



THE ILLINOIS  
ENERGY  
CONSERVATION  
AUTHORITY NFP



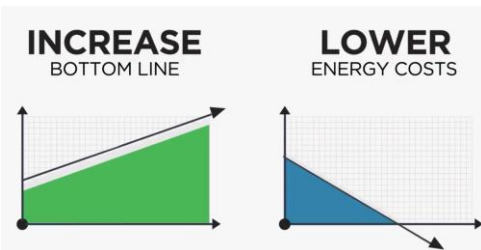
# Setting the PACE in Illinois

Anna Maria Kowalik, IECA

# What is C-PACE?

## Property Assessed Clean Energy (C-PACE)

- C-PACE is a tool to assist commercial property owners with financing:
  - Energy efficiency projects
  - Water use improvements
  - Renewable energy installations
  - Resiliency improvements
  - Electric vehicle charging infrastructure
- Authorizes voluntary contracts that secure C-PACE financings for eligible projects (Illinois PACE Act, 50 ILCS 50/1 et. Seq).
- Assessments “run with land” and do not accelerate, nor become due on sale of property.
- C-PACE financings are funded with private capital sources and may be repaid on the property tax bill.



# National C-PACE Programs

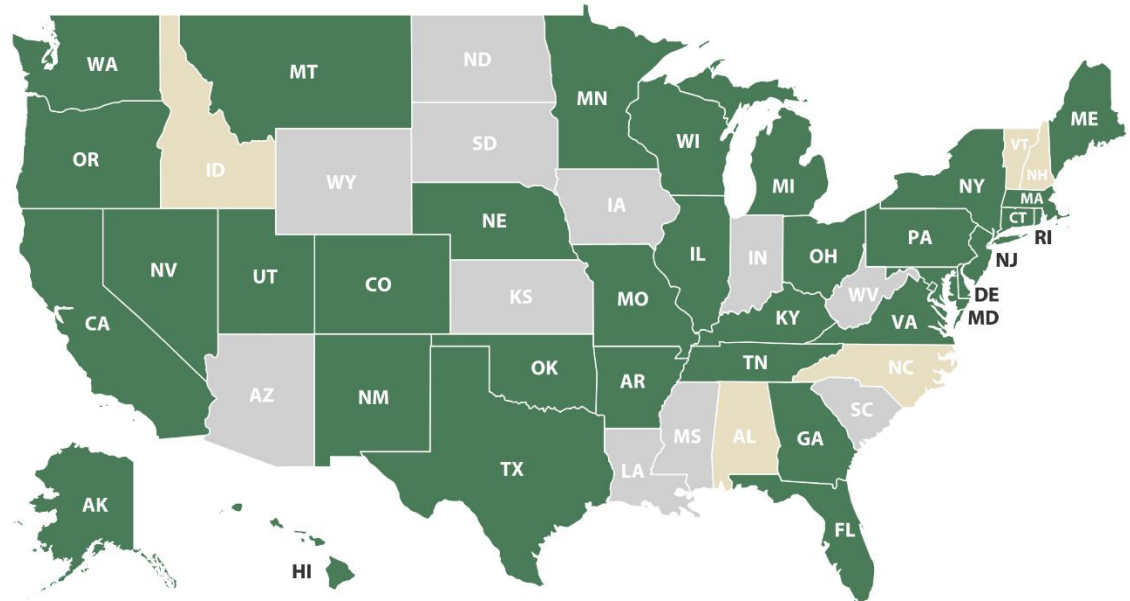
**C-PACE is enabled in 40 states and D.C.**

**Active programs in over 32 states.**

**C-PACE Activity (2011-23):**

- \*Over \$7.1 billion financed
- \*Over 3,300 projects completed
- \*Approx. 88,785 jobs created

\*Information made available by:



## Map key

 Active program(s)

 Program in development

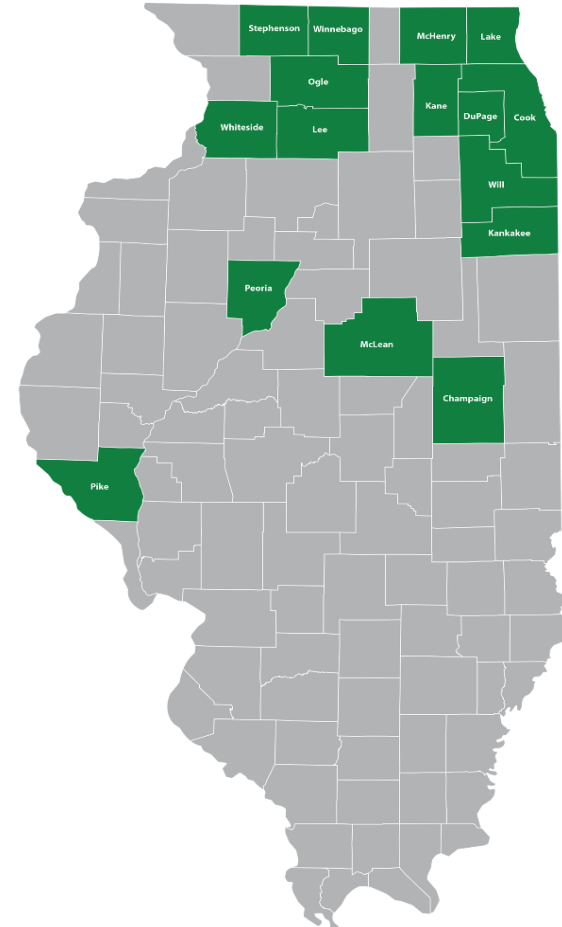
 PACE-enabled

## Illinois Energy Conservation Authority, NFP (IECA)

- Illinois 501(c)(3) nonprofit corporation
- Program administrator
- National PACE program expertise

### C-PACE is enabled and active in 16 IL Counties (to date 2024):

Champaign	Ogle
Cook	Peoria
DuPage	Pike
Kane	Stephenson
Kankakee	Whiteside
Lake	Will
Lee	Winnebago
McHenry	
McLean	



# Eligible C-PACE Projects

## Commercial Properties \*



OFFICE



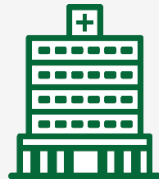
INDUSTRIAL



MULTIFAMILY



RETAIL



HEALTHCARE



HOSPITALITY



NONPROFIT



AGRICULTURAL



MIXED USE

## Project Types

- Renovations
- Equipment installation
- New construction
- Adaptive reuse
- Refinance

*\* Property located in participating jurisdictions; does NOT work for residential (1-4 units) and government owned properties*

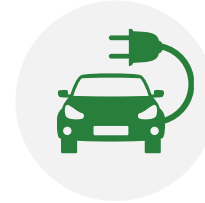


# Eligible Improvements



## Energy & Water Efficiency

- Lighting systems
- Building controls
- Building envelope improvements
- Furnaces, boilers and chillers
- Heat pumps
- Pumps, motors & variable speed drives
- Low flow fixtures
- Heat recovery
- Fuel switching



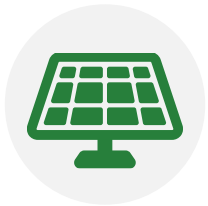
## Electric Vehicle Charging Infrastructure

- Level 2 charging stations
- DC fast chargers



## Resiliency

- Flood mitigation
- Wind resistance
- Micro-grids: energy storage and backup systems



## Renewable Energy

- Solar PV
- Battery storage
- Biofuel
- Wind
- Geothermal



## Water Use - Purification

- Water recycling systems
- Stormwater management
- Bioretention, green roofs, cisterns and porous pavement
- Lead pipe abatement

# Why C-PACE?

## Property Owner Perspective



- ✔ Finance up to 100% of eligible costs.
  - ✔ No personal guarantees.
  - ✔ Frees up equity for other priorities.
- ✔ Fixed rate, long-term: up to 20 – 30 years.
  - ✔ Yields positive cash flow.
  - ✔ Boost property value.
- ✔ Lien runs with property and transfers to new owner upon sale.
- ✔ Tenants may share cost and savings.
- ✔ Potential off-balance sheet treatment.
- ✔ Reduce waste and improve experience.

# Typical C-PACE Financing Terms



## Financing Terms (Set by the Market)

- Loan term: 5 – 30 years (full amortization)
- Interest rate: market rate
- Loan size: \$50,000 - \$50 million
- PACE Loan-to-Value (LTV): 5%-25%
- Pre-payable



## Statutory & IECA Program Requirements

- Maximum PACE LTV: 25%
- Energy project assessments
- Term limited to useful life of equipment
- Security: assessment contract
- Mortgage Lender must consent to PACE financing
- Registered contractors



# Mortgage Lender Consent



## Why do Mortgage Lenders Consent?

- Maintain valuable relationships.
- C-PACE Projects improve the lender's collateral.
- The projects may improve cash flow, which boosts debt service coverage.
- Upon a default, C-PACE financings don't accelerate. Lender is only ever subordinated to delinquent payments.



The screenshot shows the C-PACE Alliance website. The navigation bar includes links for HOME, ABOUT CPA, WHAT WE DO, JOIN US, CONTACT, and a JOIN CPA button. The main content area is titled 'Publications' and features a document titled 'Mortgage Lender's Guide to C-PACE: Lender Consent'. The document content includes:

- What is C-PACE?** Commercial Property Assessed Clean Energy (C-PACE) is an alternative financing mechanism for property upgrades that improve energy efficiency, utilize renewable energy, conserve water and more. C-PACE makes it possible for owners of commercial, industrial, multifamily, and nonprofit properties to obtain low-cost, long-term, fixed-rate financing funded by private capital providers. Currently, 30+ states have enacted C-PACE legislation, enabling more than \$1 billion in private financing of 2,000+ projects.
- How are C-PACE assessments repaid?** In most states, C-PACE is billed as a line item on the property tax bill and collected through the normal property tax collection process.
- What items can be financed by C-PACE?** Depending on the jurisdiction, eligible upgrades include efficiency measures (HVAC-LEDs, windows, water, etc.), renewable energy (solar), resiliency measures (seismic, flood, storm strengthening) and, in most jurisdictions, qualified improvements related to new construction.
- AS A MORTGAGE LENDER...**
- What do you need from me?** To document the C-PACE financing, most programs require mortgage holders to consent to the assessment because, like other property tax assessments, the claim for delinquent C-PACE payments is typically on par with normal property taxes. To date, over 200 national, regional and local lenders have consented to C-PACE financing. A list of those lenders is attached as Exhibit A. A sample lender consent / acknowledgement document executed by senior lenders is attached as Exhibit B.
- Why do senior lenders consent to C-PACE financing?**
  - C-PACE Assessments Cannot be Accelerated.** While the full assessment amount is recorded on the property records, only the annual payment may be collected, even in a default situation. The past due portion that is senior to a mortgage lender's claim is typically, only 1-3 percent of the property value. For example, consider a \$1 million C-PACE financing on a property valued at \$5 million. The annual assessment for a 20-year term financing would be \$87,185. If the property owner did not pay the C-PACE assessment in year 1, the C-PACE funder can collect only the delinquent payments. The PACE funder's claim is limited to \$87,185 or 1.75 percent of property value. The remaining payments are due according to the original repayment schedule.
  - C-PACE Financing Does Not Restrict a Senior Lender's Foreclosure Rights.** Unlike other debt, C-PACE does not require an inter-creditor agreement. Rather, in the event of a default on the senior lender's debt, the senior lender can foreclose on its mortgage interest in the property in the same manner as if it were the sole financing on the property. C-PACE does not affect any existing remedies under the loan documents. The C-PACE capital provider may not prevent, restrict, or otherwise impact the senior lender's foreclosure.

On the left side of the screenshot, there is a list of partners categorized by industry:

- Capital Providers**
  - CleanFund
  - Counterpoint SRE
  - Inland Green Capital
  - PACE Loan Group
  - Petros PACE Finance
  - Twain Financial Partners
- Law Firms**
  - Bricker & Eckler
  - Chapman and Cutler
  - Hirschler
  - Norton Rose Fulbright
  - Stinson
  - Winston & Strawn
- Accounting Firms**
  - Novogradac & Company
- FinTech Partner**
  - T REX

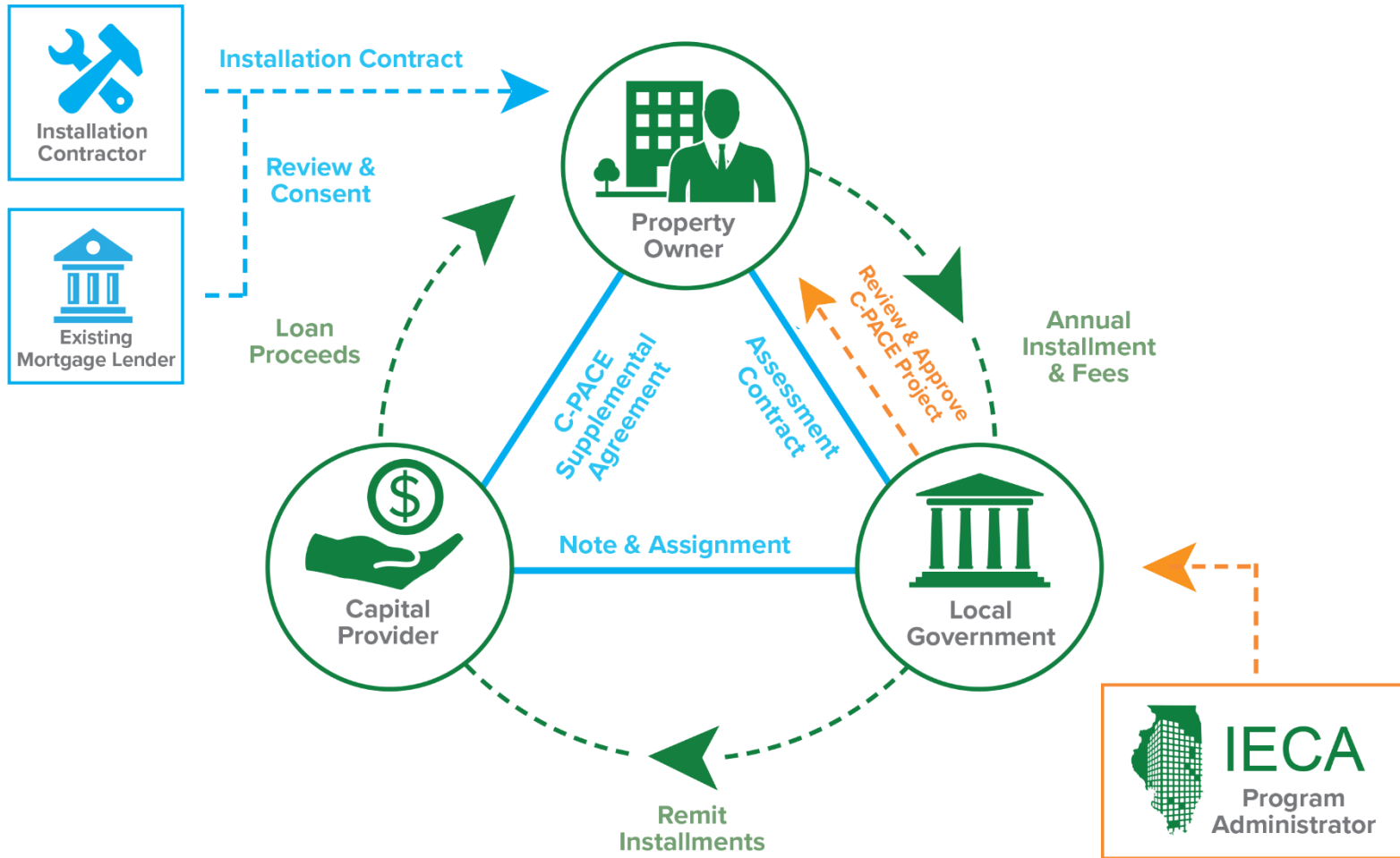


C-PACE Alliance Resources:

<https://c-pacealliance.org/what-we-do/white-papers>

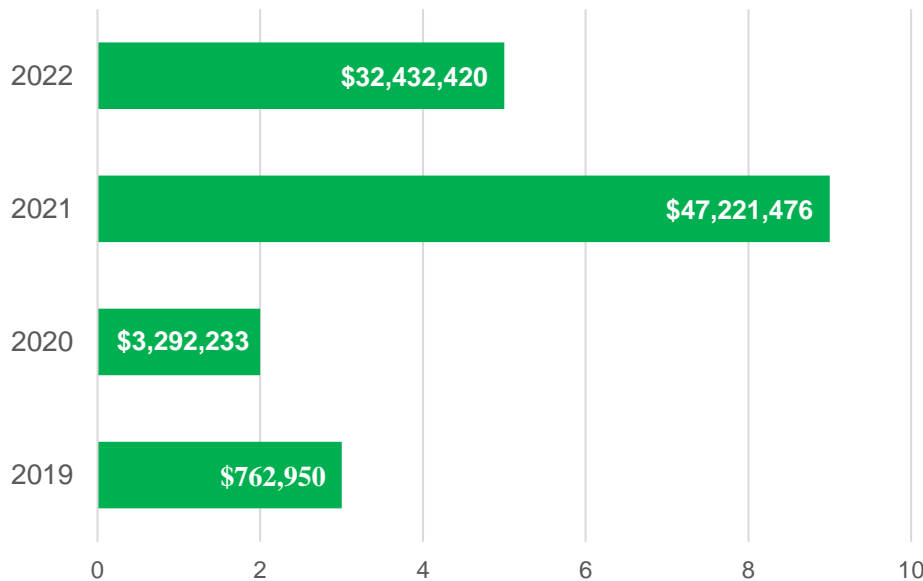
VISIT [iecaPACE.org](http://iecaPACE.org) FOR MORE INFORMATION

# Transaction Process & Partners

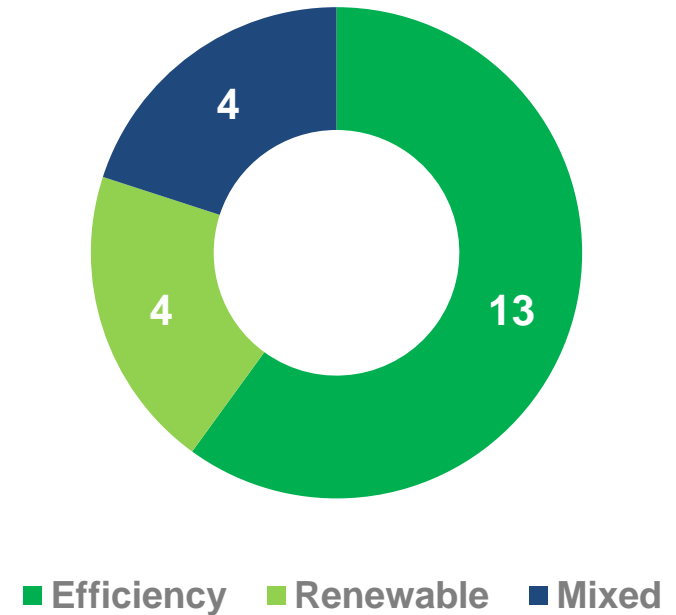


# Closed Project Statistics

## Closed C-PACE Projects



## Projects by Type





# Annual Impacts

- **33.3 million kilowatt-hours (kWh) of electricity saved**
- **518,277 kWh generated via solar installations**
- **142,768 therms of natural gas saved**
- **13.1 million gallons of water saved**
- **1,250 jobs created**
- **30,313 metric tons of CO<sub>2</sub> avoided**

# Emission Equivalencies

## CO<sub>2</sub> emissions from



**3,845**

Homes' energy use for one year



**169**

Railcars' worth of coal burned



**Over 3.7 Billion**

Number of smartphones charged year

## Greenhouse gas emissions from



**6,577**

Passenger vehicles driven for one year

## Greenhouse gas emissions avoided by



**8.3**

Wind turbines running for a year



**Over 1.1 Million**

Incandescent lamps switched to LEDs

## Carbon sequestered by



**36,125**

Acres of U.S. forests in one year

# Getting Started



## STEP 1 CONFIRM ELIGIBILITY

Ensure you have an eligible property located in an IECA PACE Participating Community then visit the IECA PACE website (<https://iecapace.org/getting-started-apply>) and submit a pre-application.



## STEP 2 DEVELOP ENERGY PROJECT

Work with a qualified contractor and qualified Energy Project Professional to obtain an Energy Project Assessment and define the Energy Project scope of work.



## STEP 3 SECURE FINANCING

Request financing quotes from one or more qualified Capital Providers and secure consent to C-PACE financing from your mortgage lender(s).



## STEP 4 IECA APPROVAL

Submit a Final Application and required documentation to IECA PACE for final approval.

## Steps 1 – 4 (of 7)

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## STEP 5 CLOSE FINANCING

Enter into an assessment contract and supplemental agreements with the C-PACE Capital Provider and the Participating Community.



## STEP 6 INSTALL ENERGY PROJECT

Complete construction of all financed Energy Projects.



## STEP 7 REPAY

C-PACE financing is repaid semi-annually on your property tax bill.



Application:

<https://iecapace.org/getting-started-apply>

VISIT [iecaPACE.org](https://iecapace.org) FOR MORE INFORMATION



# Getting Started



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## Steps 5 – 7 (of 7)



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# For More Information

## Resources Available

- Qualified capital providers
- Registered contractors / professionals
- Project center – application portal
- Program information and documentation



View Edit

### Overview

The Illinois Energy Conservation Authority NFP (IECA), an Illinois not-for-profit corporation, has been at the forefront of developing Commercial Property Assessed Clean Energy (C-PACE) programs in Illinois (IECA PACE Program). IECA is pleased to serve as the C-PACE program administrator for **participating communities** throughout Illinois.

C-PACE is an innovative tool that enables commercial property owners to obtain up to 100% long-term, fixed-rate financing for energy efficiency, renewable energy, resiliency, water use and electric vehicle charging building improvements. The term of a C-PACE financing may extend through the useful life of the improvement, which may be up to 20-30 years long, and can result in cost savings that exceed the amount of the C-PACE financing.

Nationwide, C-PACE has been enabled in 37 states, including the District of Columbia. In Illinois the IECA worked with stakeholders to develop the C-PACE Act and continues to work to expand adoption of C-PACE programs in communities around the state.



<https://iecapace.org>

VISIT [iecaPACE.org](https://iecapace.org) FOR MORE INFORMATION

# Qualified Capital Providers



VISIT [iecaPACE.org](http://iecaPACE.org) FOR MORE INFORMATION

# Thank You!

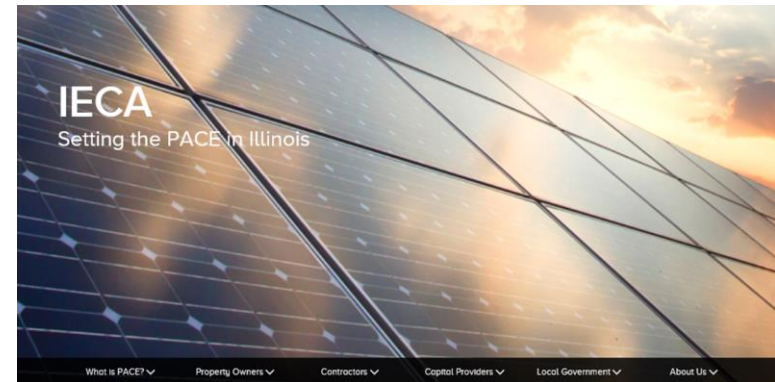
Please feel free to contact us with any questions.

**IECA/Program Administrator**

**Anna Maria Kowalik**

[annamaria.kowalik@iecapace.org](mailto:annamaria.kowalik@iecapace.org)

Phone: 888-874-4322



## Overview

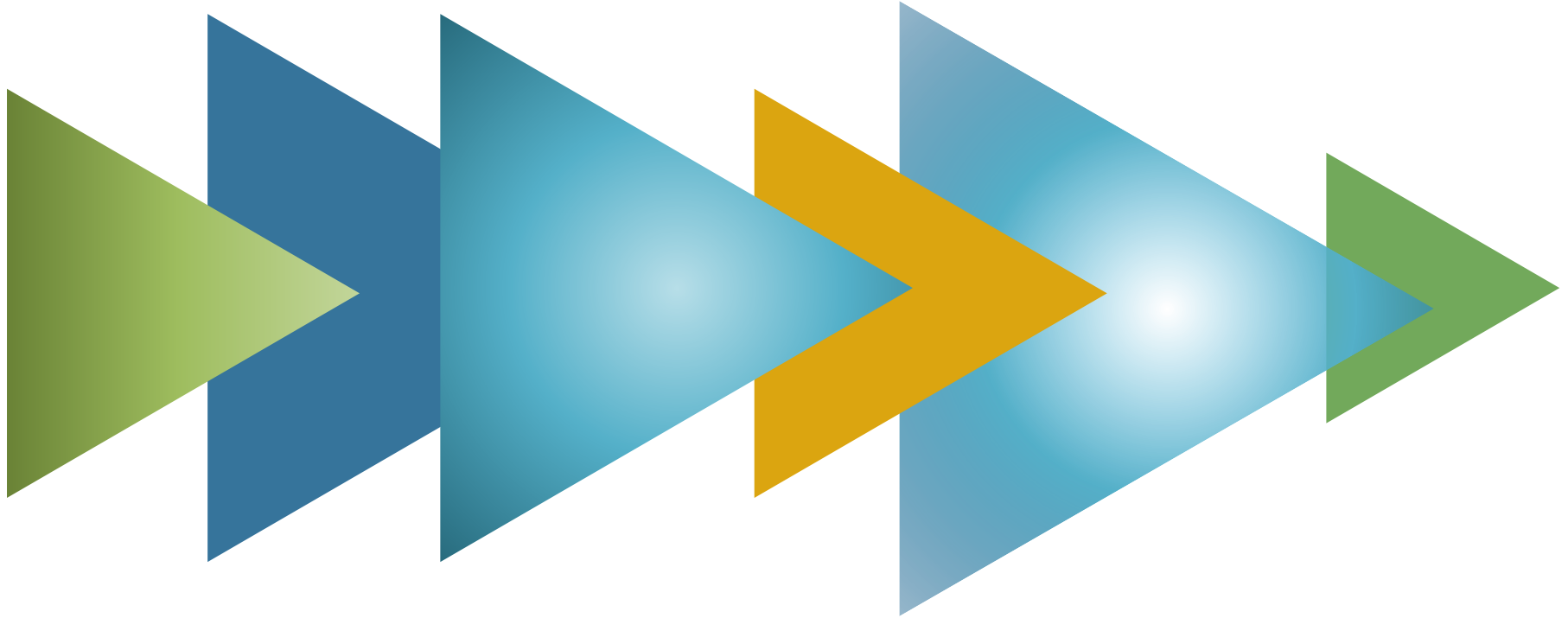
Property Assessed Clean Energy or C-PACE is an innovative financing tool that provides low-cost, long-term funding for energy efficiency, renewable energy and water conservation projects in commercial buildings. Property owners obtain 100% upfront financing from private capital providers for up to 30 years for improvements such as HVAC, lighting and solar PV in both existing buildings and new construction projects.

One of the distinguishing features of C-PACE is that it is secured by a special assessment lien on the property, and is repaid as a line item on the property tax bill. Because it "runs with the land", the C-PACE special assessment does not accelerate or become due upon sale, allowing property owners to invest in deeper retrofits without paying off the financing in the short term.

Nationwide, C-PACE has been enabled in 36 states, including the District of Columbia and has expanded into Canada and Europe. In Illinois, DuPage and Kane Counties are in the process of establishing their C-PACE programs which will be administered by the Illinois Energy Conservation Authority (IECA), an Illinois not-for-profit corporation. The principals of IECA have been on the forefront of developing C-PACE programs in Illinois, including working with stakeholders to develop the C-PACE law and working to adopt and implement C-PACE programs around the state and country.



**VISIT [iecaPACE.org](http://iecaPACE.org) FOR MORE INFORMATION**



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## Power Up! Funding Opportunities for Energy Efficiency



# Introductions

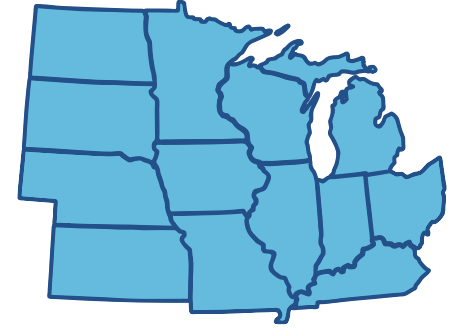


**Molly Graham**  
*Director, Market  
Solutions & Education*



# Who We Are

The **Midwest Energy Efficiency Alliance (MEEA)** is a collaborative network, promoting energy efficiency to optimize energy generation, reduce consumption, create jobs and decrease carbon emissions in all Midwest communities.



MEEA is a non-profit membership organization with 170+ members, including:



Energy Service  
Companies &  
Contractors



State & Local  
Governments



Academic &  
Research Institutions



Electric &  
Gas Utilities



Community-based  
Organizations

# Building Your Capital Stack

*Energy Efficiency Projects at the Lowest Possible Cost*

## Energy Efficiency Project

1. Utility programs
2. Federal rebates
3. State rebates
4. Tax incentives
5. Financing

# The Role of the Utility

## *The First Step in Your Energy Efficiency Journey*

- **Start with your utility!** They should always be your first step.
- **Energy advisors (EAs)** can help you identify and scope out a project based on your needs, compare equipment options and ensure you get the most bang for your buck.
  - While scoping a project, tell your EA what other programs you're planning to participate in, so they can help align equipment eligibility criteria.
  - Don't finalize a project scope until after you've checked project eligibility across other programs.

# IRA & BIL

## *What Are They and Why Do They Matter?*

### Inflation Reduction Act (IRA)

- \$800 billion, largest climate investment in history!
- Estimated to reduce GHG by 40% by 2030, above 2005 baseline.
- Incentives for energy efficiency, on-site renewables, energy storage, EV charging and more.

### Bipartisan Infrastructure Law (BIL)

- \$550 billion focused on modernizing infrastructure, \$80 billion in climate-related programs.
- \$225 million in building energy codes advancement, \$250 million in energy efficiency revolving loan funds and grants for schools and public buildings.

# Federal Funding Programs

## *Rebates, Tax Credits and Financing*

### Rebates:

- **BUILT Nonprofits**: Up to \$100,000, 20% cost share. Funding is limited, application **deadline November 12, 2024**.
- **Renew America's Schools**: Multi-phase award. Phase 1 is \$300,000 cash prize; phase 2 is \$7.5 – \$15 million cooperative agreement. Third round of funding **anticipated in Fall 2025**.
- **Industrial Training and Assessment Centers Implementation**: Up to \$300,000, 50% cost share, available for small to medium manufacturers who have received an assessment and are ready to implement a project. **Rolling deadline until funds are exhausted**.





# Federal Funding Programs

## *Rebates, Tax Credits and Financing*

### **Tax Credits & Financing, all available until at least 2030:**

- **Energy Efficiency Revolving Loan Fund**: IL awarded ~\$15 million from DOE to establish RLF through IL Finance Authority. Low-interest loans, up to \$1 million, for various types of projects.
- **State Small Business Credit Initiative**: IL awarded \$354 million to expand the existing small business program. Low interest loans for various project types.
- **National Clean Investment Fund**: Climate United awarded \$6.97 billion from EPA Greenhouse Gas Reduction Funds to provide accessible, affordable financing for clean technology projects nationwide.

# Federal Funding Programs

## *Rebates, Tax Credits and Financing*

### **\*\*Bonus Content!\*\***

Are you a homeowner? There are two new home energy rebate programs that **will launch in IL in 2025**:

- **HOMES**: IL allocated \$132 million to launch a statewide home efficiency rebate program for retrofits of existing SF and MF buildings, up to \$8,000/home depending on project and household income.
- **HEAR**: IL allocated \$131 million to launch a statewide electrification and appliance rebate program, up to \$14,000/home depending on project and household income.

# State Funding Programs

## *Rebates, Tax Credits and Financing*

- **Climate Pollution Reduction Grants**: Illinois awarded \$430 million from EPA under CPRG. Will establish various commercial and industrial programs for reducing emissions from buildings. Programs **forthcoming in 2025**.
- **IEPA EE Assessment Program**: Up to \$25,000 in grant funding to public housing authorities, local governments or nonprofit organizations to conduct energy efficiency assessments. **Rolling deadline until funds exhausted**.
- **Federal Grant Support Program**: DCEO awarded \$30 million to provide grants for federal project proposals needing matching funds, allowing Illinois to be more competitive for competitive awards. Up to \$2 million per award. **Rolling deadline until funds exhausted**.

# Local Support

## *Technical Assistance and Funding*

- **Environmental Justice Thriving Communities Technical Assistance Center**: Blacks In Green awarded in IL to provide training and assistance to build capacity for navigating grant applications, develop strong grant proposals and effectively manage grant funding in communities with environment justice concerns.
- **Environmental Justice Thriving Communities Grant Program**: The Minneapolis Foundation awarded for Midwest, including IL, to distribute grants to community-based orgs, nonprofits, educational institutions and other eligible entities to plan and implement projects. Funding will open this fall.
- **Onsite Energy Technical Assistance Partnerships**: UIC awarded for Midwest, including IL, to provide TA to industrial facilities and other large energy users to support the adoption of onsite clean energy technologies.

# Educate and Empower Your Staff!

## *Building Operator Certification (BOC)*



- National training and certification program with more than 20,000 graduates in 20+ years
- Focus: energy efficient building operations and preventative maintenance procedures
- Target audience: building operators with 2+ years of experience working in a building that is 50,000 ft<sup>2</sup> or larger
  - Facility managers
  - Building engineers
  - HVAC technicians, etc.
- Requires: ~60 hours of classroom time and 10 hours of project work. Class typically meets every other week for 3 months with expert instructor for each session.
- Learn more: [www.boccentral.org](http://www.boccentral.org), [boc@mwalliance.org](mailto:boc@mwalliance.org), 855.420.1785
- See Henry and Tanner at the BOC booth to learn about Ameren Illinois tuition rebates!



# Thank You!



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