial property owners to finance the upfront cost for qualified energy, storage, water, resilience, and public benefit projects with funding through a voluntary assessment on the property tax bill. Green banks and third-party financiers typically provide the capital for PACE projects at lower than market financing rates.

C-PACE financing is tied to the property itself, not the property owner. If the property is sold, payments stay with those receiving the cost-saving benefits of energy efficiency.

C-PACE is stackable with other rebates, incentives, and tax credits.

This feature encourages energy efficiency improvements even if a property owner does not expect to remain in the property for the duration of repayment.

WHO CAN APPLY? Any commercial business located in Monterey, San Luis Obispo, Fresno, Kern and Ventura Counties.



PACE Benefit Summary for Commercial Property Owners

Investment Barrier	**PACE** Solution
Internal capital constraints.	100% upfront financing frees up internal capital.
Debt capacity allocated to strategic initiatives.	Property tax obligations do not afect borrowing capacity in same way as long term debt.
Available financing is expensive.	Seniority of tax lien and negligible property tax default rates enable 6-8% interest rates.
Available financing is short term.	**PACE** term is equipment life up to 20 years.
Available financing is burdened with restrictive covenants.	The high security of the tax lien means restrictive covenants aren't needed.
Owners limit capital investments to payback within expected holding period.	The tax lien repayment obligation stays with the property in the event of sale.
Split incentive: the disincentive of non-occupying owners to bear improvement costs while passing on benefits to tenants.	Tax assessments qualify as an eligable pass-thru expense under most triple net leases, allowing tenants to bear the improvement costs while benefiting from the savings.

For the commercial property owner, 100% external financing allows solar energy and other energy improvements to become cash generators, even before considering returns from the increased marketability of greener buildings. **Call Solarponics for a free project proposal and consultaion.**

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