Open C-PACE Factsheet

The Long Island Clean Energy Leadership Task Force has identified two policies to foster the development of renewable energy on commercial buildings. The first is Energize NY Open Commercial-PACE (Property Assessed Clean Energy), and the second is a mandate for solar PV on new commercial buildings (addressed more fully in a separate white paper). Open C-PACE can provide an important mechanism to finance mandated solar installations. Open C-PACE is a measure that has garnered widespread, bipartisan support. It provides a low cost, long-term alternative to traditional loans to fund clean energy projects in commercially owned buildings. The Open C-PACE program is operated by Energy Improvement Corporation (EIC) in NY counties and cities where it has been adopted by the local government. Open C-PACE financing is not a bank loan and differs from traditional financing options.

• Financing is available for up to 100% of the project cost, or can be combined with other financing.
• Competitive private financing is available from EIC-approved capital providers.
• Loan terms are customizable up to the expected life of the improvement.
• Repayment is secured through a voluntary benefit assessment lien that is subordinate to municipal taxes.
• Financing is attached to the property through the benefit assessment, and automatically transfers to a new owner if the property is sold.
• Financing is available for efficiency upgrades on existing buildings, and renewables on both existing buildings and new construction.

Measures financed must have a savings to investment (SIR) ratio greater than one, and pay for themselves over their lifetime. Since C-PACE can finance 100% of a project, there is no out-of-pocket expense. This means the program converts utility bill expenses into needed building improvements, and generates positive cash flow from the first year.

In addition to financing retrofits and renewable energy on existing buildings, Open C-PACE can be used to finance renewable energy (including solar PV and heat pumps) on new construction. This makes it a very useful tool to assist in complying with a solar mandate for new construction.

Who’s eligible?
OPEN C-PACE is only available for commercially owned properties. The property must be owned by a corporation, LLC, partnership, etc., not by an individual or a government entity. The property owner must be current in payments on any existing mortgage and property taxes on the property. The owner must not be in bankruptcy, and the property may not be subject to any bankruptcy proceeding.

(Information taken from the ENERGIZE NY OPEN C-PACE FINANCING PROGRAM HANDBOOK and Energizeny.org)