

Utah's Commercial PACE Model Program

Meghan Dutton and Kevin Emerson

Utah Clean Energy

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Table of Contents

Preface..... ii

Acknowledgements..... iii

I. Introduction 1

II. Matrix summarizing the C-PACE model program 2

III. Program administration..... 4

IV. Assessment and bond issuance processes 5

V. Administrative and legal costs 6

VI. Capital sourcing approach..... 6

VII. Credit enhancement 7

VIII. Eligible property types 7

IX. Eligible project measures 8

X. Program eligibility criteria..... 9

XI. Interaction between C-PACE financing and existing incentive programs 9

XII. Energy analysis requirements 10

 a. Energy efficiency measures 10

 b. Renewable energy and water conservation measures 10

XIII. Project installation verification 10

XIV. List of service providers 11

XV. Marketing, outreach, and education..... 12

Preface

The model program laid out in this document is based on the expertise and feedback provided by members of the Utah Commercial Property Assessed Clean Energy or “C-PACE” Advisory Committee and other interested parties in a year-long program development process designed and facilitated by Utah Clean Energy. This model program consists of “best practices” in C-PACE program structure and administration, tailored to fit Utah’s market. While this model program is intended for use by a C-PACE program administrator as it develops and implements a statewide C-PACE program for Utah, the program administrator may design a program that differs from this model. However, we encourage future program administrators to implement a program that mirrors these well-researched and well-vetted recommendations as closely as possible.

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Abe Millet, Mechanical Service and System, Inc.
Alan Westenskow, Zions Bank Public Finance
Brok Thayn, Hunt Electric, Inc.
Bruce Miya, Utah Office of Energy Development
Bryan Haney, Nexant
Daniel Pacheco, U.S. Green Building Council-Utah
David Brems, GSBS Architects
Dennis Keith, Respro FSP, LLC
Derek Brown, Consultant
Glen Watkins, Jones Waldo Holbrook & McDonough, PC
Gregg Buxton, Ogden City
Howard Headlee, Utah Bankers Association
Jennifer Gardner, Utah Office of Energy Development
Justin Farnsworth, Newmark Grubb Acres
Kimi Barnett, Salt Lake County
Kristina Klimovich, PACENow
Layne Miller, Price City
Michael Snow, Rocky Mountain Power
Mark Nord, West Valley City
Matt Abbot, Park City Municipal Corporation
Zach Brown, Questar Gas Company
Ryan Evans, Salt Lake Chamber of Commerce
Ryan Warburton, Ballard Spahr, LLP
Scott Robertson, Lewis Young Robertson & Burningham, Inc.
Shelli Menegos, Building Owners and Managers Association-Utah
Tim Loftis, Consultant
Vicki Bennett, Salt Lake City Corporation
Jake Barney, Celtic Bank
Leslie Rinaldi, Celtic Bank

Non-Advisory Committee stakeholders include the following:

Alexis Callahan, Zions Bank
Amy Rowland, National Development Council
Angel Moreno, Noesis
Ann Livingston, Southwest Energy Efficiency Project
Bradley Mayeda, Zions Bank

Brigham Mellor, Salt Lake County
Chamonix Larson, State of Utah
Chris Robbins, Clean Fund
Darrell Prows, Consultant for Hunt Electric, Inc.
David Gabrielson, PACENow
Debbie Lyons, Salt Lake City Corporation
Douglas Larsen, Weber County
Enrique Mora-Saucedo, U.S. Green Building Council-Utah
Garth Daniels, Intermountain Community Capital
Grace Lin, Target Bank
Heather Bringard, Utah Associated Municipal Power Systems
Ibi Guevara, Hunt Electric, Inc.
Jacob Carlton, Ballard Spahr, LLP
James Hamill, Clean Fund
Jeremy Kalin, Eutectics Consulting, LLC
Jim Meyers, Southwest Energy Efficiency Project
Joe Euphrat, Clean Fund
Josh Case, Energy Capital Group
Krista Kisch, Apex Clean Energy
Laura Lewis, Lewis Young Robertson & Burningham, Inc.
Laura Nelson, Utah Office of Energy Development
Liz Kinne, Grant Pro Group
Melissa Jensen, GE Capital
Michael Park, Noesis
Misty Jensen, Go Solar, Inc.
Natalie Trojan, Bank of America
Nicole Cottle, West Valley City
Rod Kujaczynski, Gardner Engineering
Scott Cramer, Go Solar Group, LLC
Shaun Dustin, Town of Nibley, Utah
Teresa Pinkal, Utah Office of Energy Development
Teri Klug, InScope Energy
Ty Roberts, Zions Bank
Tyler Poulson, Salt Lake City Corporation
Vincent Titlolo, Clean Fund

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I. Introduction

Unhealthy air quality, one of the most critical challenges facing Utah's Wasatch Front, is the result of the unique geographic structure of the Salt Lake Valley coupled with pollution generated from transportation, industry, and buildings. While mobile sources (vehicles) have historically been the biggest single contributor to Wasatch Front air pollution, the percentage of pollutant emissions from our homes and buildings (known as "area" sources) is growing. Reducing energy waste in buildings, including commercial and industrial facilities, is critical for long-term, sustained air quality improvements.

Commercial and industrial buildings consume approximately 70% of electricity and 30% of natural gas used in Utah. Unfortunately, the average commercial building *wastes* 30% of the energy it consumes through *inefficient* building construction and operation.¹ Building energy improvements enabled through C-PACE financing will lower Wasatch Front air pollution largely through reducing natural gas consumption in buildings and perhaps through reduced need to run natural gas "peaking" power plants, and will also have statewide emission benefits.

Business owners can invest in a variety of energy improvements for their buildings, such as more efficient heating and cooling systems, equipment upgrades, lighting efficiency projects, or on-site electricity generation (such as solar panels). However, there are certain barriers to investing in these building energy improvements, including:

- Lack of information and understanding regarding energy, money and emission saving potential of building energy improvements;
- Lack of access to up-front capital to install projects;
- Concern that business owners (or tenants) may not occupy a building long enough to recoup the value of the investment through energy savings; and
- Lack of accessible, long-term, and low fixed-rate financing tools tailored for business owners.

Commercial "Property Assessed Clean Energy," or C-PACE, financing is a proven financing mechanism that eliminates the need for up-front capital in order to invest in building energy improvements. The property owner agrees to repay the cost of the improvements through a voluntary tax assessment lasting up to 20 years. If a building is sold or transferred, the C-PACE lien remains with the property.

During the 2013 Utah Legislative Session, Utah Clean Energy led a collaborative effort of numerous organizations to support the passage of Senate Bill 221,² which enabled C-PACE financing in Utah. Thereafter, in order to facilitate implementation of C-PACE in Utah, Utah Clean Energy organized five C-PACE Advisory Committee meetings with experts from local governments, state government, local and national lending institutions, law firms, municipal financial advising firms, utility companies, and the energy efficiency and renewable energy industries. Utah Clean Energy staff conducted research and developed initial recommendations

¹*Energy Star Brochure*, U.S. Environmental Protection Agency (2010), available at <http://bit.ly/1xTn04t>.

² Senate Bill 221, Assessment Area Act Amendments, 2013 General Session, Utah State Legislature, available at <http://le.utah.gov/~2013/bills/static/SB0221.html>.

regarding the structure for Utah’s C-PACE program, and presented these recommendations to the Advisory Committee at these meetings. Based on feedback received from the Advisory Committee during and after the meetings, Utah Clean Energy staff developed the final recommendations found herein.

This document presents Utah’s C-PACE Model Program developed by Utah Clean Energy, the Advisory Committee, and other interested parties. This program, when implemented, will empower Utah’s commercial, multifamily, industrial, and other non-residential property owners to dramatically reduce their energy consumption and the air pollution associated with their building operations.

II. Matrix summarizing the C-PACE model program

Utah's C-PACE Model Program	
Launch Date	Early 2015 (estimated)
Program Administration	<ul style="list-style-type: none"> • Streamlined, statewide program • Website - information clearing house • Conduct RFP for default lenders(s) • Compile and maintain list of service providers • Create and implement application process • Review applications for statutory eligibility, energy analysis requirements • Perform project installation verification • Design and implement robust marketing and outreach program <p>The statewide program will be administered by the Utah Office of Energy Development. Any municipality may “opt-in” to OED’s program.</p>
Administrator Type	State administrative agency
Assessment and Bond Issuance Processes	<ul style="list-style-type: none"> • Notice of proposed assessment area and property owner consent and waiver form • Public meeting to adopt a resolution or ordinance designating an assessment area • Adoption of a resolution or ordinance levying an assessment • Notice of adoption of a resolution or ordinance levying an assessment
Administrative and Legal Costs	Incidental costs incurred by a property owner in order to satisfy the local entity’s requirement for inclusion in a voluntary assessment area may be included in the financed amount.
Capital Sourcing Approach	Open market, owner arranged and potentially with one or more default lender(s)
Credit Enhancement	Not part of initial program, but not precluded from future inclusion

Eligible Property Types	Private commercial, industrial, multifamily residential with 4+ units, and non-profit
Eligible Project Measures	<ul style="list-style-type: none"> • Energy efficiency or water conservation measures and renewable energy systems that are permanently affixed to the property • Program administrator will compile an Eligible Energy Efficiency Upgrades list
Program Eligibility Criteria	<ul style="list-style-type: none"> • Written consent of each person or institution holding a lien on the property • No delinquent taxes, special assessments, or water or sewer charges on the property • No recorded notice of default, foreclosure, or delinquency on any trust deed or other lien on the property that has not been cured • No involuntary liens, including a lien on real property, or on the proceeds of a contract relating to real property, for services, labor, or materials furnished in connection with the construction or improvement of the property • PACE loan may not exceed 20 years • If the term of the PACE loan exceeds 10 years, the loan term may not exceed the reasonable useful life of the improvement(s) unless it is in the best interests of the relevant local entity and the property owner for the term to exceed 10 years • For projects using the default capital sourcing approach, the underwriting criteria of the default lender(s) (TBD)
Interaction With Incentives	Recommended but not required
Energy Analysis Requirements	<ul style="list-style-type: none"> • If <i>inside</i> Rocky Mountain Power or Questar Gas service territory, proposed energy efficiency project measure(s) must be on the utilities’ “prescriptive” measures lists; otherwise a preliminary energy analysis – available through the utilities’ efficiency programs – is required • If <i>outside</i> Rocky Mountain Power or Questar Gas service territory, proposed energy efficiency project measure(s) must be on the utilities’ “prescriptive” measures lists; otherwise the program administrator will determine the type of energy analysis that is necessary on a case-by-case basis • No energy analysis or audit required for renewable energy or water conservation measures

<p>Project Installation Verification</p>	<ul style="list-style-type: none"> • Property owner completes the funding request by submitting a signed final permit inspection from the city or county building department (when applicable); final purchase invoices and delivery confirmation receipts; utility rebate application forms; mechanic’s lien release; a payment assignment form (if the payment is to be assigned to the contractor); and a signed certification from the installer that the measures were installed, commissioned, and are operational. • Site inspections for all projects over \$500,000 and 10% of all other projects required
<p>List of Service Providers</p>	<p>Must be chosen from database of service providers maintained by program administrator or a municipality</p>
<p>Marketing, Outreach, & Education</p>	<ul style="list-style-type: none"> • Provide targeted outreach and education to existing lien holders, municipalities, contractors, and building owners • Provide education about existing incentives that may be used in coordination with C-PACE financing • Produce case studies • Media and advertising of program and completed projects

III. Program administration

One of the primary goals of the Utah C-PACE Advisory Committee was to design a statewide C-PACE program that will allow interested parties to participate in a program that is standardized across municipal boundaries and is as streamlined and easy to navigate as possible. A statewide program benefits program participants by creating a single program at the state level, as opposed many distinct programs which may not be uniform among numerous municipalities. For example, program participants will benefit by only needing to learn one set of rules, application processes, etc. Such a program needs to be administered by an entity with a statewide reputation that municipalities trust and the legal authority to issue an RFP for, and procure, a default lender (or small pool of lenders) on behalf of and in close cooperation with of all of the state’s municipalities.

The Utah Office of Energy Development (OED) fits this bill perfectly, and has agreed to perform the program administration. Program administration under OED should include the following tasks:

- Create and maintain a website that will serve as an information clearing house. This website will include all information necessary to participate in Utah’s C-PACE program, including but not limited to information regarding eligibility and energy analysis requirements, coordination of financing with existing incentives, all required forms, a list of potential lenders, a list of service providers, and customer service contact information.

- Conduct an RFP for default lenders(s) (discussed in more detail in section VI, below).
- Compile and maintain a list of service providers (discussed in more detail in section XIV, below).
- Design the application process and a set of standardized forms or templates that may be easily adapted when necessary to accommodate project specifics. These forms may include:
 - Application
 - Acknowledgement, Waiver and Consent Agreement
 - Lender Consent
 - Designation Resolution
 - Assessment Ordinance
 - Authorizing Resolution
 - Purchase Contract
 - Indenture of Trust
 - General Certificate of Issuer
 - Delivery Certificate
 - Trustee Certificate
 - Certificate of Owner
 - Specimen Bond
 - Opinion of Issuer Counsel
 - Opinion of Bond Counsel
 - Opinion of Owner Counsel
 - Certification of installation and/or commissioning of project measures
- Review applications for eligibility (discussed in more detail in sections VIII-X, below) and completion of energy analysis requirements (discussed in more detail in section XII, below).
- Perform project installation verification (discussed in more detail in section XIII, below).
- Design and implement a robust marketing, outreach, and education program (discussed in more detail in section XV, below).

The administrator of the statewide program must also develop a process that allows municipalities to easily and legally “opt-in” to the C-PACE program.

Finally, the program administrator should explore ways to enable the release of a portion of the PACE funds prior to commencement of the construction project. Otherwise, it is likely that a building owner will have to go through the onerous process of taking out a more traditional construction loan to pay contractors and purchase materials, and then use the PACE loan to pay off the construction loan. If the program avoids this extra step, it will increase the success of the program.

IV. Assessment and bond issuance processes

A C-PACE project is financed with the proceeds of a municipal bond sale and repaid via an assessment placed on the improved property. At the local government level, this process is completed as follows:

1. The property owner within the voluntary assessment area executes a consent to the assessment.
2. The local entity³ then adopts a designation resolution or ordinance and records it with the county recorder.
3. The local entity also adopts an assessment ordinance to levy the assessment and publishes notice once in a newspaper of general circulation in the local entity.⁴
4. Finally, the local entity adopts a resolution to issue a bond.⁵

This process will likely take 60-120 days per bond issuance.

V. Administrative and legal costs

Incidental costs incurred by a property owner in order to satisfy the local entity's requirements for inclusion in a voluntary assessment area may be included in the assessment levied.⁶

Utah's C-PACE legislation allows the local entity's overhead costs to be included in the assessment levied, as long as those overhead costs do not exceed 15% of the sum of (i) the cost of acquiring or constructing the energy improvement, (ii) the reasonable cost of utility services and operation and maintenance costs and labor, materials or equipment supplied by the local entity, and (iii) any fees charged to pay for the costs of connecting the energy improvements to publicly owned utilities.⁷

Overhead costs include costs incurred by the local entity in connection with an assessment area for appraisals, legal fees, filing fees, financial advisory fees, underwriting fees, placement fees, escrow, trustee, and paying agent fees, publishing and mailing costs, costs of levying an assessment, recording costs, and all other incidental costs.⁸

VI. Capital sourcing approach

The bond issued by a local entity is purchased by a capital provider. The proceeds of this sale are used to finance the commercial building improvement project on the assessed property.

Utah's C-PACE program should allow two concurrent approaches for selecting a capital provider. First, an owner-arranged, open market approach should be used. This approach will allow property owners with high-level creditworthiness, financial sophistication, and negotiating power who are interested in financing large projects to find their own bond purchaser/lender. The financing terms available to program participants using this capital sourcing approach will vary from lender to lender, creating competition in the market.

³ A local entity is defined as a county, city, town, special service district, local district, interlocal entity, military installation development authority or other political subdivision of the state. U.C.A. § 11-42-102(31).

⁴ Many of the other publication and public hearing requirements typically required in the assessment bonding process will be waived. U.C.A. § 11-42-104. Each waiver must be in writing and signed by the owner of the property to be assessed within the assessment area. U.C.A. § 11-42-104(2).

⁵ The local entity is obligated to pay the bond solely to the extent it receives assessment payments from the property owners. There is no guaranty by the local entity on the bonds. See UTAH CONST. Article VI, Section 29.

⁶ U.C.A. § 11-42-405(1)(l).

⁷ U.C.A. § 11-42-405(1)(h).

⁸ U.C.A. § 11-42-102(36).

The second, concurrent approach is a default, on-demand capital sourcing approach. This approach will allow property owners with smaller projects and less financial sophistication and negotiating power to participate in the C-PACE program. To enable this on-demand approach, the program administrator should issue an RFP for one (or a group of two or three) lender(s) who will be the go-to bond purchaser(s) for Utah’s C-PACE program.⁹ This lender (or group of lenders) will have fixed financing terms and standardized underwriting criteria that will be known to program participants well in advance, allowing them to more easily evaluate whether C-PACE financing is right for them. The default lender approach may also facilitate a process whereby the proceeds of the sale of one large bond are used to finance a group of smaller projects.

VII. Credit enhancement

C-PACE financing is now widely recognized as a low-risk financing option which, due to the strength of the collateral, does not need support from credit enhancement mechanisms. Therefore, additional credit enhancement mechanisms are not recommended for the initial program and a reserve fund is not necessary unless required by a municipality or lender. However, there is significant competition for capital and energy efficiency investments are often a low priority in the commercial sector where energy costs are a minor percentage of the cost of doing business. For these reasons, the inclusion of credit enhancement mechanisms (such as a loan loss reserve fund) should be reevaluated as the program develops to determine if such enhancements would drive greater energy efficiency investments and associated savings and benefits.

VIII. Eligible property types

“Commercial or industrial real property” means “real property used directly or indirectly or held for one of the following purposes or activities, regardless of whether the purpose or activity is for profit:

- (i) commercial;
- (ii) mining;
- (iii) industrial;
- (iv) manufacturing;
- (v) Governmental;
- (vi) trade;
- (vii) professional;
- (viii) a private or public club;
- (ix) a lodge;
- (x) a business; or
- (xi) a similar purpose.”¹⁰

⁹ The option to have multiple default lenders allows for lenders who desire to specialize in financing terms, property type, or project type. For example, one lender may only desire to provide financing for a 10 year term or shorter, while another lender may only desire to finance projects for non-profit entities, and yet another lender may only desire to finance solar electric projects.

¹⁰ U.C.A. § 11-42-102(13)(a).

Commercial and industrial real property also includes residential buildings with four or more units.¹¹

It is important to note that, due to a conflict in law resulting from Utah case law,¹² publicly owned buildings are likely not eligible for C-PACE financing.

IX. Eligible project measures

Eligible project measures include “energy efficiency upgrades” or “renewable energy systems,” as defined in Utah’s Assessment Area Act.¹³

“Energy efficiency upgrades” are improvements permanently affixed to commercial or industrial real property that are designed to reduce energy or water consumption. Examples of energy efficiency upgrades are increased ceiling, wall, or floor insulation; windows and doors with improved energy performance; automatic energy control systems; more efficient heating, ventilating, or air conditioning (HVAC) systems; caulk; weather stripping; efficient light fixtures and lamps; day lighting systems; low-flow toilets and showerheads; timers or timer systems for hot water heaters; and rain catchment systems.¹⁴

“Renewable energy systems” are products, systems, devices, or interacting groups of devices that are permanently affixed to commercial or industrial real property that produce energy from renewable resources. Examples of renewable energy systems are photovoltaic systems (solar panels), solar thermal systems, wind systems, geothermal systems, and micro-hydro systems.¹⁵

These are broad definitions which allow the governing body of a local entity to approve other building efficiency upgrades or renewable energy systems that are not explicitly listed in the statute. While it will likely be more straight-forward to determine whether a proposed project measure qualifies as a “renewable energy system” under the statute, it may often be more difficult to determine whether a proposed energy conservation measure (ECM)¹⁶ meets the statutory definition of “energy efficiency upgrade.” Therefore, the program administrator should compile a non-exhaustive list of EMCs that qualify for C-PACE financing, based on the statutory definition of “energy efficiency upgrade.” We recommend that this “Eligible Energy Efficiency Upgrades” list be based on the Rocky Mountain Power and Questar Gas “prescriptive” measure lists for commercial applications, which are approved by the Utah Public Service Commission and updated annually.¹⁷ If the proposed ECMs are not on the Eligible Energy Efficiency Upgrades list, the program administrator should determine whether the measures meet the eligibility requirements of the statute and qualify for C-PACE financing on a case-by-case basis.

¹¹ U.C.A. § 11-42-102(13)(b).

¹² See *Pappas v. Richfield City*, 962 P.2d 63 (Utah 1998).

¹³ U.C.A. § 17-50-335.

¹⁴ U.C.A. § 11-42-102(19).

¹⁵ U.C.A. § 11-42-102(47).

¹⁶ “Energy conservation measure” is the industry standard term for a permanently affixed building energy technology, system upgrade, or service intended to reduce energy consumption in the building.

¹⁷ See Rocky Mountain Power’s “Typical Upgrades/Incentive Lists,” available at <https://www.rockymountainpower.net/bus/se/utah/il.html>; see also Questar Gas’ “List of Qualifying Equipment,” available at <http://www.thermwise.com/business/BusinessRebates.php>.

Additionally, costs for services directly related to energy efficiency upgrades or renewable energy systems, such as building energy efficiency audits, are eligible for financing.¹⁸

X. Program eligibility criteria

The following eligibility criteria are included in the statute:

- Written consent of each person or institution holding a lien on the property
- No delinquent taxes, special assessments, or water or sewer charges on the property
- No recorded notice of default, foreclosure, or delinquency on any trust deed or other lien on the property that has not been cured
- No involuntary liens, including a lien on real property, or on the proceeds of a contract relating to real property, for services, labor, or materials furnished in connection with the construction or improvement of the property
- PACE term may not exceed 20 years
- If the PACE term exceeds 10 years, the term may not exceed the reasonable useful life of the improvement(s) unless it is in the best interests of the relevant local entity and the property owner
- If the PACE term exceeds 10 years, the local entity may provide that no assessment is payable during some or all of the period ending three years after the effective date of the assessment resolution.¹⁹

Also, the underwriting criteria of the default lender(s) (TBD) will define any additional eligibility criteria for projects using the program's default capital sourcing approach.

XI. Interaction between C-PACE financing and existing incentive programs

The C-PACE program administrator should strongly encourage coordination of C-PACE financed projects with existing incentive programs, such as utility energy efficiency incentives offered by Rocky Mountain Power and Questar Gas. This will allow building owners to reduce the amount financed, as well as to verify the value of the energy improvement project by leveraging existing energy analysis and measurement and verification practices included in the utility incentive programs.

To encourage this coordination, the program administrator should provide information to C-PACE program applicants regarding the benefits of participating in available utility incentive programs. The program administrator should require applicants to verify in writing that they have read this information. Finally, the program administrator should recommend, but not require, utilization of any existing incentives that may be used to lower the project cost (including utility incentives, tax credits, etc.). These incentives may be used to reduce the total financed amount or to pay down the assessment early.

¹⁸ U.C.A. § 11-42-102(15); U.C.A. § 11-42-405(1)(a).

¹⁹ U.C.A. § 11-42-209(2); U.C.A. § 11-42-411.

XII. Energy analysis requirements

a. Energy efficiency measures

Some preliminary evaluation of a proposed C-PACE energy efficiency project by the program administrator is necessary to determine whether an energy analysis is required.

If the proposed ECMs that make up the project *are* on the “prescriptive” measures lists of Rocky Mountain Power or Questar Gas, an energy efficiency analysis is not required. Analysis is not required because the energy savings resulting from these commonly installed ECMs are well-understood and well documented. However, an energy efficiency analysis should be required ECMs that *are not* on these “prescriptive” measures lists because these ECMs are often complex and require advanced energy analysis.

The type of energy efficiency analysis required will vary depending on whether the building is within the service territory of Rocky Mountain Power or Questar Gas. Energy efficiency projects located *within* the service territory of Rocky Mountain Power or Questar Gas (and certain municipal utilities) are eligible to have a preliminary energy efficiency analysis performed as part of participation in utility energy efficiency incentive programs. Therefore, if the building is *within* the utilities’ service areas, the program administrator should require a utility-provided preliminary energy efficiency analysis for the specific ECMs that *are not* on the “prescriptive” measures list. This analysis should specify the savings and costs of available energy efficiency upgrades.

If the building is *not within* the service territory of Rocky Mountain Power or Questar Gas, the program administrator should require an engineering analysis documenting the estimated energy savings benefit of any proposed ECMs that *are not* on the utilities’ “prescriptive” measures lists. Such engineering analysis should follow ASHRAE standards, and the level required should be determined by the program administrator on a case-by-case basis.

As part of the building owner’s application, the program administrator should require a written statement that the ECMs are on the “prescriptive” measures lists or a copy of the energy efficiency analysis report.

Finally, the program administrator should include a process to allow some flexibility to change the project if the approved ECMs must change due to unforeseen circumstances.

b. Renewable energy and water conservation measures

An energy analysis is not required for renewable energy or water conservation projects, as these projects are known to reduce energy or water consumption without additional analysis or audit. Nevertheless, the program administrator should require industry standard renewable energy or water conservation project engineering documentation that specifies the level of expected energy generation or water savings.

XIII. Project installation verification

Project installation verification is necessary to verify that the energy efficiency upgrades, water conservation measures, or renewable energy projects included in a C-PACE application were in

fact installed and reduce the energy or water consumption of the building, or generate renewable electricity on-site. To verify that the project measures that were included in the application, and for which the property owner sought financing, were installed, the program administrator should require:

- a signed final permit inspection from the city or county building department (when applicable);
- final purchase invoices and delivery confirmation receipts;
- utility rebate application forms (when applicable);
- mechanic's lien release;
- a payment assignment form, if the payment is to be assigned to the contractor; and
- a signed certification from the installer that the measures were installed, commissioned, and are operational (the program administrator should develop a template form for installers to use to meet this requirement).

The program administrator should ensure that site inspections are conducted on all large projects (project cost over \$500,000) and on 10% of all other projects. These site inspections may be conducted by utility or their contractors where utility incentives are utilized.

XIV. List of service providers

The local entity that issues assessment bonds is required by the statute to provide each property owner included in the voluntary assessment area a list of service providers.²⁰ Property owners must select a service provider from the list to install the energy efficiency or water conservation improvements or renewable energy systems.²¹

The program administrator should maintain a list of service providers, which will be made available to local entities offering C-PACE financing. We recommend that the administrator develop a first version of this list based on the existing Rocky Mountain Power Wattsmart Business Trade Ally Network list, consult with Questar Gas' ThermWise program to include energy efficiency contractors with expertise in installing natural gas conservation measures, and then open the list to other interested contractors. To facilitate utilization of utility incentives, utility trade allies should be notated as such on the list.

This list would effectively be a database maintained through the C-PACE program website to which a service provider may add their business name and contact information through a process to be developed by the administrator. The program administrator should post a clear statement on all relevant C-PACE program materials that this list does not endorse or guarantee the work of

²⁰ The procurement provisions of the Assessment Area Act do not apply to these voluntary assessment areas. U.C.A. § 11-42-301(9)(a).

²¹ U.C.A. § 11-42-301(9)(b). These provisions of Utah's C-PACE law are relics of the original Utah PACE legislation, which emphasized *residential* PACE and was never passed. The provisions were primarily meant to protect homeowners using PACE to finance residential energy improvements from predatory vendors. While it is assumed that the majority of commercial program participants will perform due diligence in selecting contractors and may not need the protection that this section of the statute was meant to provide, the statutory requirement must still be met

any listed service provider. The base requirement should be that contractors are appropriately licensed to perform applicable work in the State of Utah.

This approach will allow commercial property owners to select the service provider of their choice, while highlighting service providers with expertise in energy efficiency projects and allowing property owners with internal facility maintenance staff to register and self-install project measures.

Finally, this list will also benefit the program administrator by providing a list of service providers who are actively using C-PACE financing as part of their sales process. Successful C-PACE programs throughout the nation have found that C-PACE programs are more effective when they work closely with contractors and service providers who advertise C-PACE as a way to finance building improvement projects. Therefore, the program administrator should leverage this database of service providers as a central component of its marketing and outreach program. The program administrator should provide an on-line tutorial on C-PACE financing that all service providers must take in order to register for the list. Also, the program administrator may use this list to promote additional C-PACE trainings and marketing events.

XV. Marketing, outreach, and education

One of the primary duties of the program administrator is to design and carry out a robust marketing, outreach, and education program which provides accurate and up-to-date information to all interested parties, including existing lien holders, municipalities, contractors, real estate associations, and building owners.

- Municipalities need to know about and understand C-PACE so that they can opt into the statewide program and feel comfortable issuing bonds.
- Building owners are the parties that ultimately participate in the program, negotiate the terms of the PACE obligation, and assume the debt. Therefore, marketing, outreach, and education directed at building owners is also critical.
- As noted above, existing C-PACE programs have consistently found that contractor outreach and education is critical to program success because contractors market the program as a financing mechanism that allows property owners to upgrade their buildings with no money down.
- Finally, one of the most significant barriers to completing a C-PACE transaction is getting existing lien holder consent because the PACE obligation takes priority over any existing lien, including a mortgage. However, once existing lien holders understand that default on the PACE obligation is extremely unlikely and the PACE obligation allows the property owner to increase the value of the mortgage holders' collateral (the real property), the existing lien holder is more likely to consent to subordination.

This marketing, outreach, and education program should also include a media and advertising campaign, development of an information clearinghouse website, development and advertisement of case studies highlighting successful C-PACE projects in Utah, participation of program representatives in conferences, development of webinars and seminars, and one-on-one information sessions.