



PACE: Property Assessed Clean Energy

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Property Assessed Clean Energy



- ❑ PACE is an external funding process for making energy efficiency improvements to commercial buildings and/or installing alternative energy generation equipment , including solar PV, solar thermal, wind, geothermal, etc. It is an annual expense, not a capital expense or loan.

PACE

- ❑ Involves (1) a Building Owner seeking improvements, (2) an Energy Services Company to install these improvements, and (3) the Port Authority for financing, through issuing bonds, so it is externally financed
- ❑ Focuses on lighting, HVAC, building systems, building envelope, and renewables
- ❑ Creates energy savings to provide a payment stream
- ❑ Voluntary assessment, not conventional debt, so effectively off-book financing
- ❑ Assessment remains with the building in the event of a sale

PACE

- ❑ Currently requires local gov't establishing an ESID (Energy Special Improvement District)
- ❑ Commercial only, not residential
- ❑ Successfully used in 30 states, including multiple programs in Ohio

Advantages to PACE

Barriers to EE Upgrades

1. Lack of funds
2. No lenders
3. Poor ROI- Short term funding
4. Might sell property
5. Split incentives
6. Debt limitations

PACE Solutions

1. 100% external source
2. Unlimited private capital
3. Positive cash flow- Long term funding
4. Transfer to new owner
5. Tenants share cost/savings
6. Operating expense

PACE Process

1. Identify Interest from Building Owner
2. Conduct Energy Efficiency Assessment (rebates available)
3. Energy Conservation Measures (ECM) Listed, with Energy Savings and Simple Payback
4. Lender Creates Term Sheet
5. Finalize and Sign Contract
6. Install All EE Improvements
7. Make Annual Payments with Taxes



Thank You

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