

C-PACER Legislation:

Enabling Low-Cost, Long-Term Funding for Commercial Energy Efficiency, Renewable Energy, and Resilience Projects in Washington State

What is Commercial PACER Financing?

Known in many states as “PACE” (Property Assessed Clean Energy) financing, this approach to financing can reduce barriers for owners seeking to improve and extend the life of their buildings.

Because PACE loans can be used to finance **energy efficiency, renewable energy, water conservation, fire protection, seismic, or flood readiness enhancements**, an “R” has been added to PACE to emphasize that this type of financing can cover resilience measures in addition to clean energy measures.



What are the benefits of Commercial PACER Financing?

- **Save Money:** Property values are increased with little change in owner financial outlay. PACE helps reduce utility bills by lowering energy costs. Long term pay back can make PACE-funded projects immediately cash flow positive.
- **Create Local Jobs:** PACE funded projects create local good-paying jobs and economic activity. According to a recent [study](#) by the economics firm, ECONorthwest, every \$1 million in project spending results in 15 new jobs and \$2.5M in economic output.
- **Meet Climate Goals:** PACE helps communities achieve important energy and water conservation goals. Efficiency projects upgrade old equipment which reduces energy use, while renewables replace fossil fuels and reduce greenhouse gas emissions.

How Does Commercial PACER financing work?

Local government and local lenders cooperate on loans secured by the property tax obligation, similar to a local improvement district. The debt does not appear as an obligation on the building owner's balance sheet, and the repayment obligation stays with the property rather than the owner whenever the building is sold. Many such loan programs do not require money down. Loan payments are largely offset by lower utility bills and lower insurance premiums.

What building types would be eligible for this financing?

New and existing commercial, industrial, non-profit, and multi-family buildings.

What has been the experience in other states?

More than 30 states have passed PACE enabling legislation since it was first developed in 2008, in many cases with strong bipartisan support.

Currently, there are active loan programs in over 20 of these states. California was first to pass such enabling legislation ten years ago; since then nearly \$3 billion in PACE loans have been made there.

Example Scenario: An owner of a 50-unit apartment building with very high utility bills replaces lighting, windows, and an old boiler with high efficiency equipment, along with new efficient pumps for water pressure and circulation.

- The contractor creates employment, while the upgrades save over 50% of the building energy and create a more attractive asset.
- The owner was otherwise unable to finance the project but now has positive cash flow.
- The owner sells the building the following year, and the new owner continues to repay the loan and reap the benefits.
- The building appraisal reflects increased value.

How can we bring Commercial PACER financing to Washington State?

A growing coalition of economic development, private industry, social justice, and environmental stakeholders is coming together to support legislation to enable Commercial C-PACER in Washington. C-PACER legislation is critical to unlocking this powerful economic development tool that will enable needed investment to Washington's commercial, industrial, non-profit, and multifamily building stock. For more information see shiftzero.org/pace.

QUESTIONS?

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