# UTAH CPACE

FINANCING CLEAN ENERGY

cpace.utah.gov
utahcpace@utah.gov

GOVERNOR'S OFFICE OF ENERGY DEVELOPMENT
*Advancing Utah's Energy Future*

UTAH CLEAN ENERGY

HUNT ELECTRIC, INC.

SWEEP
SOUTHWEST ENERGY EFFICIENCY PROJECT

# Overview

- C-PACE – what it is, and how it can benefit you
- Authorized service provider list
- C-PACE process
- Additional resources

# C-PACE

- C-PACE is a financing mechanism that allows you to get $0 down, 100% financing for energy efficiency, renewable energy, or water conservation projects for a term of up to 30 years
- Recommended project size: $200,000 +

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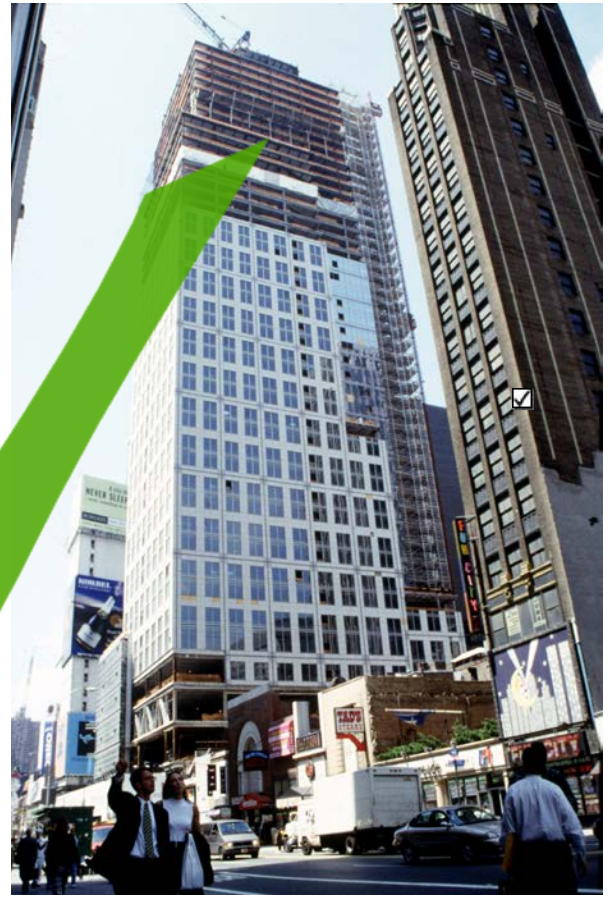
# Eligible properties



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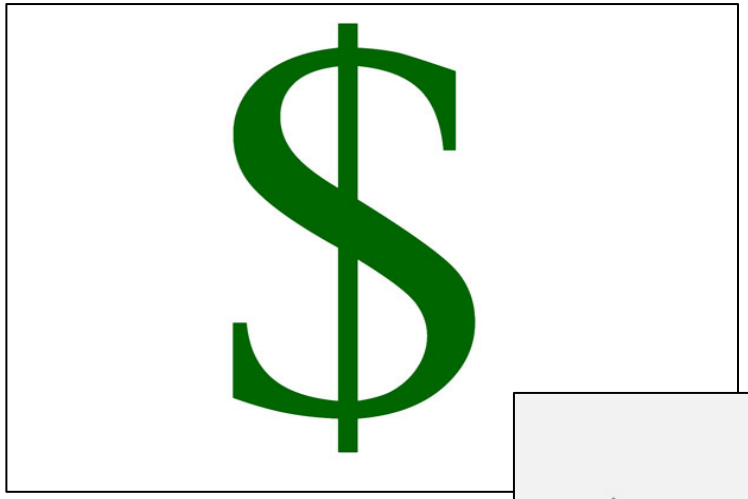
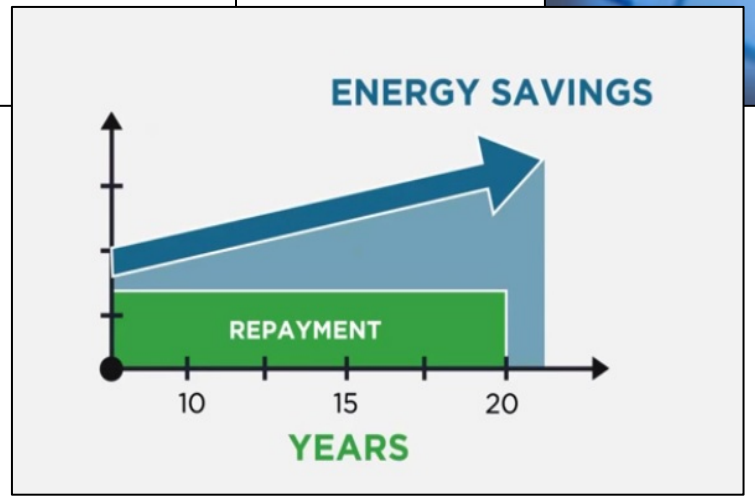
# Eligible project measures

# Why use C-PACE?





# How does it work?

1. Design project

2. Identify capital provider

3. Secure lien holder consent

4. Municipality issues and sells bond and creates assessment area

5. Install project and make payments

# C-PACE Resources

CPACE.UTAH.GOV

# Municipal partnership

UTAH C-PACE
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**Resources for Municipalities**

Municipalities can learn more about C-PACE program by viewing the webinar below. The slides can be downloaded here.

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# Authorized service providers

## Find a Contractor

Whether you are looking to complete an energy audit, install solar panels or efficient lighting, there are C-PACE contractors in your area. The table below is updated as applications are received.

Show 10 entries Search:

| Company | Services | Website | Contact |
|---|---|---|---|
| Synergy Power, Inc. | Building/Energy Management Systems and Solar PV | synergypowerpv.com | Chris Lucas<br>chris@synergypowerpv.com<br>(801) 420-0391<br>531 River Meadow Drive<br>Alpine, UT 84004 |
| Hunt Electric | Lighting, Controls, Building/Energy Management Systems, Solar PV, Motors and Drives, Renewable Energy, and Wind | huntelectric.com | Nikki Anderson<br>nanderson@huntelectric.com<br>(801) 975-8844<br>1863 West Alexander Street<br>SLC, UT 84119 |
| Total Building Commissioning (TBC) Inc. | Energy Audits or Studies on Lighting, HVAC, Building Envelope, Controls, Building/Energy Management Systems, Commissioning, Solar PV, Combined Heat and Power, Motors and Drivers, Renewable Energy, and Geothermal | tbcxinc.com | Matt Garlick<br>msg@tbcxinc.com<br>(801) 907-5654<br>324 S State Street, Suite 400B, SLC, UT 84111 |
| Marathon Electric | Lighting, Controls, Solar PV, and Renewable Energy | marathonelectricllc.com | Matt Sovic<br>matt.sovic@marathonelectricllc.com<br>(801) 867-4543<br>4322 S Main Street,<br>Murray, UT 84107 |
| Intermountain Wind and Solar | Solar PV, Renewable Energy, and Wind | www.intermtnwindandsolar.com | Mark Richards<br>markrichards@imwindandsolar.com<br>801-298-5255<br>1953 West 2425 South, Woods Cross, UT 84087 |

Edit

Showing 1 to 5 of 5 entries Previous Next

PRINT CLEAR FORM

## Utah C-PACE Authorized Service Provider Application

Commercial Property Assessed Clean Energy, or C-PACE, is a mechanism allowable under Utah Code §§11-42-209 for financing energy efficiency, renewable energy, and water conservation projects for commercial buildings through a voluntary assessment on the property tax bill. Per U.C.A. §11-42-301 (9)(b) and the Municipality Agreement, OED will maintain a list of authorized service providers for the completion of C-PACE projects.

Authorized service providers must provide an active Utah Division of Occupational and Professional Licensing license number, all relevant classifications, and certify they are bonded and hold the state minimum for liability insurance. Other authorized service providers including design groups, distributors, engineers, and architects will also be required to provide relevant business license information.

**Company Contact Information**

Company Name:

Contact Name:

Email: Phone: Website:

Address:

City: State: Zip Code:

**Company Profile**

Please provide a brief description of your company including ownership, volume of business, number of employees, and the services you provide.

How many years have you been in business?

Page 1 of 5

# C-PACE process – applications

PRINT | CLEAR FORM

## Utah C-PACE Pre-Application

This form will help property owners determine whether their property is eligible for C-PACE financing.

**Eligibility**

| | |
|---|---|
| Is the owner aware he/she must obtain consent from each person or institution holding a lien or mortgage on the property in order to receive C-PACE financing? | ☐ Yes ☐ No |
| Are the proposed measures energy efficiency, renewable energy, energy storage, or water conservation improvements? | ☐ Yes ☐ No |
| Do the proposed measures include electric vehicle charging infrastructure? | ☐ Yes ☐ No |
| Will the proposed measures be permanently affixed to the real property? | ☐ Yes ☐ No |
| Are there any delinquent taxes, special assessments, or water sewer charges on the property? | ☐ Yes ☐ No |
| Is there a recorded notice of default, foreclosure, or delinquency on any trust deed or other lien on the property that has not been cured? | ☐ Yes ☐ No |
| Are there any involuntary liens, including a lien on real property, or on the proceeds of a contract relating to real property, for services, labor, or materials furnished in connection with the construction or improvement of the property? | ☐ Yes ☐ No |
| Will the C-PACE loan exceed 30 years? | ☐ Yes ☐ No |
| If the term of the C-PACE loan exceeds 10 years, will the loan term exceed the reasonable useful life of the improvement(s)? | ☐ Yes ☐ No |

**Title Record**

*Please affix a title record to this application as evidence that: there are no delinquent taxes, special assessments, or water or sewer charges on the property; that the property is not subject to a trust deed or other lien on which there is a recorded notice of default, foreclosure, or delinquency that has not been cured; and that there are no involuntary liens, including a lien on real property, or on the proceeds of a contract relating to real property, for services, labor, or materials furnished in connection with the construction or improvement of the property.*

**Property Location**

Property Name: _____

City: _____ County: _____

Property Address: _____

Page 1 of 2

## Utah C-PACE Application

Please complete the entire application form.

**Contact Information**

Name: _____

Email: _____

Phone: _____

I am a (please select one):

☐ Property Owner ☐ Building Manager ☐ Municipality

☐ Investor/Lender ☐ Contractor/Auditor/Project Developer

☐ Mortgage Holder ☐ Other: _____

**Building Owner Information**

Building Owner: _____

Entity: _____

Building Owner Contact: _____

Email: _____ Phone: _____

Property Legal Description: _____

**Project Type**

☐ Energy Efficiency Upgrade ☐ Renewable Energy System Upgrade or Installation

☐ Water Conservation ☐ Other: _____

Page 1 of 6

# C-PACE process – Financing

## DRAFT Project Finance Report

| | | | |
|---|---|---|---|
| Property: | CT Office - Energy Efficiency<br>123 Main Street<br>Bridgeport, CT 06604 | Report Date:<br>Prepared By:<br>Company: | March 15, 2016<br>Brian Burstiner<br>Best ESCO |
| Property Type: | Office - Large (>50,000 SF) | | |
| Property Size: | 95,000 SF | | |
| Baseline Period: | **Jan 2014 to Dec 2014** | | |
| Scenario: | **PACE 100% Financed, 20 Years @ 6%** | | |

### Financial Summary

The table below displays a financial summary of the recommended Energy Conservation Measures (ECMs).

| 100% Financed Scenario: 20 Year Term at 6% Interest Rate | Projected | 'Worst' Case | 'Best' Case |
|---|---|---|---|
| **Financing** | | | |
| Borrower Equity Contribution (100% financed): | $0 | $0 | $0 |
| Project Amount Financed: | $1,992,683 | $2,238,883 | $1,746,483 |
| Program Administration Cost Financed: | $47,354 | $53,205 | $41,503 |
| Total Amount Financed: | $2,040,037 | $2,292,088 | $1,787,986 |
| **Project Cash Flows** | | | |
| Projected Savings Over Effective Useful Life: | $6,220,414 | $5,598,372 | $6,842,455 |
| Projected Debt Service: | $3,507,600 | $3,941,040 | $3,074,400 |
| Net Cash Flows Over Effective Useful Life: | $2,712,814 | $1,657,332 | $3,768,055 |
| Projected Annual Debt Service: | $175,380 | $197,052 | $153,720 |
| Projected Average Annual Savings (net of debt service): | $108,513 | $66,293 | $150,722 |
| **Key Financial Metrics** | | | |
| Savings to Investment Ratio (SIR): | 1.77 | 1.42 | 2.22 |
| Net Present Value (NPV at 6% discount rate): | $1,331,222 | $748,364 | $1,913,942 |
| Time to Positive Cash Flow: | Immediate | Immediate | Immediate |
| Asset Value Increase at 9.25% CAP Rate: | $2,689,909 | $2,420,918 | $2,958,899 |

Projections include annual utility price escalation factors of 3% for electricity and 3% for fuels, as well as an annual savings degradation factor of 1%. Estimated 'Best' and 'Worst' cases are calculated using uncertainty levels of ± 10% for projected costs (applied to total installation cost, excluding incentives) and ± 10% for projected savings. One-time incentives applied to Projected, 'Worst' and 'Best' cases are unaffected by uncertainty assumptions. The 'Worst' case is comprised of the upper range of costs and the lower range of savings. The 'Best' case is comprised of the lower range of costs and the upper range of savings. The Asset Value Increase calculation assumes debt service payments are treated as loan payments that do not impact the building's net operating income.

Best ESCO
865 Brook Street Rocky Hill, CT 06067-3444

Page 1

## CONSENT OF LIENHOLDER TO ASSESSMENT

THIS CONSENT OF LIENHOLDER TO ASSESSMENT ("Agreement") is made and entered into effective as of _____, 2016 by _____ (the "Lienholder") in favor of _____, a Utah corporation or an affiliate thereof (the "Owner").

### RECITALS

A. Owner is the owner of that certain parcel of real property located in _____ County, Utah, as more fully described in Exhibit A attached hereto and made a part hereof, together with the buildings and improvements located thereon (the "Property").

B. The Property is encumbered by a deed of trust made by the Owner for the benefit of the Lienholder and recorded in the official records of _____ County, Utah (the "Deed of Trust").

C. Pursuant to the Assessment Area Act, Title 11, Chapter 42, Utah Code Annotated 1953, as amended (the "Act"), the Owner desires to have its Property included as part of a voluntary assessment area (the "Assessment Area") to be designated by _____ City, Utah (the "City") for the purpose of financing the costs of acquiring, constructing or installing certain Energy Efficiency Upgrades and/or Renewable Energy Systems (as such terms are defined in the Act) on the Property.

D. Pursuant to Section 11-42-209 of the Act, the Owner has requested that Lienholder consent to the inclusion of the Property in the Assessment Area and the placement of a first priority assessment lien on the Property (the "Assessment Lien").

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Lienholder agrees with and certifies to Owner as follows:

1. Representations. Lienholder is the holder of the Deed of Trust filed of record in the Recorder's Office in _____ County, Utah and attached hereto as Exhibit B.

2. Consent to Assessment. Lienholder hereby irrevocably consents to the (i) inclusion of the Property in the Assessment Area and (ii) placement of the Assessment Lien on the Property and any and all other action as shall be necessary in connection therewith.

3. Reliance. The City and any bond trustee designated in connection with the Assessment Area shall have the right to rely on and shall be considered a third-party beneficiary of this Agreement.

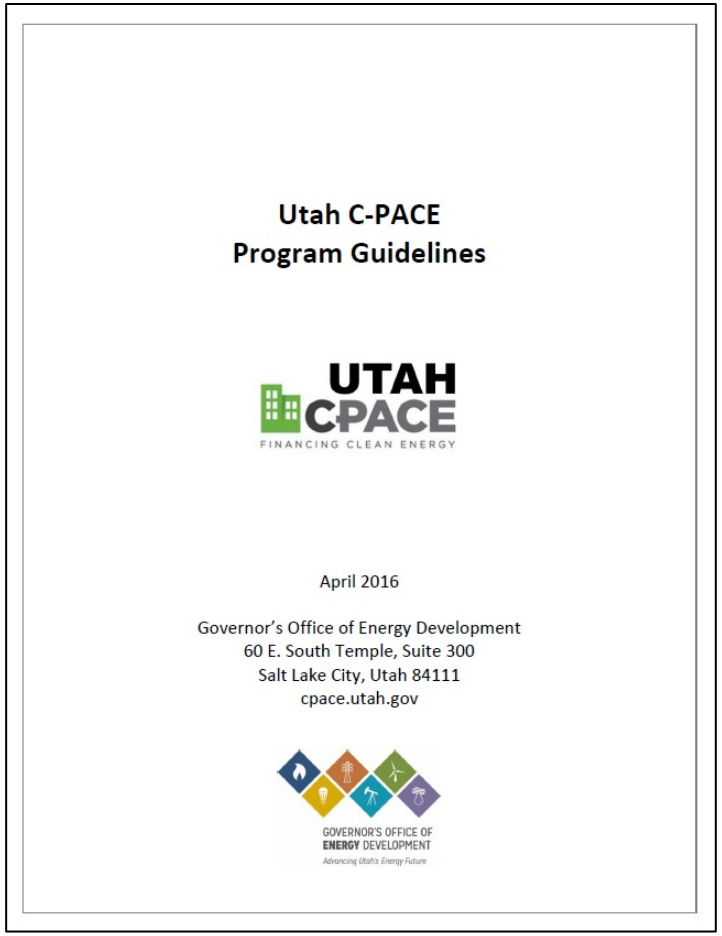
DMWEST #14105381 v1

# C-PACE process – municipal process

The following schedule can help you estimate your fees at different levels of C-PACE financing[2]:

| Principal Amount | Bond Counsel Fees[3] | Financial Adviser Fees[4] | Total Fees |
|---|---|---|---|
| $50,000 - $499,999 | $8,500 | $6,500 | $15,000 |
| $500,000 - $749,999 | $10,000 | $6,500 | $16,500 |
| $750,000 - $999,999 | $15,000 | $6,500 | $21,500 |
| $1,000,000 - $1,249,999 | $20,000 | $6,500 | $26,500 |
| $1,250,000 - $1,499,999 | $25,000 | $6,500 | $31,500 |
| $1,500,000 - $1,999,999 | $30,000 | $7,500 | $37,500 |
| $2,000,000 - $2,499,999 | $40,000 | $10,000 | $50,000 |
| $2,500,000 - $2,999,999 | $45,000 | $12,500 | $57,500 |
| $3,000,000+ | TBD | $5 per $1,000 | TBD |

# C-PACE process – completion and repayment



Utah C-PACE
Program Guidelines

April 2016

Governor's Office of Energy Development
60 E. South Temple, Suite 300
Salt Lake City, Utah 84111
cpace.utah.gov

# Additional resources

- Program Administrator: Shawna Cuan, Governor's Office of Energy Development, utahcpace@utah.gov
- Utah's C-PACE website: cpace.utah.gov
- Utah C-PACE municipality webinar: http://energy.utah.gov/wp-content/uploads/Municipality-Webinar-Slides_May-2016.pdf
- PACENation: http://www.pacenation.us/