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Green Bank's C-PACE program can provide relief - by Mackey Dykes

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Connecticut business and property owners have always met challenges with resiliency. Now, in the wake of the COVID-19 pandemic, they're working to accommodate a new normal, which for many includes thinner margins, tighter cash flow, uncertainty about utility costs, and less access to capital. C-PACE financing (Commercial Property Assessed Clean Energy) offered by the Connecticut Green Bank, a quasi-public authority and the nation's first "green bank," mitigates these concerns by enabling businesses to make improvements that immediately start saving energy and money, without requiring upfront capital. Designed for energy efficiency and renewable energy upgrades, C-PACE helps control costs when it is most important, while positioning properties for a better future.

Since 2013, the Green Bank has helped hundreds of Connecticut businesses take advantage of C-PACE to modernize their buildings and reduce operating costs. By taking advantage of this innovative financing option, building owners have been able to address deferred maintenance or make major upgrades such as new heating and cooling or solar PV systems that reduce operating expenses and increase net operating income for themselves and their tenants. These upgrades offer building owners better control of energy costs for up to 25 years while they repay for the improvements.

C-PACE helps all types of businesses, including some of those hardest hit by COVID-19, like retail and food service. For example, DiMare Pastry in Stamford recently chose C-PACE financing for a solar PV system. This energy upgrade will provide stability and help reduce the bakery's electricity costs for the next 20 years. DiMare Pastry's plans to go solar seemed like a good idea before COVID-19, but now the energy savings and improved cash flow look even better.

Offices, mixed-use buildings, and manufacturers have all successfully leveraged C-PACE over the years too. In fact, dozens of manufacturers – an industry vital to Connecticut's economy before and especially during the COVID-19 shutdown – have benefitted from the program. With utility costs making up a significant part of operating expenses for manufacturers, C-PACE is a natural fit – and

a solution that can help mitigate against tighter margins and unpredictable energy expenses (plus, Energy on the Line, offered in partnership with the Department of Economic and Community Development's Manufacturing Innovation Fund, offers additional incentives for manufacturers using C-PACE through 2020).

And solar is not the only technology that C-PACE helps businesses leverage. Energy efficiency projects, including everything from HVAC improvements to window replacements, can reduce energy costs and increase ventilation and air flow – while also improving comfort and the health and safety of building occupants. While employees are telecommuting and businesses operating remotely, it's a perfect time to replace old, clunky systems with modern equipment as operations resume and before all employees have returned. Using C-PACE means those improvements can start generating much needed cash flow right away.

To make it even easier and more affordable for businesses to leverage C-PACE, the Green Bank is offering flexible payment options for new borrowers with either deferred payments for one year or interest only payments for up to three years. These options allow borrowers to achieve more immediate relief from tighter margins and near-term uncertainty in the wake of COVID-19, while also realizing the long-term benefits of C-PACE. Deferring payments (whether in full or only the interest portion) while also slashing energy costs could give borrowers the breathing room they need to make it through the next several years.

The Green Bank makes energy improvements more affordable and accessible for everyone—from businesses to homeowners and local governments. It's not just commercial properties that benefit from solar projects—multifamily properties, nonprofits, state and municipal government buildings and other entities for which C-PACE might not be the right solution, can still realize reduced energy costs and predictable savings from a solar project. The Green Bank Solar Power Purchase Agreement (PPA) allows these properties to lock in electricity costs without upfront investment, providing predictability and financial benefits during these challenging times. Meanwhile, homeowners can access solar incentives and financing through the Green Bank that save them money too.

The Green Bank's programs support job growth and economic development in Connecticut while benefitting both individuals and the State as a whole. The Green Bank believes that by investing in the green economy, we can not only get Connecticut "back to normal," but we can build cleaner, greener and more resilient communities where businesses and people flourish.

Together, we can create a better, more prosperous future for Connecticut.

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