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C-PACE creates opportunity for energy efficiency upgrades to offset rising energy costs - by Jeffrey Diehl

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Jeffrey Diehl, Rhode Island
Infrastructure Bank

Consumers and businesses across New England pay some of the highest energy costs in the country. Here in Rhode Island, businesses' bottom lines are adversely affected by the costs associated with powering their operations. Variability in energy rates may cause business owners to be more conservative when hiring, investing capital or pursuing opportunities. New England winters compound this issue, potentially resulting in budget overruns due to energy costs. Commercial building owners can reduce their energy-cost burden by utilizing the Infrastructure Banks' Commercial Property Assessed Clean Energy Program (C-PACE) to save money by integrating modern, energy-efficient improvements into their properties.

C-PACE provides commercial property owners access to long-term, fixed rate financing for energy efficiency or renewable energy improvements. This unique program requires no upfront capital cost to the building owner or real estate developer and has a maximum term length of 25 years. Like a sewer assessment, the debt service is then included and paid down via the buildings' tax assessment. The C-PACE loan is also transferrable to the next building owner and does not follow the original borrower in the event of a property sale.

Projects eligible for Rhode Island C-PACE financing include commercial buildings and businesses embarking on energy efficiency upgrades, such as upgraded lighting, insulation, heating and cooling systems, as well as those looking to implement renewable energy measures. Additionally, energy efficiency and renewable energy projects may be eligible for additional state and utility incentives.

Recent program successes include, the 143-year-old, non-profit Providence Public Library, which is financing \$1.6 million of their energy efficiency projects through C-PACE as part of an overall \$25 million renovation project. In Westerly, US Extruders utilized the program to finance the installation of a 140kW solar array, which will power their operations and those of two manufacturing businesses that lease space within the 46,000 s/f facility.

C-PACE is a critical tool for helping Rhode Island businesses and commercial property owners mitigate the burden and manage the risk of high energy costs.

Jeffrey Diehl is the CEO and executive director of Rhode Island Infrastructure Bank, Providence, R.I.

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