

## How Non-Profits Benefit from C-PACE

Non-profit organizations can now access the C-PACE (Commercial Property Assessed Clean Energy) program to fund long overdue investments in clean energy projects that not only reduce costs and improve building performance but also enhance the health and productivity of their staff and the people they serve in their buildings.

### How does C-PACE differ from traditional financing?

C-PACE is funded through private capital and has been used to fund over 3,000 projects totaling \$5.2 billion. A key feature of the program is that lenders receive credit protection from a lien provided through a building assessment. Therefore, C-PACE lenders use a different type of credit underwriting criteria versus the traditional approach – in effect, lenders look to the building for repayment, rather than the building's owner.

As a result, *C-PACE can often provide funding when others cannot.*

### How does C-PACE enable nonprofits to improve building performance?

Two examples:

- 1) That old inefficient HVAC system can finally be replaced resulting in:
  - a substantial reduction in operating costs – energy bills and unexpected repairs
  - pristine indoor air quality – safe environment for employees, resulting in fewer sick days and greater productivity
  - comfortable working conditions – efficient heating and cooling in the workplace.
- 2) Solar and storage installations – to reduce operating costs and achieve sustainability goals.

A wide variety of equipment types are eligible for C-PACE financing.

### What are the unique *financing benefits* of C-PACE?

- 100% financing for up to 30 years: all project-related costs are funded by C-PACE, thus there is no upfront cost for the non-profit
- Low debt payments can typically be offset by the reduction in operating costs, resulting in an *increase in net cash flow* to fund other operations
- Non-recourse – founders and other donors will not have to personally guarantee repayment
- No burden to your finance/accounting staff: no quarterly reporting of audited financial statements or compliance with debt covenants
- No prohibition on selling your building, selling assets, incurring other debt, etc



## C-PACE can be combined with tax incentives and rebates

By investing in clean energy, nonprofits can avail themselves to partial grants, local utility rebates, and for the first time – tax benefits from the Inflation Reduction Act (IRA) of 2022, such as Investment Tax Credit for solar projects, and the Section 179D tax deduction for energy efficiency measures.

## How do non-profits receive “tax benefits” from the IRA?

When investing in renewables such as solar or battery storage, non-profits can now receive the same economic benefit long enjoyed by taxpaying entities, such as the 30% Investment Tax Credit.

The IRA has established a “direct pay” program through which the government pays up to 30% (or even higher) of the total installation cost to non-profits – a huge cost reduction.

***C-PACE financing + the IRA – a winning combination for non-profits!***

Contact PowerGreen Capital to learn more about how C-PACE financing can unlock savings for the clean energy transition of your non-profit building.