



# PACE ACT: VALUABLE TOOL FOR COMMERCIAL OWNERS

Energy efficiency provides a way to lower energy costs, increase property values, reduce operating expenses and enhance the comfort of their tenants. However, there are two main obstacles that can prevent owners from making energy improvements to their properties: a lack of capital and the inability to find financing sources.

To overcome these barriers, in certain states, commercial property owners have been utilizing Property Assessed Clean Energy (PACE) financing, which provides funding for energy efficiency, water conservation and renewable energy projects.

## **What is PACE financing?**

PACE is a voluntary energy conservation program that provides up to 100 percent financing for approved energy-efficiency projects. PACE provides financing for energy-efficiency projects such as installing solar panels, HVAC improvements, roof repairs, updating insulation and installing LED lighting. This financing is available for a variety of commercial real estate properties including retail, multifamily, industrial, office, hospitality, affordable housing and senior housing.

## **How does PACE work?**

Financing is arranged through a local program administrator or a municipality who reviews applications to confirm they meet the guidelines and then coordinates the issuance of bonds that are sold to provide capital for such projects. The property owners repay the long-term improvement financing through an assessment included on real estate tax bills.

## **The value of PACE**

For property owners, PACE offers up to 100 percent financing for projects; therefore, the owner does not have to worry about upfront capital and can reallocate funds that were previously reserved for energy projects.

For more information, visit [www.energy.gov/eere/slsc/property-assessed-clean-energy-programs](http://www.energy.gov/eere/slsc/property-assessed-clean-energy-programs).

