POWERGREEN
CLEAN ENERGY FINANCE

A Winning Combination for Energy Cost Savings for Non-Profits

If you are a non-profit organization, your mission is to make the world a better place. But you may also have a tight budget, high (and rising) energy bills, and a dated building that needs some upgrades.

Here's the good news: energy saving building upgrades are now within your reach through a winning combination of the **C-PACE** program (Commercial Property Assessed Clean Energy) and the federal **Inflation Reduction Act** of 2022 (IRA).

The C-PACE program provides funding and the IRA dramatically reduces the cost of energy efficiency and renewable energy investments.

What is C-PACE?

C-PACE was formed in 2010 as a public private partnership with the goal of building the clean energy economy for commercial buildings. C-PACE provides 100%, long term, fixed-rate financing, with no upfront out-of-pocket costs. C-PACE has provided private capital of over $5 billion in funding for over 4,000 projects to help reduce carbon emissions and create jobs for communities.

Consider the benefits C-PACE financing provides your non-profit:

- Energy bills are reduced substantially
- Costly, unexpected repairs are greatly minimized
- Indoor air quality is greatly improved, providing a safe environment for the people you serve
- Properly conditioned space is more comfortable for employees, which increases productivity

How is C-PACE Unique for Nonprofits?

A key feature of the C-PACE program is that lenders receive credit protection from a lien provided through a building assessment which is not available through traditional lending. This allows C-PACE lenders to rely on a different type of credit protection versus the traditional approach.

As a result, C-PACE lenders can often say YES, while others say NO

Why is the IRA a game-changer for non-profits?

The IRA allows non-profits to enjoy – for the first time – tax benefits long available to taxpaying entities when investing in much-needed energy efficiency upgrades and renewable energy projects.

But non-profits are not taxpayers, so how does this work? The answer differs depending on the type of tax incentive: the **Investment Tax Credit (ITC)** or **Section 179d Tax Deduction**.

ITC for Renewables – applies to investments in solar and battery storage plus an array of other types of renewables. For these projects, the IRS will send you a check equal to at least 30% of the project.

Section 179d for Energy Efficiency – applies to investments in lighting, HVAC, and the building envelope. The deduction ranges from $0.50 to $5.00 per sq ft. Thanks to the IRA, non-profits can now assign this tax deduction to the designer of the project and in exchange, the designer will reduce the cost of their services.