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Free-up liquidity through Rhode Island C-PACE - by Jeffrey Diehl

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Rhode Island's Commercial Property Assessed Clean Energy Program (C-PACE) has enabled building owners to invest over \$15 million in energy efficiency and clean energy upgrades. R.I. C-PACE provides long-term, fixed rate, 100% financing for clean energy and energy efficiency projects. Financing is secured through a property tax assessment reflected on the tax bill and recorded on the title, so the assessment stays with the property. To date the program has saved Rhode Island businesses over \$16 million in energy costs, and those that invested in solar are seeing net positive returns.

During these unprecedented times, C-PACE can be a tool to conserve capital, free up operating funds, and reserve capital for other needs. Retroactive C-PACE financing can be used to reimburse property owners for previously installed qualifying energy efficiency and renewable energy improvements and associated soft costs. C-PACE's long repayment period (20-25 years) reduces debt service significantly when compared to a traditional loan. Lenders often afford borrowers the option to delay the start of loan repayments, thereby preserving near-term cash flow.

C-PACE can finance an expansive list of energy and water-focused improvements. These improvements include HVAC, boilers, roofing, lighting, solar, controls, windows, and many other eligible measures. This financing is available for projects on the drawing board as well as completed projects. If you implemented an efficiency or renewable energy project after July 2015, you may be eligible to finance that project using C-PACE.

For example, a building owner installed \$1.6 million worth of improvements in 2016, including LED lighting, HVAC controls and a boiler, and funded these improvements with cash and traditional bank financing. Using C-PACE today, the building owner borrows \$1.2 million against the value of those improvements, including the value of the savings from financing on more favorable terms. The building owner gets a long-term, fixed-rate C-PACE loan and frees up valuable capital in a challenging business environment using existing assets.

Clean energy projects spur job growth and economic development, while significantly reducing costs through reduced energy usage. As one of the Infrastructure Bank's C-PACE clients recently said, "C-PACE just makes sense!"

For more information, visit www.ri-cpace.com or contact Toby Ast, C-PACE business development manager at Rhode Island Infrastructure Bank at tast@riib.org.

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