



Philadelphia C-PACE Program

Application Process Webinar

Agenda

- Application Process Overview
- Pre-Application
- Project Development
- Final Application
- Statement of Levy and Lien Agreement
- Project Close
- Ongoing Requirements

Philadelphia C-PACE Application Overview



Application Overview



Application Resources

- [Program Guidelines](#)
- [Pre-Application Form](#)
- [Final Application Form](#)
- Applications should be submitted to CPACE@philaenergy.org

All program documents are available at
PhiladelphiaCPACE.org

Philadelphia C-PACE

Step 1:
Pre-Application



Pre-Application – Process Overview

1



OWNER

Complete
Pre-Application



Review and
Approve
Pre-Application

- Must be completed by Property Owner or designated representative
- Establishes eligibility for participation in Philadelphia C-PACE program before investing in project development
- PEA commits to review in < 10 business days, usually faster
- Upon satisfactory review, PEA sends Notice of Pre-Application approval to Property Owner

Pre-Application – What PEA Reviews

1



OWNER

Complete
Pre-Application



Review and
Approve
Pre-Application

- When reviewing the Pre-Application, PEA does a basic screen to confirm the following:
 - Financing amount > \$100,000
 - Property is in Philadelphia
 - Property is eligible for C-PACE (not multifamily, residential or government-owned)
 - Proposed measures adhere to Program Guidelines
 - Confirm the applicant self-certifies key statements regarding eligibility
- If the above items are satisfactory, PEA will approve the Pre-Application
- PEA also may pre-check certain requirements for the Final Application including the property records, expected lien-to-value ratio, mortgage-holder consent and energy conservation measures

Pre-Application – Property Information

1



OWNER

Complete
Pre-Application



Review and
Approve
Pre-Application

PROPERTY INFORMATION			
Street Address			
City		State	Zip Code
Property Owner Name (if different from Company name listed above)			
OPA Account Number		Assessed or Appraised Value	
Mortgage Lender Name		Assessment or Appraisal Date	
Estimated Mortgage Balance		Source of Assessment or Appraisal	
If the Property is used to secure other debts and/or obligations, what is the total amount of encumbrances on the Property? Please attach a list of all lien holders and lien amounts on Page 4			
Has Property Owner obtained lienholder consent for C-PACE project yet?		Yes <input type="checkbox"/>	Not Yet <input type="checkbox"/>

Philadelphia C-PACE Program has a lien-to-value limitation of 95%, meaning that the total encumbrances on the Property (including all mortgages and the C-PACE financing amount) must be less than 95% of the assessed or appraised value of the Property.

Mortgage/lienholder consent is not required for Pre-Application approval, but is required for Final Application approval so we want to make sure applicant is on top of this requirement

Pre-Application – Project Information

1



OWNER

Complete
Pre-Application



Review and
Approve
Pre-Application

PROJECT INFORMATION

Project Type:

- ☐ New Construction/Gut Rehab
☐ Retrofit
☐ Retroactive Financing

Work to be financed by C-PACE:

- ☐ Energy efficiency
☐ Water efficiency
☐ Renewable energy

Estimated C-PACE Financing Amount

Estimated C-PACE Project Start Date

C-PACE Capital Provider (if known)

Property Type:

- ☐ Agriculture ☐ Industrial
☐ Data Center ☐ Laboratory
☐ Education ☐ Office
☐ Food Service ☐ Religious
☐ Hospital ☐ Retail
☐ Hospitality ☐ Warehouse
☐ Other

Estimated Annual Savings (\$):

Energy

Water

Gas

Other

Total Estimated Annual Savings

Estimated Annual Renewable
Energy Generation (kWh)

Section 4 of the Program Guidelines describes measures eligible for C-PACE financing. Minimum financing amount is \$100,000.

Projects must generate measurable energy savings or reductions in water usage. PEA recognizes that these numbers are estimates only at the Pre-Application phase.

Please attach a brief summary of the project and any relevant analysis already performed (if any) on Page 4.

Pre-Application – Self-Certifications

1



OWNER

Complete
Pre-Application



Review and
Approve
Pre-Application

- The Property Owner must self-certify its compliance with the following program requirements:
 - Possession of most recent deed (or other applicable documents)
 - Plan for mortgage/lienholder consent
 - Property owner solvency
 - Up-to-date on tax obligations
 - No involuntary liens
 - No uncured notices of default or delinquency on property-based debt
 - No pending litigation affecting C-PACE financing
- Please review these certifications carefully
- These self-certifications are required again in the Final Application

COMMERCIAL PROPERTY-ASSESSED CLEAN ENERGY FINANCING

Philadelphia C-PACE

PHILADELPHIA ENERGY AUTHORITY

PRE-APPLICATION SELF-CERTIFICATION

To be eligible for the C-PACE program, a Property Owner must verify the following statements. By checking the boxes below and signing this form, the applicant certifies that the Property Owner is in compliance with these requirements.

The Property Owner:

- ☐ Possesses the most recent recorded deed, fee title or land contract vendee's interest of an Eligible Property as shown by the records of the Philadelphia Department of Records. Alternatively, if the applicant will become the Property Owner of the Property upon closing of the C-PACE Financing, documentary evidence showing such anticipated transfer reasonably satisfactory to the Program Administrator would be required. All Property Owners of the fee simple title to the subject property, or their legally authorized representatives, must sign the Final Application. Therefore, before submitting the Pre-Application, the applicant should ensure that all owners (or their representatives) of the subject Property agree to participate in the C-PACE Financing on the agreed upon terms and in accordance with the Program Guidelines.
- ☐ Has already or will obtain the written affirmative consent of the holders of any mortgages, liens, or other encumbrances secured by the Property to participate in Philadelphia C-PACE.
- ☐ Certifies that it (and its corporate parent if the Property Owner is a single-purpose entity) is solvent and that no proceedings are pending or threatened in which the Property Owner (or the corporate parent, as applicable) may be adjudicated as bankrupt, become the debtor in a bankruptcy proceeding, be discharged from all of the Property Owner's (or corporate parent's, as applicable) debts or obligations, be granted an extension of time to pay the Property Owner's (and the corporate parent's, as applicable) debts or be subjected to a reorganization or readjustment of the Property Owner's (and the corporate parent's, as applicable) debts. The Property Owner must also certify that the Property Owner (or any corporate parent if the Property Owner is a single-purpose entity) has not filed for or been subject to bankruptcy protection in the past two years.
- ☐ Is current in the payment of all obligations secured by the subject Property, including any City or School District of Philadelphia taxes, property taxes, special assessments (including C-PACE Special Assessment), special taxes, other tax liens, or water or sewer charges, fees, rents or claims, or any penalties or fines related to the property owner's business for which the property owner is responsible, unless the property owner has entered into an agreement to pay any such delinquency and is abiding by the terms of such agreement. Proof of compliance by submission of a Tax Clearance Certificate as defined in Section 9-101 of The Philadelphia Code shall be required prior to the origination of any financing. The Program Administrator may review public records, including the real property records, to verify compliance with this requirement.
- ☐ Has no involuntary liens on the Property, including, but not limited to, construction or mechanics liens, lis pendens or judgments against the Property Owner, or eminent domain proceedings. The Program Administrator and its financing partners may review public records, including the real property records and court documents, to verify compliance with this requirement.
- ☐ Has no notices of default or delinquency on property-based debt that have been recorded and not cured.
- ☐ Certifies that it is not a party to any litigation or administrative proceeding of any nature in which the Property Owner has been served with notice of pending litigation, and that no such litigation or administrative proceeding is pending or threatened that, if successful, would materially adversely affect the Property Owner's ability to operate its business or pay the contractual C-PACE Special Assessment when due, or which challenges or questions the validity or enforceability of the C-PACE Statement of Levy and Lien Agreement or any other documents executed by Property Owner in connection with the Property Owner's participation in Philadelphia C-PACE.

Page 5 of 6

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**Step 2:
Project
Development**



Project Development – Overview

2



Develop C-PACE
Project, Establish
Financing, and
Secure
Lienholder
Consent



- Property Owners and/or their designated representatives will work to develop and define an eligible C-PACE Project:
 - Obtain an Energy Conservation Measures (ECM) Survey as described in Section 4.0 of the Program Guidelines
 - See PEA's website for a list of engineering firms who have self-certified their ability to perform ECM Surveys for the Philadelphia C-PACE program
 - Work with Qualified Contractors to determine the final scope, project cost and schedule
 - Work with C-PACE Capital Provider(s) to secure acceptable C-PACE Financing terms and conditions
 - Obtain mortgage/lienholder consent

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Step 3:

Final Application



Final Application – Process Overview

3



OWNER

Submit Final
Application



Review and
Approve
Final
Application

- Must be completed by Property Owner or designated representative
- PEA commits to review in < 15 business days, unless the project's technical features require additional technical review
- Upon satisfactory review, PEA sends Notice of Final Application approval to Property Owner

Final Application – Full Checklist (1 of 2)

3



OWNER

Submit Final
ApplicationReview and
Approve
Final
Application

Application Requirement	Where to find more information
Final Application Form	Form available at PhiladelphiaCPACE.org
ECM Survey	Must be obtained by property owner; See Sec. 4 of Program Guidelines for more information
Execution-Ready Statement of Levy and Lien (with complete set of exhibits and attachments)	Form agreement available at PhiladelphiaCPACE.org ; Agreement is set, but applicant must provide exhibits
Signed Mortgage/Lienholder Consent Form	Sample consent form is in Appendix J of Program Guidelines but applicant is welcome to use another format if desired
Signed Program Administrator Disclosure and Release Form	Form is in Appendix K of Program Guidelines
Qualified Contractor Terms and Conditions Self-Certification	Form is in Appendix H of Program Guidelines
Capital Provider Statement regarding Qualified Contractor	See Sec. 5 of Program Guidelines for details; Capital Provider must draft its own form
Qualified Contractor Certification to Capital Provider, if applicable	See Sec. 5 of Program Guidelines for details
Diversity and Inclusion Plan	See Appendix L of Program Guidelines for sample language

Final Application – Full Checklist (2 of 2)

3



OWNER

Submit Final
ApplicationReview and
Approve
Final
Application

Application Requirement	Where to find more information
Tax Clearance Certificate	https://www.phila.gov/services/payments-assistance-taxes/get-tax-clearance/
Verification of Property Enrollment in EPA Portfolio Manager	See Appendix E of Program Guidelines
Title Report	Provided by applicant
Property Description	Provided by applicant
Detailed Project Budget (Incl. plan for payment of program expenses)	Provided by applicant
Philadelphia License & Inspection Department Records (if applicable)	Provided by applicant
Zoning/Planning Approvals (if applicable)	Provided by applicant

Final Application – What PEA Reviews

3



OWNER

Submit Final
Application



Review and
Approve
Final
Application

- When reviewing the Final Application, PEA looks to confirm the following:
 - All information required for Pre-Application approval:
 - Minimum financing amount of \$100,000
 - 95% maximum lien-to-value ratio
 - Project is for commercial property located in Philadelphia
 - ECM Survey meets the requirements of Section 4.0 of the Program Guidelines
 - PEA may engage an external engineering firm to review complex ECM Surveys
 - Mortgage/lienholder consent has been received
 - Property Owner self-certifies its eligibility for C-PACE financing
 - Complete and accurate submission of all documents listed on previous two slides
- PEA may review public records, including the real property records, to verify compliance with eligibility requirements

Final Application – Mortgage/Lienholders

3



OWNER

Submit Final Application



Review and Approve Final Application

6. MORTGAGE/LIEN HOLDER(S)

Name of Financial Institution or Lienholder

Total Outstanding Lien Balance

(If there is more than one lienholder on the property, attach a list of all lienholders and lien amounts)

Assessed or Appraised Value of Property

Date of Assessment or Appraisal

Source of Assessment or Appraisal
(Attach supporting documentation)

Total Encumbrances (Incl. C-PACE Financing Amount) as a Percentage of Property Value (95% maximum per Program Guidelines)

Have you received consent from Mortgage / Lienholder?

☐

Yes

☐

Not Yet

Mortgage / lienholder consent is a requirement for Approval of Final Application

Used to verify lien-to-value ratio of property

Mortgage/lienholder consent is required for approval of Final Application

Final Application – Project Impact

7. PROJECT IMPACT

Projected Annual Financial Savings (\$):

Energy

Water

Gas

Other (specify)

Total Projected Annual Savings

Projected Annual Efficiency and Generation Metrics:

Energy Saved (kwh)

Water Saved (mgd)

Renewable Energy Generated (kwh)

Other (specify)

Projected Emissions Impact:

Annual MtCO2e reduction

Lifetime MtCO2e reduction

3



OWNER

Submit Final
ApplicationReview and
Approve
Final
Application

This project data should be pulled directly from the ECM Survey. PEA will use this data to determine the financial and energy/water savings associated with the project.

Final Application – Sources & Uses

3



OWNER

Submit Final
Application



Review and
Approve
Final
Application

8. PROJECT COSTS

Installation Contract(s)	
Engineering and Design Work	
Project Development Fees	
Capital Provider Fees	
Program Fees	
Legal Fees	
Capitalized Interest	
Other (Specify)	
TOTAL PROJECT COST	

9. CAPITAL SOURCES

C-PACE Financing Amount	
Estimated Utility Rebates	
Grants	
Property Owner Cash Contribution	
Other Loans	
Other (Specify)	
TOTAL CAPITAL SOURCES	

Total project sources and uses are required as part of the C-PACE Final Application. This is not a substitute for the Detailed Project Budget (incl. plan for payment of program expenses).

Final Application – C-PACE Financing

3



OWNER

Submit Final
ApplicationReview and
Approve
Final
Application

10. C-PACE FINANCING INFORMATION

Capital Provider Name

Contact Name

Interest Rate

Term (Yrs)

C-PACE Project Simple Payback in Years

(Total C-PACE Financing Amount divided by Total Expected Annual Financial Savings)

Weighted Average Useful Life of Equipment Installed

Expected Project Start Date

Expected Project Completion Date

Annual C-PACE Payment Amount (\$)

Term cannot exceed the weighted-average useful life of the equipment installed. Regardless of the weighted-average useful life (which should be calculated clearly in the ECM Survey), the maximum term is 30 years.

Final Application – Information Release

3



OWNER

Submit Final
ApplicationReview and
Approve
Final
Application

- The C-PACE Capital Provider must disclose certain information to the Property Owner regarding expected project impact and C-PACE financing information
- Per the Pennsylvania C-PACE Statute, PEA must disclose certain information to the public after a deal closes

11. INFORMATION RELEASE CONSENT

The Property Owner attests that the C-PACE Contractor or the C-PACE Capital Provider has provided the following information, as required under the Program Guidelines:

- Annual and lifetime CO2-e reductions measured in metric tons
- Total energy/water saved and/or total energy generated
- Annual financial savings
- Total C-PACE financed amount
- Annual C-PACE payment
- Disclosure that property can be foreclosed on in the event C-PACE payment is not made

☐ Yes

Furthermore, the Property Owner hereby grants permission to the Program Administrator to make available to the public the following information about the project:

- Annual and lifetime CO2-e reductions measured in metric tons
- Total energy/water saved and/or total energy generated
- Annual financial savings
- Total C-PACE financed amount
- Annual C-PACE payment
- Disclosure that property can be foreclosed on in the event C-PACE payment is not made
- The legal description of the property
- The name of each property owner
- The total amount of the qualified C-PACE Project and a complete description of the project
- The assessment needed to satisfy the C-PACE Financing
- The financing rate, the total amount of the C-PACE Financing and any financing charges

☐ Yes

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Step 4:
Statement of Levy
& Lien Agreement



Statement of Levy & Lien Agreement

4



Sign Statement of Levy
& Lien and Close
C-PACE Financing

- Form Agreement available at PhiladelphiaCPACE.org
- Memorializes for the public record that there is a C-PACE Special Assessment on the Property Owner's real property, among other terms
- Signed by:
 - Property Owner
 - Capital Provider
 - Philadelphia Energy Authority (as Program Administrator)
 - City of Philadelphia
- Following the execution and payment of all applicable fees, the Program Administrator will record the C-PACE Statement of Levy and Lien Agreement with the Philadelphia Department of Records

Financial Close

4



Sign Statement of Levy
& Lien and Close
C-PACE Financing

- Financing will close and funds will be made available for C-PACE Project on or after the date on which the C-PACE Statement of Levy and Lien Agreement is recorded
- At closing, all amounts payable to the Program Administrator (Program Fees and any soft costs) will be distributed via wire
- For more information on distributions, please see Step 5: Project Implementation

Public Disclosure

4



PHILADELPHIA
ENERGY AUTHORITY



Sign Statement of Levy
& Lien and Close
C-PACE Financing

- Following execution of a C-PACE Statement of Levy and Lien Agreement, the Program Administrator will post online and make available to the public a notice containing the following information about the Assessment and the C-PACE Project:
 - The legal description of the property;
 - The name of the Property Owner;
 - The total amount of the qualified C-PACE Project and a complete description of the Project;
 - C-PACE Financing amount and the Assessment needed to satisfy that amount;
 - The financing rate on the C-PACE Financing, the total amount of the financing and any financing charges associated with the C-PACE Financing;
 - A reference to the statutory assessment lien provided under the Pennsylvania C-PACE Statute.
- The Property Owner consents to this disclosure as part of the Final Application Form

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**Step 5:
Project
Implementation**



Project Implementation – Milestone Payments

5



OWNER

Project
Implementation

- Payments to be distributed per the C-PACE Financing Agreement (subject to milestone distributions)
- Upon substantial completion of the project, the Property Owner will arrange for a Completion Certificate acknowledging that all contracted work has been properly completed
 - Qualified Contractor or ECM Survey provider must complete commissioning of the ECMs prior to executing a Completion Certificate
- The Property Owner will submit executed Completion Certificate to PEA
- Capital Providers are prohibited from releasing, and installation contractors are prohibited from receiving, final payment for a C-PACE Project until PEA has confirmed receipt of Completion Certificate

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Step 6: Ongoing Requirements



Ongoing Requirements



Ongoing C-PACE Program
Administration Incl.
Financing Repayment

1

Property Owner fulfills C-PACE payments on time in accordance with C-PACE Financing Agreement; also pays annual Administrative Fee of \$750 to PEA

2

Property Owner uploads building's energy and water usage data to EPA Portfolio Manager on annual basis in line with City's benchmarking requirements

3

PEA manages invoicing, collections, and delinquency enforcement including placing a lien on the property and pursuing a Sheriff's Sale

Philadelphia C-PACE Discussion



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PHILADELPHIA
ENERGY AUTHORITY

Contact Information

Philadelphia Energy Authority

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PhiladelphiaCPACE.org