WHAT IS PACE FINANCING AND IS MY BUSINESS ELIGIBLE?

5 Important Questions and Answers

PACE is Property Assessed Clean Energy, an innovative funding method for property owners to pay for energy efficiency upgrades and on-site renewable energy projects. PACE funding covers 100% of a project's costs, and is repaid with an assessment over a term of up to 20 years.

Whether you're new to the concept of PACE funding, or if you're ready to get started, read through these questions to help determine if PACE is right for your business.

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1) ARE YOU A CANDIDATE FOR PACE FINANCING?

To help determine if PACE is a good fit, ask yourself these questions:

- Are you paying high utility costs which are above industry average per square foot?
- Do you know what you should be paying for utility costs?
- Is your building in need of mechanical systems repair or replacement, and you don't want to use up annual operating budget?
- Does your facility need new windows, doors, or other exterior improvements, and you're not sure what contractor to call or how to pay for it?
- Do you want to improve the value of your building so you can grow your business or organization?
- Have you been considering energy efficiency upgrades?
- Do you own your commercial or industrial property?

If the answer to any of these questions is YES, then PACE may be a good funding option for you.

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2) HOW DOES PACE BENEFIT YOU AND YOUR ORGANIZATION?

PACE allows property owners to fund energy efficiency projects with no out-of-pocket costs, and since the terms extend to 20 years, owners can implement major energy saving projects that have a significant impact on the bottom line. PACE provides numerous benefits, including:

- Decreased operating costs;
- Improved cash flow;
- Increased property values;
- No out-of-pocket expense to the owner;
- Immediate savings: cash-flow positive from day one;
- Preserved capital budget for other non-PACE-qualified projects such as building renovation or expansion;
- Improved energy efficiency and contribution to overall business sustainability plan;
- Long-term financing terms to reduce annual payment;
- Funding can be shared between tenants in a multiple-occupant facility;
- No payoff because PACE is transferrable to a new owner upon sale of building;
- May be treated as off-balance sheet financing.

The annual energy savings for a PACE project usually exceeds the annual assessment payment, so property owners are cash flow positive immediately. That means there are increased dollars available for other capital projects, budgetary expenses, or business expansion.

3) WHAT PROJECTS CAN BE FUNDED BY PACE?

Here is a list of the types of energy-related projects that are eligible for PACE financing in existing buildings (not an exhaustive list):

HVAC/mechanical system upgrades

Plumbing improvements

High-efficiency lighting

Solar

Water conservation/ hot water systems

Combined Heat & Power (CHP) systems

Building automation controls

Exterior building improvements

High-efficiency boilers/furnaces

Energy (battery) storage

4) HOW DO YOU GET ACCESS TO PACE FUNDING?

Applying for PACE funding is a straightforward process when you work with GEM Service. We can put a PACE-financed project into motion for you by collecting some basic information about your property, three years of financial statements, a list of creditors, and two years of energy usage and cost data.

With that information in hand, our team will conduct an energy assessment and evaluation on your building, and will start your PACE funding paperwork. The resulting Energy Assessment Report will provide recommendations regarding energy conservation measures, and will outline savings, equipment costs and pay backs for you to consider.

5) WHAT'S THE NEXT STEP?

Designed for energy-efficient improvements to commercial and industrial properties, PACE funding:

- Provides no-down-payment, extended-term financing
- Reduces energy and related costs
- Increases your property value
- Helps generate positive cash flow to your business

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