



Philadelphia C-PACE presents Energy Efficiency and COVID-19 Safety Measures: Can You Have Both?



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CLEAN, EFFICIENT, AFFORDABLE

energy as a tool for impact

ECONOMIC development

Projects that move the needle on carbon reduction are bringing established companies, investors and entrepreneurs to the city.

CREATING jobs

Statewide, the number of clean energy jobs already outpaces the number of fossil fuel jobs.

ALLEVIATING poverty

Reducing the energy burden for Philadelphians means homes that are safe, warm, healthy and affordable for the long term.

IMPROVING public health

In public buildings, schools, homes and businesses, clean and efficient energy is a vehicle for improving the health of our communities.



What is C-PACE?

Financing tool: Provides long-term funding for energy efficiency, renewable energy, and water conservation projects

Creates measurable savings: Projects must result in energy savings or reductions in water usage for commercial properties

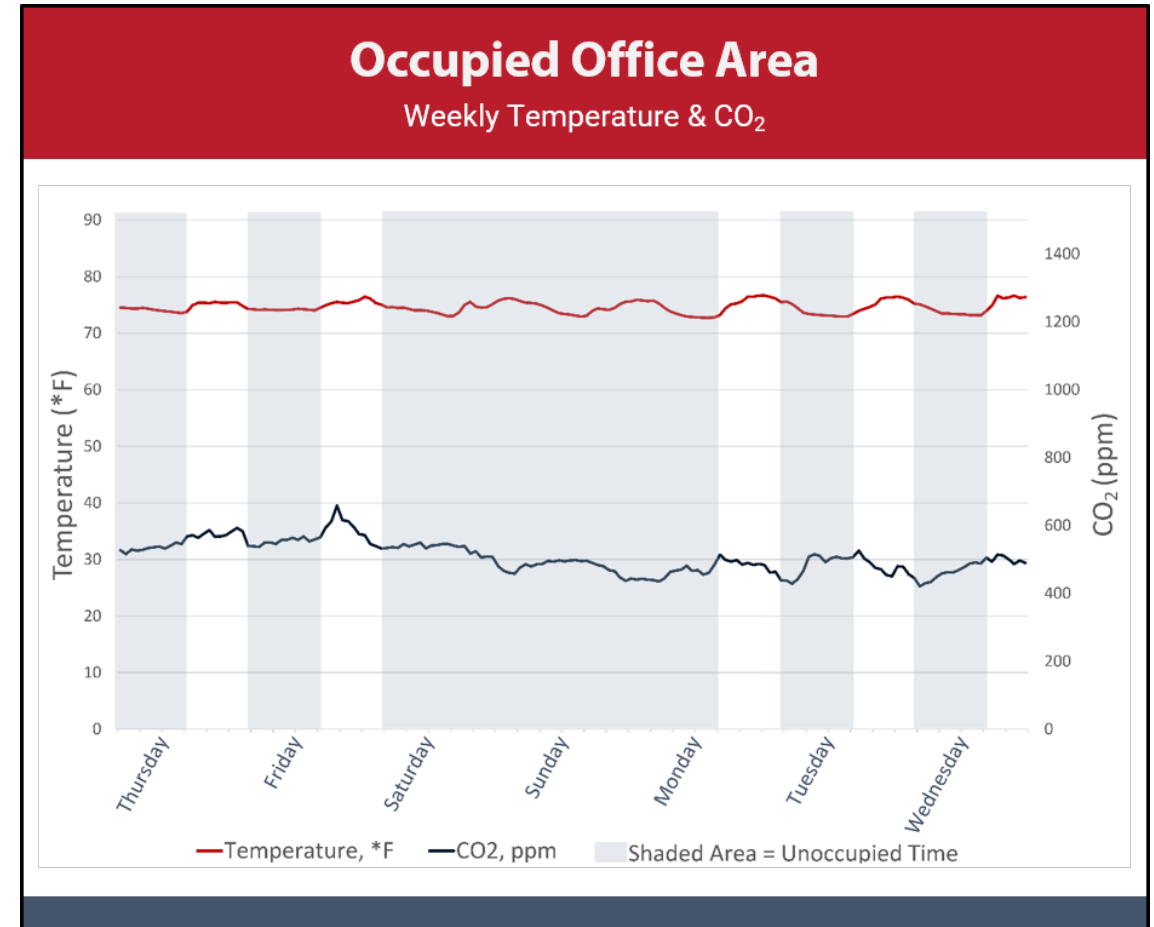
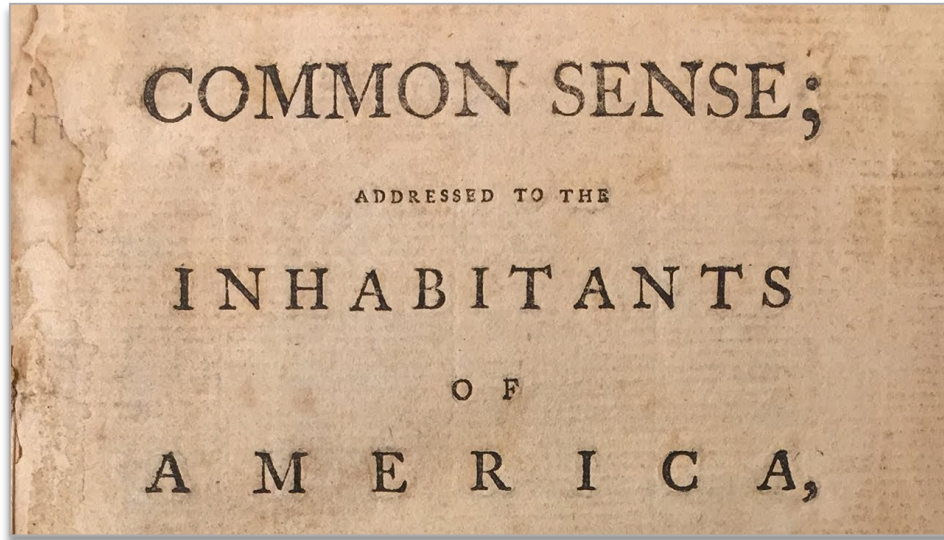
Through a special assessment: Repayment is through a special assessment similar to a property tax assessment

Building Energy Efficiency and IAQ: Operations

Dan Kerr

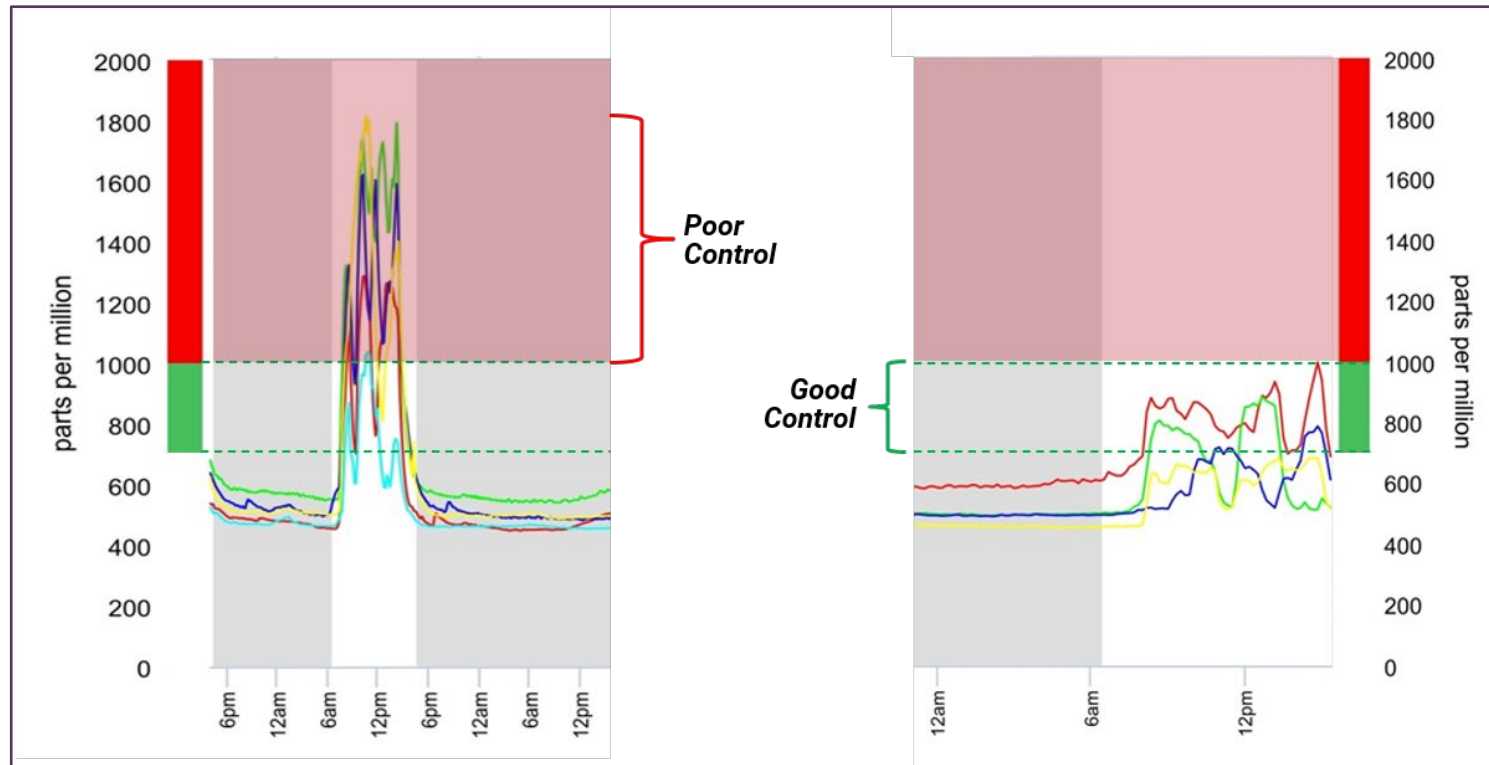


Operational Adjustments



Operational Adjustments

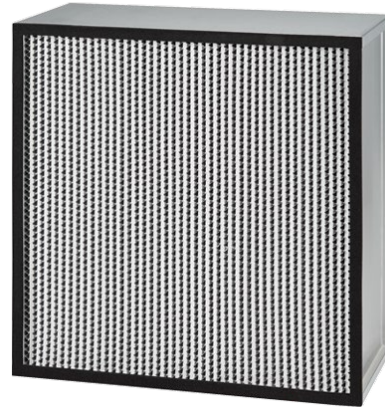
DOES YOUR BUILDING WORK CORRECTLY IN THE FIRST PLACE?



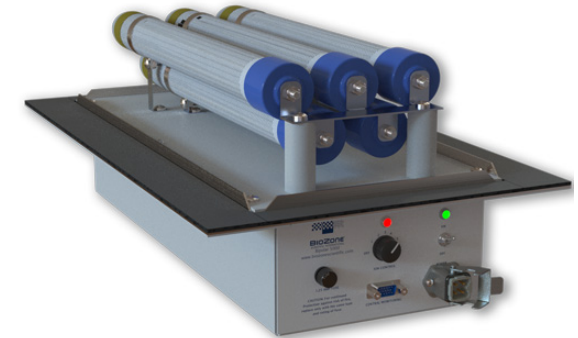
Operational Adjustments

TIME-PROVEN STRATEGIES

- More Ventilation vs. Extended Proper Ventilation
- Max Your MERV
- UVGI



NEWER TECHNOLOGIES



COVID Mitigation + Energy Reduction: A Holistic Approach to Building Health

Marcelo Rouco
Chairman, Founder & CEO
Ecosave



The benefits of a combined approach

- Maintain building health standards while reducing energy use
- Funding COVID mitigation measures with energy savings
- So COVID mitigation can be funded by C-PACE
- Free in-depth study of savings and COVID mitigation measures for your building
- Engage holistically with a firm capable of design, implementation, performance guarantee and C-PACE approved financing



C-PACE Financing Overview

Sam Elbarouki

D I  D E N D

PACE

Building Upgrades

Finance 100% of the cost upgrades

Potentially cost pass through

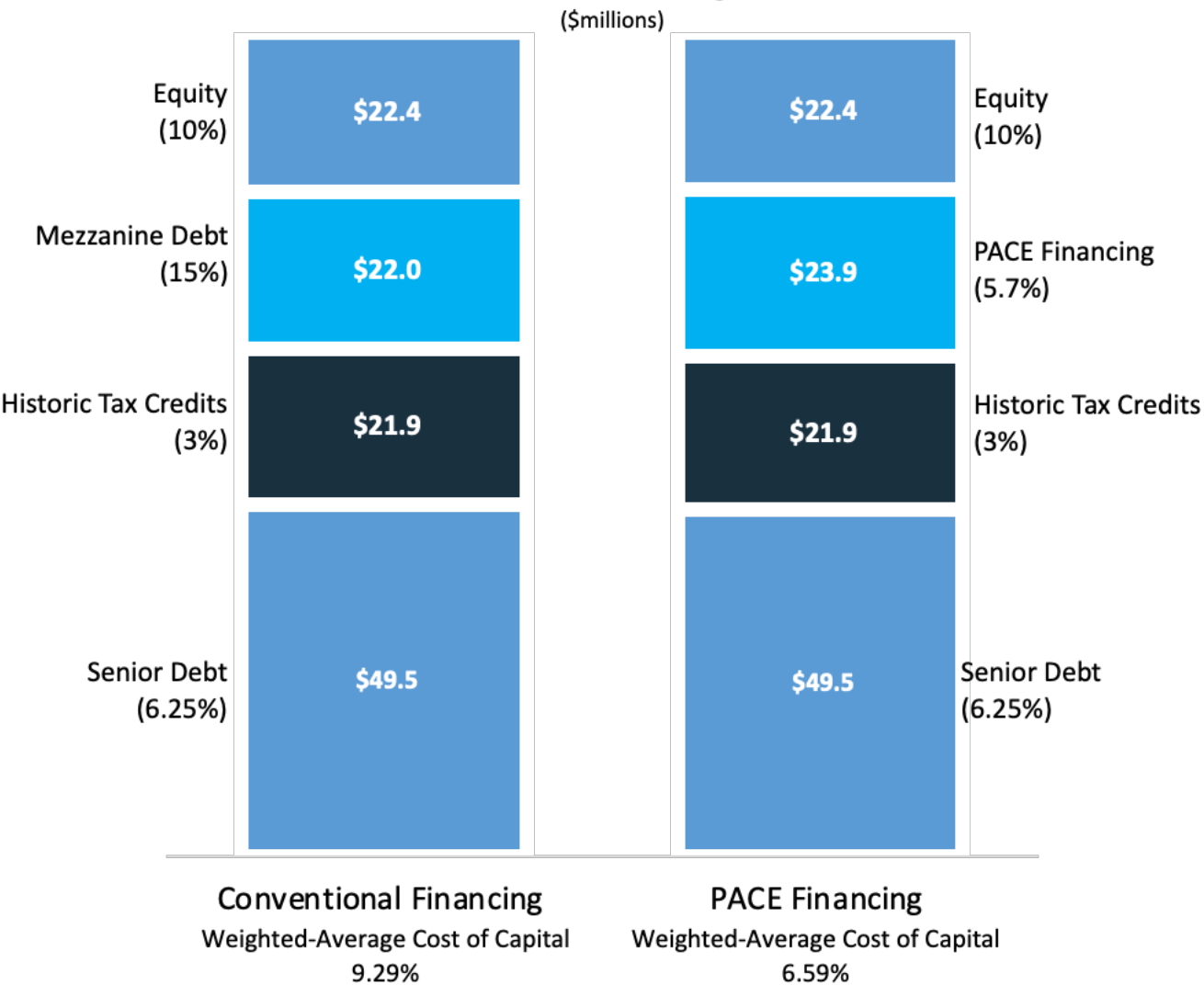
Lower cost of capital, higher returns

Encourage sustainability and resiliency

Non-recourse

New Construction

Conventional Financing vs. PACE



C-PACE Integrates with Other Economic Development Initiatives

- Opportunity Zones
- TIFs
- LIHTC
- HTC
- Utility Incentives



ECMs & PACE Program Guidelines

“Does it make the property more efficient or resilient?”

Energy Conservation Measures	
Renewable energy (wind, solar, geothermal, etc.)	
Roof replacement / cool roofing	
Low-flow water fixtures	
Windows & Doors	
Lighting upgrades	
Building envelope	
Energy storage	
Chillers / boilers	
HVAC systems	
**EV charging (not in PA)	
Other state-specific measures, ie. Seismic in CA. Story Resiliency in FL	
Financing Amount:	Depending on Capital provider: Dividend Lower of 20% of as completed value or 25% of LTC. PA max 95% combined
Minimum Project Size:	\$100,000 for Philadelphia and \$25,000 in PA:
Repayment Term:	5-30 years
Interest rate:	Fixed rate
Amortization:	Self-amortizing over repayment term
Costs:	Depends on asset class, geography, asset class, etc. Transactional: (project specific, paid by borrower or included in PACE assessment): appraisal, title, engineering, environmental, legal
Personal Guaranty:	None. PACE financing is non-recourse
Prepayment:	Pre-payable with premium
Repayment Frequency:	Concurrent with property tax payments

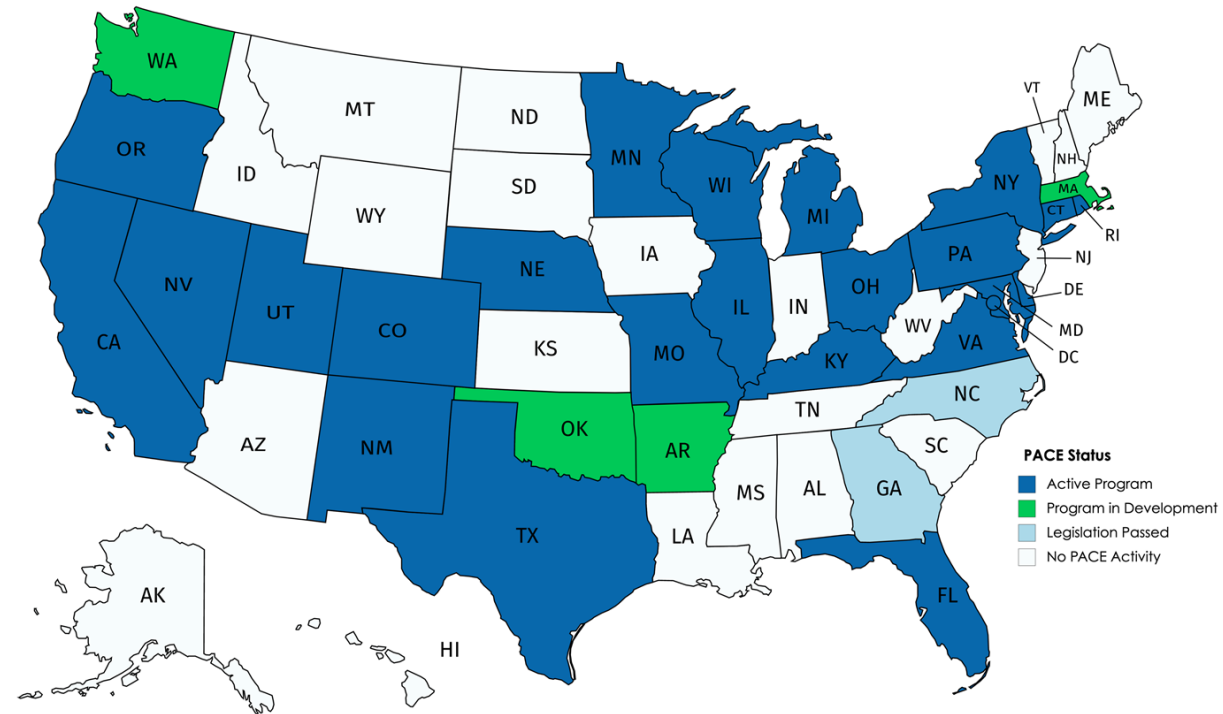
Mortgage Lender PACE Perspective

Construction Financing:

- ✓ Overall lower project WACC solidifies project economics
- ✓ Expedites projects: Speedier capital stack completion
- ✓ PACE match funds long-term asset with long-term capital
- ✓ Can survive sale, transfer, or refinancing, lowering long-term debt requirements
- ✓ Non-accelerating
- ✓ Aligns financing priorities with building priorities
 - ✓ Most LEED measures are PACE-eligible
 - ✓ Sustainable building, sustainable financing



PACE Programs Cover Much of the Nation



23 States & DC have operational PACE programs
4 States are launching

Piazza & Papaveri Apartments, Fontana, CA

- ✓ 478.3 kW DC Carport-Mounted Solar PV Array
- ✓ 20 years, \$1,066,895 financed with PACE, paired with HUD grant
- ✓ Project results in over \$5.8 million in energy savings over 25 years
- ✓ SIR: 2.11
- ✓ First HUD properties to use PACE to convert to solar



Chico Mall & Golden Brewing- California

Chico Mall: Chico, CA

Exterior LED lighting & building controls

- ✓ 15 years
- ✓ PACE financing: \$690,462
- ✓ Savings-to-Investment Ratio (SIR): 2.05
- ✓ Cumulative utility savings: \$2,655,096



Golden Road Brewing: Anaheim, CA

Roof replacement and 270.4 kW DC roof-mounted solar PV

- ✓ 25 Years
- ✓ PACE financing: \$1,040,867
- ✓ Savings-to-Investment Ratio (SIR): 0.95
- ✓ Cumulative utility savings: \$2,239,030

C-PACE in Philadelphia

Lisa Shulock



Philadelphia C-PACE Eligibility

PROGRAM REQUIREMENTS

- Located in Philadelphia
- Commercial and industrial properties only
 - Residential and multi-family properties not allowed
- Building upgrades, gut rehabs, new construction permitted
 - New construction projects must exceed code requirements

FINANCING REQUIREMENTS

- \$100,000 minimum
- 95% lien-to-value limit
- Up to 30-year term
- Capital Provider registration with statewide C-PACE database
- Retroactive financing available

Recently Closed Deal: J-Centrel

Project Overview

Property Type: Mixed-Use

Financing Amount: \$1,500,000

Building Measures: LED lighting, insulation, window replacements, energy recovery units, low-flow plumbing, and more

Environmental Impact:
Reduction of the building's total carbon footprint by 2,700 metric tons of CO2 equivalent



Property Owner:
SHIFT Capital



Capital Provider:
Twain Financial Partners



- ✓ \$1.5MM C-PACE financing filled **final piece of capital stack**
- ✓ Use for energy and water efficiency measures that exceed code requirements and achieved **immediate operating cost savings**
- ✓ Used for **commercial space** which includes retail storefronts, spaces for entrepreneurs and an accelerator for local businesses

Philadelphia C-PACE Q&A





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