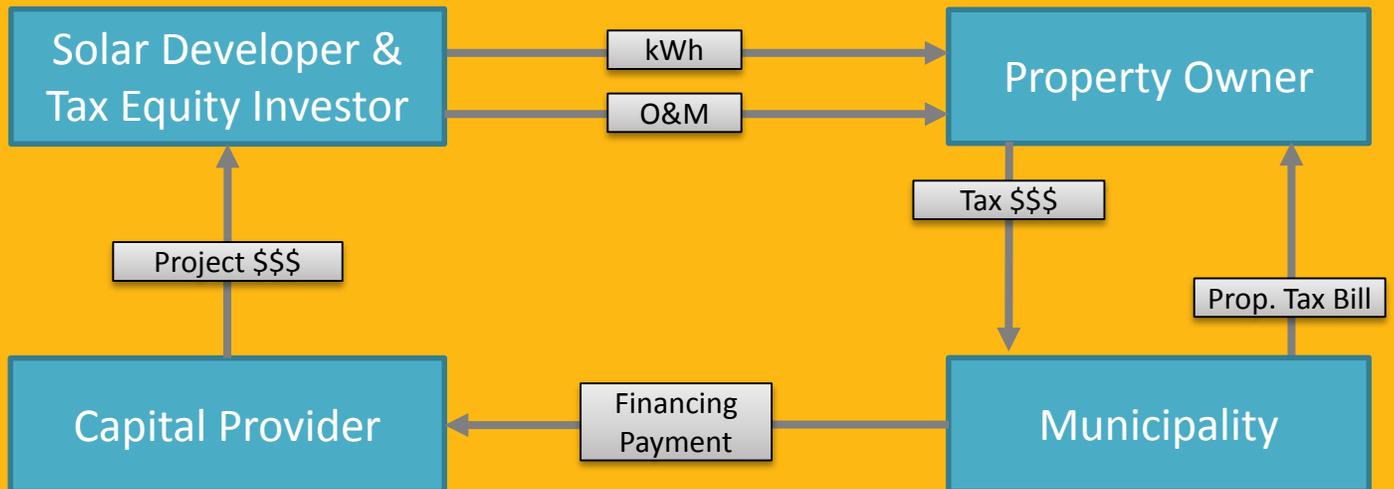


CivicPACE



PROJECT OVERVIEW CHALLENGES AND OPPORTUNITIES



CLEAN ENERGY FOR TAX-EXEMPT ENTITIES

OVERVIEW

The CivicPACE project will assess the potential for expanding Commercial Property Assessed Clean Energy (CPACE) financing to tax-exempt entities in jurisdictions with active PACE markets, thus becoming CivicPACE. This type of financing would enable affordable housing units, schools, faith-based, and nonprofit organizations, and others that do not pay property taxes to receive a loan for solar energy installations. The CivicPACE team, comprised of The Solar Foundation, Urban

Ingenuity, and Clean Energy Solutions, Inc. will support the development of CivicPACE markets in several states by providing policy recommendations, engaging stakeholders such as financing, legal, solar and storage developers, and nonprofit champions, and implementing replicable pilot projects. The project team will progress from more mature PACE markets to less mature markets, and from affordable housing to universities to other tax-exempt entities. The project team will help expand PACE programs in target states to establish CivicPACE by helping local jurisdictions, industry, and nonprofits work through legal and financial concerns of pursuing CPACE for tax-exempt entities.



PROJECT NEED

By the end of 2013, over 200 CPACE projects had been completed. These CPACE-funded projects reached a cumulative value of \$60 million; five times the amount seen just two years before. In 2014, there were more than \$215 million worth of new CPACE projects in the pipeline across 27 states with enabling statutes. However, despite these positive growth trends, the National Renewable Energy Laboratory (NREL) does not expect CPACE to attain more than 5% of commercial solar financing in the coming years.

A key complication to CPACE's expansion is that many potential adopters face constrained access due to their status as a tax-exempt organization: nonprofits are often considered ineligible for PACE because they do not pay property taxes. CivicPACE provides a critically needed tool to address underwriting and access challenges for tax-exempt entities such as faith-based houses of worship, nonprofit affordable housing, community clinics, and educational institutions.

PROJECT GOALS

Ultimately, the lessons learned and best practices from supporting pilot CivicPACE projects and conducting CivicPACE technical assistance with stakeholders will yield replicable plans summarizing the structure, development, and implementation process for CivicPACE markets that will be distributed as case studies and other learning tools intended for program designers and practitioners nationwide. The project team anticipates developing a broad community of stakeholders that will provide input and long-term support to this end.

The **CivicPACE Team** is a U.S. Department of Energy (DOE) effort under the Solar Market Pathways program designed to make commercial Property Assessed Clean Energy (PACE) financing a reality for tax-exempt organizations and non-profits. More information at: <http://civicpace.org>

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CHALLENGES

Engaging local jurisdictions and identifying the local champions

Navigating diverse legal and regulatory environments to support CivicPACE tax assessments

Implementing pilot projects, including financing and ownership arrangements

Creating financial models that support CivicPACE feasibility in a post-ITC environment

Developing sufficient private sector interest to gain multi-market interest and replicable best practices