



# Energize NY PACE 2.0 Amendments Beacon City Council

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# EIC

## Energy Improvement Corporation

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- Not-for-profit, Local Development Corporation
- Mission to increase clean energy adoption across NYS
- Controlled by member municipalities
- Shared service structure
- Funded by NYSERDA, US-DOE, revenue from financings
- Serve property owners with services through *ENERGIZE NY*

# NYS Energy Consumption:

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**New Yorkers spend \$35 billion annually on energy in buildings**

- \$10.5 billion is **wasted**
- Property owners want to stop wasting money and energy.
- Why don't they?



# The Energy Upgrade Problem:

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## Property owners need:

1. Help getting started
2. Advice if they get stuck
3. Access to capital



# Clean Energy Public Benefits

## Property Assessed Clean Energy (PACE)

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*“Municipalities would fulfill an important public purpose by providing financing to property owners for the installation of renewable energy systems & energy efficiency measures.”*

- Article 5L of the NYS General Municipal Law

- Repayments collected by municipality via tax bill charge

# Traditional Public Benefits:

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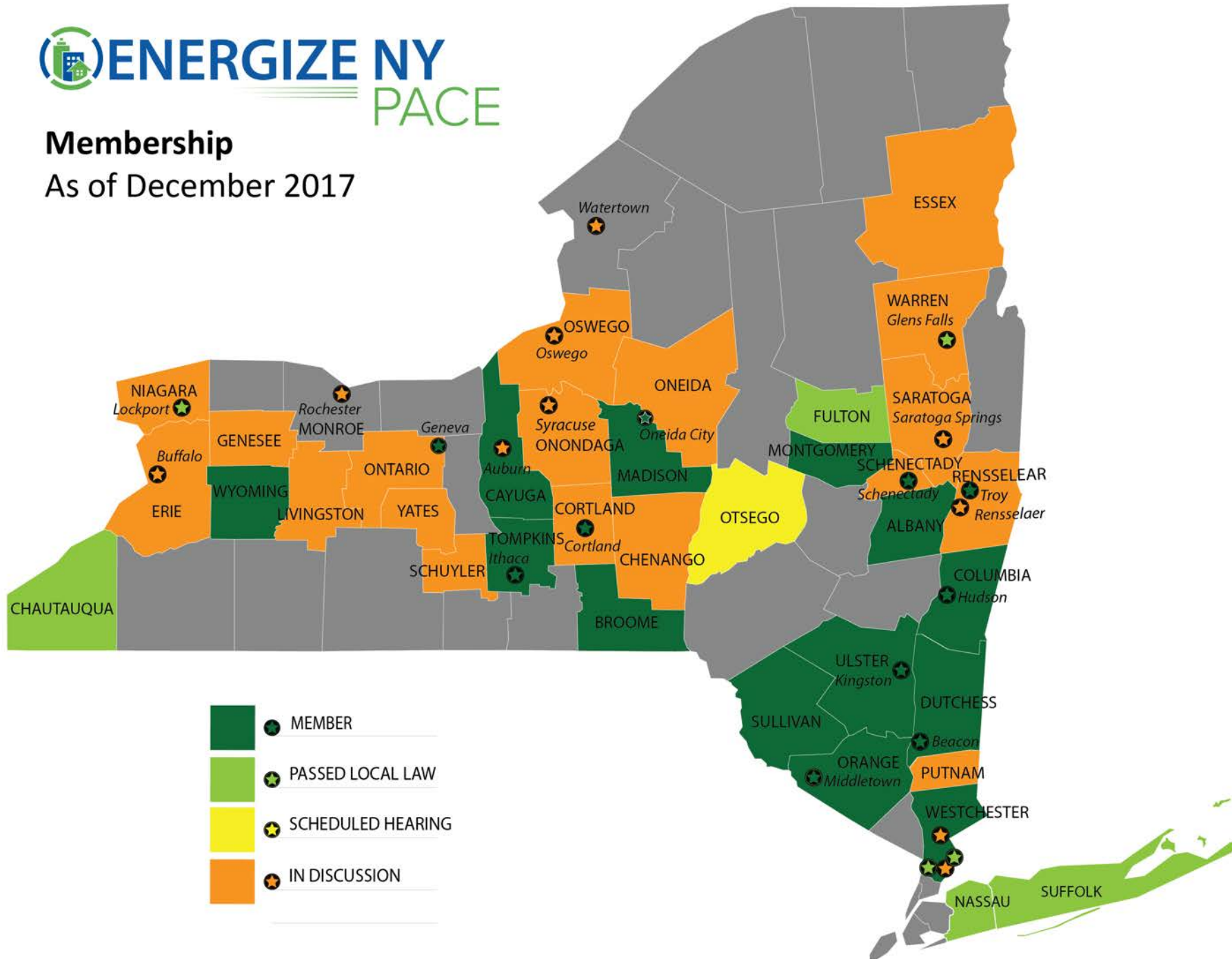
Services authorized by local municipalities to achieve a defined public benefit:

- Water + Sewer Infrastructure = *Health + Economic Vitality*
- Fire and Police = *Safety*
- Sidewalks + Roads = *Safety + Economic Vitality*
- Public Lighting = *Safety*



## Membership

As of December 2017



# Energize NY PACE Finance

## Benefits

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**Property Assessed Clean Energy (PACE) = alternative, affordable financing**

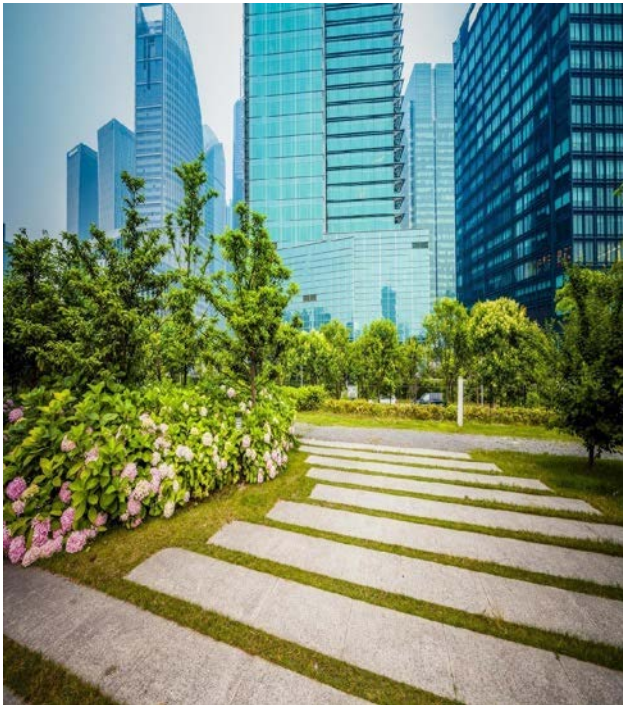
- **Up to 100% of the cost** of solar and energy efficiency projects of all sizes
- Eligibility is **not based on traditional credit metrics**, but on the building's ability to carry the extra tax charge and generate positive cash flow from reduced energy costs
- Is **repaid through an annual charge on the tax bill** for the property over the term of the loan
- **Automatically transfers to new owner** if the property is sold
- Flexible customizable loan **terms up from 5 - 20 years**
- **Competitive interest rates (4.75% to 6%)\*** depending upon market conditions



# Eligible Building Types

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## Commercially-owned buildings



- Multifamily
- Healthcare
- Hospitality
- Industrial
- Warehouse
- Not-for-profit
- Office
- Retail
- Agricultural
- Institutional
- Private colleges

# Eligible Improvements

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- **Renewables:** Solar PV, Solar Thermal, Wind, Energy Storage, Ground/Air Source Heat Pumps, Anaerobic Digester, Fuel Cells, Wood Heating – ***New + Existing Buildings***
- **Combined Heat and Power (CHP)** – ***New + Existing Buildings***
- **Efficiency:** Lighting, Boiler Conversions, Furnace Upgrades, Insulation, HVAC, Chillers, Windows, Pumps, Smart Controls – ***Existing Buildings and Substantial Renovations***







# *First Energize NY Project in Beacon*

## LnJTech, City of Beacon



photo credit, Matt Ambrosini

### Project

-  1850's Warehouse and Multi-Purpose Building
-  45.24kW Solar PV System
-  \$6,100/yr Average Annual Cash Flow
-  76% Electric Use Offset

### Financing

- Amount Financed: \$62,000
- Term: 20 years
- Interest Rate: 6.13%
- Financing Cost: \$5,500/yr
- Completion Date: July 2017

Lead  
Beacon  
Conservation  
Advisory  
Committee  
Member

Scope of Work  
Solar PV







# Multifamily Housing: *Mt Vernon*

## NatLew, Mount Vernon



### Project

-  Multifamily, 20,000 sq.ft.
-  Efficiency Project
-  \$19,200/yr average annual cash flow
-  14% energy savings

### Financing

Amount Financed: \$238,078

Term: 20 years

Interest Rate: 6.08%

Financing Cost: \$20,700/yr

Completion Date: March 2017

### Lead

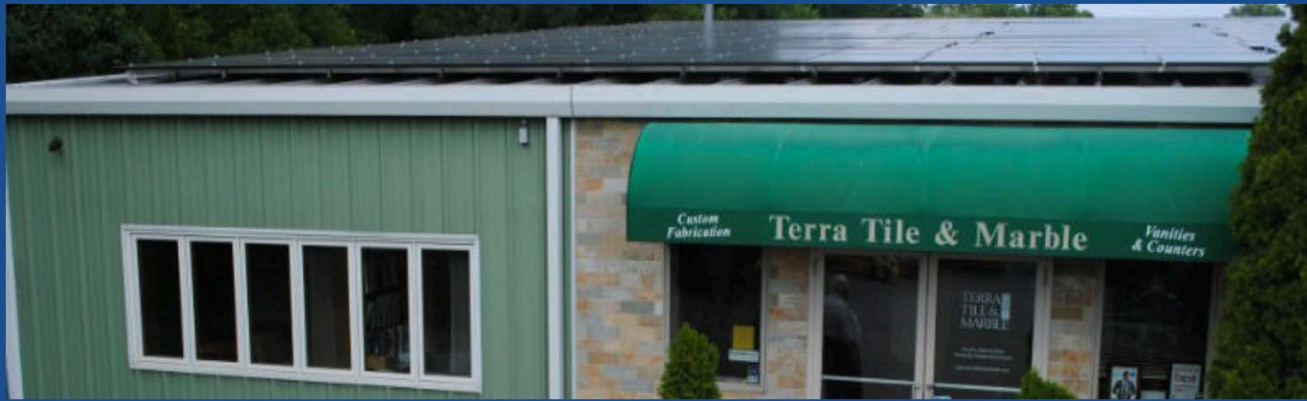
NYSERDA  
Multifamily Partner  
Customer

### Scope of Work

- Fuel conversion
- Boiler
- Hot water heater
- Pipe insulation
- Lighting
- Windows

# Commercial/Retail: *Ossining*

## Terra Tile and Marble, Ossining







### Lead

Solarize Ossining -  
Briarcliff Manor

### Scope of Work

Solar PV

### Project

-  Commercial Showroom, 30,000 sq.ft.
-  120kW Solar PV System
-  \$26,094/yr average annual cash flow
-  95.5% Electric Offset

### Financing





Amount Financed: \$204,102  
Term: 10 years  
Interest Rate: 4.93%  
Financing Cost: \$49,700/yr  
Completion Date: September 2015

# Hotel: *Amenia*

## Troutbeck, Dutchess County



### Project

-  Hotel and Restaurant, 19,300 sq. ft.
-  Efficiency Project
-  \$12,000/yr average annual cash flow
-  1850 MMBtu Annual Savings

### Financing

Amount Financed: \$412,728  
 Term: 20 years  
 Interest Rate: 5.75%  
 Financing Cost: \$35,000/yr  
 Completion Date: October 2017

Lead  
Contractor

Scope of Work

- Lighting
- Insulation
- Heating & Cooling systems







# Theater: *Binghamton*

## Art Mission Theater, Binghamton



### Project

-  Theater and Gallery, 12,000 sq.ft.
-  5.9kW Solar PV System
-  \$860/yr Average Annual Cash Flow
-  7,135kWh Annual Production

### Financing

Amount Financed: \$18,500

Term: 20 years

Interest Rate: 5.90%

Financing Cost: \$1,551/yr

Completion Date: July 2017

### Lead

Southern Tier  
Solar Works

### Scope of Work

Façade-mounted  
Solar PV







# Agriculture: *Goshen*

## 5 Spoke Creamery Farm, Goshen



### Project

-  Creamery and Cheesemaker
-  53kW Solar PV System
-  \$15,400/yr average annual cash flow
-  105% Electric use offset

### Financing

Amount Financed: \$74,796  
 Term: 5 years  
 Interest Rate: 4.30%  
 Financing Cost: \$16,780/yr  
 Completion Date: March 2015

### Lead

Orange County  
Planning Office

### Scope of Work

Ground-mounted  
Solar PV

# NYS PACE NEWS

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- Article 5-L Amendments (*Became Law Sept 13, 2017*)
  - 10% Cap Removed
  - Community Solar/Remote Net Meter projects allowed
  - Access to non-federal reserves
- New NYSERDA Commercial PACE Guidelines: Positive savings-to-investment ratio (SIR Test)
- PACE Construction Financing

# PACE 2.0

## Finance Criteria

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- Improvements have savings-to-investment ratio > 1
- Financing capped at 35% of value of benefitted property
- Property's total loan-to-value is no greater than 90%
- No bankruptcy within last 7 years
- 3 Year history of timely property tax payments
- No mortgage or other property related defaults
- Existing mortgage holder consent required
- NYSERDA/Utility/**C-PACE Guidelines** approved energy assessments and upgrade process

# Energize NY Services:

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- **Energize NY Partner support**
  - Energize NY Trainings
- **Property owner support**
  - NYSERDA + Utilities
  - Finance Application support
- **Municipal Member support**
  - PACE Finance support
  - Pair PACE to building code initiatives
  - Pair PACE to economic development initiatives
  - Pair PACE to grant opportunities



*Troy waterfront CC-BY-SA-3.0/ [Matt H. Wade](#) at Wikipedia*

# EIC Members: PACE 2.0

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## *EIC's Municipal Members – Next Steps:*

- Amend Local Law and Municipal Agreement (Templates provided by EIC)
- Decisions on Modifications (restrictions) to PACE 2.0 Product
- Launch (re-launch) of Energize NY PACE

# Energize NY Residential Reducing Barriers to Entry

- The Message: Comfort and savings for your home can be achieved through energy efficiency
- NYSERDA's Home Performance with Energy Star
- Energize Comfort Corps = vetted contractors
- Direct homeowner support





# Energize NY Residential Outreach Model

- Community-based, neighbor-to-neighbor model
- Energize Champions and Trusted Sources: Local volunteers who promote the program and follow-up with homeowners.
- Municipal Support: Inclusion in communications and presence on websites





# Contact information

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# APPENDIX

## ENY Finance Process

Action	Timing
<b>1. Submit on-line Pre-application</b> <ul style="list-style-type: none"> <li>a. Receive conditional reservation number</li> <li>b. Obtain an appraisal if needed</li> </ul>	<ul style="list-style-type: none"> <li>a. 2 business days</li> <li>b. Client dependent</li> </ul>
<b>2. Scope of Work</b> <ul style="list-style-type: none"> <li>a. Technical review</li> </ul>	<ul style="list-style-type: none"> <li>a. NYSERDA/Utility program/contractor</li> </ul>
<b>3. Submit Finance Application</b> <ul style="list-style-type: none"> <li>a. Title search</li> <li>b. Lender consent if needed</li> <li>c. Organizational documents</li> <li>d. ENY internal approval process</li> <li>e. Sign and return Finance Agreement documents</li> <li>f. Notice to Proceed</li> </ul>	<ul style="list-style-type: none"> <li>a. 7-10 business days</li> <li>b. Client dependent</li> <li>c. Client dependent</li> <li>d. 15-20 business days</li> <li>e. Client dependent</li> <li>f. 1 business day</li> </ul>
<b>4. ENY disburses capital</b> <ul style="list-style-type: none"> <li>a. Certificate of Completion or equivalent</li> </ul>	<ul style="list-style-type: none"> <li>a. Completion date dependent</li> </ul>

