



# 495 MetroWest Partnership

December 7, 2017

PACE Massachusetts  
Program Information

# What Is PACE?

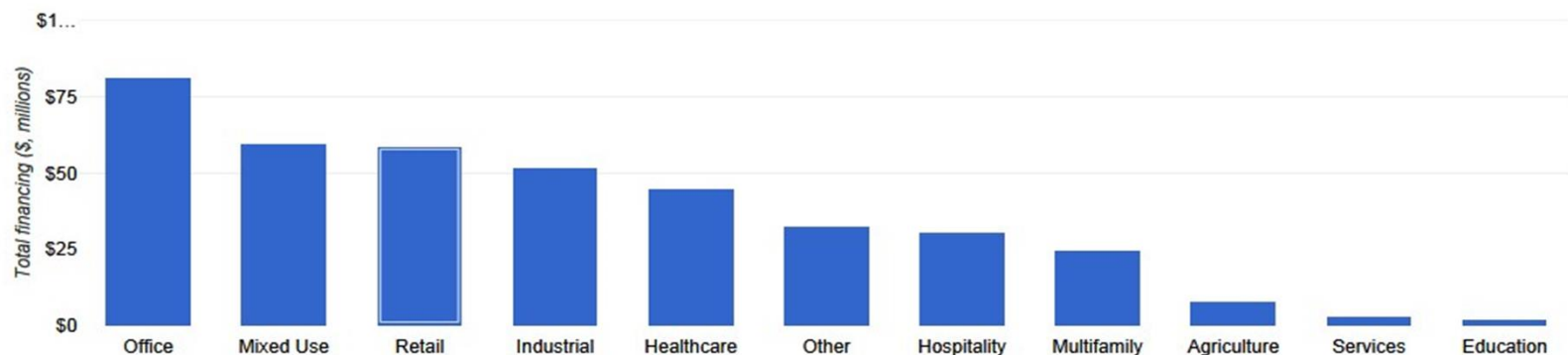
- Property Assessed Clean Energy (PACE) is a financing mechanism that enables low-cost, long-term funding for energy improvements (energy efficiency and renewable)
- PACE financing is repaid via a betterment assessment on a property's tax bill
- PACE betterment assessments work similar to improvements for public infrastructure that benefit specific properties (i.e. sidewalk or sewer)

# National Commercial PACE Market

- 20 states (plus DC) have active commercial PACE programs
- 33 states (plus DC) have PACE enabling legislation
- \$493MM outstanding for 1,097 commercial projects (as of 10/17)

C-PACE dollars funded by building type

(By \$ funded)

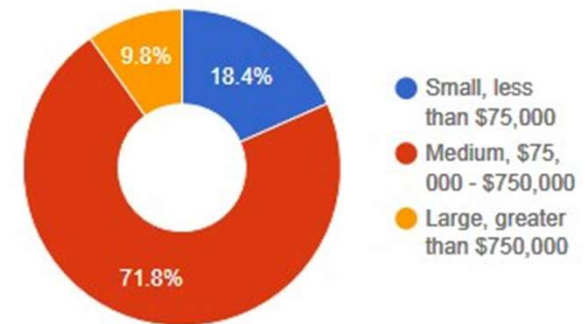


# New England Commercial PACE Programs

- Connecticut passed PACE enabling legislation in 2011 and a series of amendments in 2012 and 2015. C-PACE is administered by the Connecticut Green Bank.
- Rhode Island passed PACE enabling legislation in 2016. RI C-PACE is sponsored by the RI Infrastructure Bank (SRS is administrator)
- New Hampshire passed PACE enabling legislation in 2016 (launched by the Jordan Institute partnering with SRS, Resilient Bldgs Group, NH Community Development Finance Authority)

C-PACE projects by amount financed

(By # projects)



# PACE in Massachusetts



- Commercial Property Assessed Clean Energy (PACE) was passed in H4568 and signed by Governor Baker in August 2016
- MassDevelopment will administer the PACE Massachusetts program in consultation with the Massachusetts Department of Energy Resources
- PACE financing will be available in 2018 for commercial properties (draft guidelines released 8-1-17)

# Eligible Properties

## Property Type

- Commercial/Industrial
- Not for profit
- Multifamily (5 units or more)

## Examples

- Office buildings
- Malls
- Hotels
- Restaurants
- Manufacturers
- YMCAs
- Schools
- Health Care
- Apartment complexes

# Eligible Measures



## Measure Type

- Energy Efficiency
- Renewable Energy
- Gas Line Extensions

## Potential Examples

- Energy management systems
- Insulation & air sealing
- HVAC systems
- Boilers & furnaces
- Lighting
- Energy recovery & redistribution systems
- Solar panels
- Solar hot water
- Geothermal

# Key Elements of PACE Massachusetts



- Municipal Opt-in (one time) required
- Maximum financing term allowed by statute is 20 years
- Energy cost savings must exceed cost of improvements (including any financing costs and associated fees)
- Third party private financing (no public funds used)

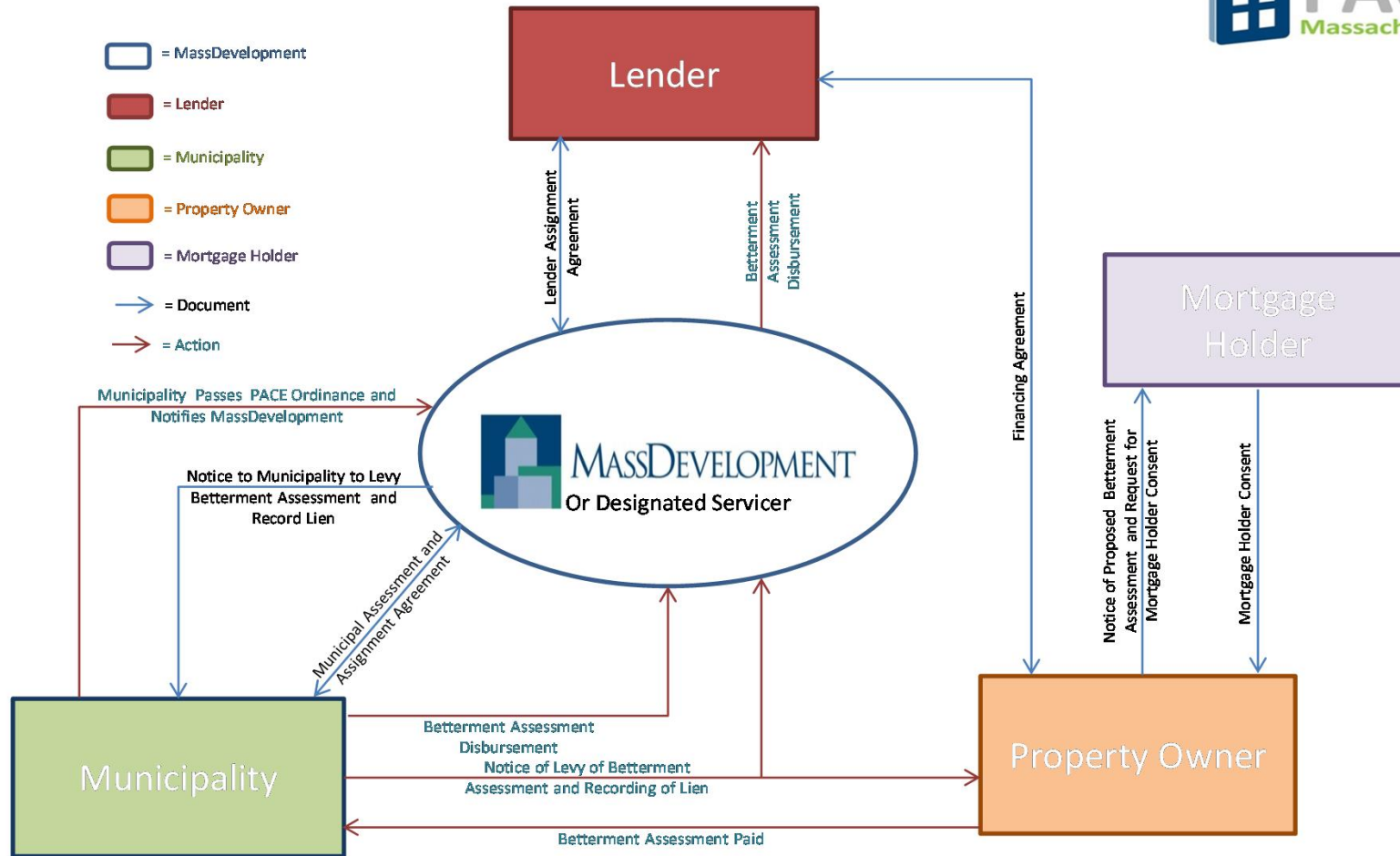


# Key Elements of PACE Massachusetts



- Existing mortgage holders must provide written consent to a PACE financing and lien
- Municipal liens are senior to PACE liens. Unpaid PACE assessments are senior to all other private mortgage liens in a foreclosure
- PACE assessments cannot be accelerated (only unpaid amount can be collected)
- If property is sold, the remaining PACE assessment and PACE lien stays with the property and transfers to new owner

# Commercial PACE Structure





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