

PACE HANDOUT

FOR PROPERTY OWNERS

PROPERTY ASSESSED CLEAN ENERGY

WHAT IS PACE?

Property Assessed Clean Energy (PACE) is a financing mechanism that enables low-cost, long-term funding for energy efficiency, renewable energy and water conservation projects. PACE financing is repaid as an assessment on the property's regular tax bill, which generates benefits that aren't available through conventional forms of funding. Statewide legislative statutes authorize municipalities to offer PACE, so check if there's a PACE program in your area at www.PACENation.us.

100% FINANCING

- PACE funds 100% of the hard and soft costs of an energy project so property owners don't have to cover any up-front or out-of-pocket costs.
- Property owners can reallocate funds previously reserved for energy projects to be used on other capital projects or budgetary items.
- This is especially important for properties with limited expenditure budgets (nonprofits, new businesses, etc.)

20 YEAR FINANCING TERM

- PACE allows financing terms up to 20 years, not to exceed the average useful life of the improvements.
- Enables deep retrofit projects with paybacks of 20 years, rather than only low-hanging fruit with quick paybacks.
- Allows comprehensive projects with deeper impacts on energy usage and significant effects on the bottom line.
- 20 year amortization makes it possible for annual energy savings to exceed annual PACE payments.

ALIGNED LANDLORD & TENANT INTERESTS

- PACE assessments are part of a property's regular tax bill, so the cost of financing (along with the benefits) can be shared with tenants under most lease forms.
- PACE eliminates the split incentive issue that derails many energy projects.

TRANSFERABILITY

- PACE financing is attached to a building through a tax assessment; it's not attached to an individual or business.
- If the building is sold before the PACE assessment is paid off, it seamlessly transfers to the new owner as part of the taxes. The savings from the energy project transfer to the new owner too.

BENEFITS OF PACE

NO OUT OF
POCKET COST

LOW-RATE
LONG-TERM

CASH FLOW
POSITIVE

INCREASED COMFORT,
DECREASED
MAINTENANCE

ALIGNED LANDLORD
AND TENANT INTERESTS



PACENation is the national, nonprofit advocate for PACE financing. We provide leadership, data, support and resources for the growing marketplace.

www.pacenation.us
info@pacenow.org