Commercial-Property Assessed Clean Energy (C-PACE)

S.668  Senators Alexander and O'Dell
H.4043 Representatives Loftis, Burns, Erickson, Robinson-Simpson, Corley, Duckworth, Funderburk, Hodges, Huggins, Kennedy, Long, Simrill, G.R. Smith, Wells and Forrester

C-PACE Creates a New Financing Opportunity: Commercial property owners can finance up to 100% of the cost of clean energy improvements: energy and water efficiency and renewable energy upgrades to buildings. Loans are private, commercial and long-term (up to 20 years) that are repaid through annual county property tax bills. Loans remain with the property and are transferred to a new building owner upon sale of the property.

C-PACE adds value to property: Buildings become more efficient users of water and energy, and the savings can be passed on to tenants.

C-PACE creates positive cash flow: Project costs and repayment are extended over a long enough period that an owner’s utility savings exceed loan payments for the improvements.

C-PACE stimulates local economies: New capital investments in buildings will create new jobs across South Carolina where C-PACE programs are established.

C-PACE is voluntary: County governments voluntarily establish clean energy improvement districts through passage of a local ordinance and property owners within the districts voluntarily opt-in to the district through a written agreement with the local government for the sole purpose of being able to implement clean energy building improvements and pay for the improvements with a voluntary assessment on their property tax bills. Counties can recover their program administrative costs.

Properties that Benefit: Commercial, industrial, agricultural, non-profit owned buildings and multifamily dwellings with five or more units are eligible to participate in a C-PACE program.

Property owners must qualify: Property owners must be current on property and assessment payments, must not be in foreclosure or have any involuntary liens, defaults, or judgments applicable to their property.

Lenders must consent: In order for the C-PACE loan to go forward, a mortgagee must consent to a property owner’s C-PACE loan and its seniority to a mortgage. Loan cannot be accelerated in the event of a default, so only the last unpaid loan payment would be due—not the balance of the loan.

32 states, District of Columbia, and 2,000 municipalities have voluntary PACE programs.