



Greater Cincinnati  
**Energy  
Alliance**

**Energy Investment Partnerships:  
GC-HELP & GC-PACE**

**March 22, 2016**



Greater Cincinnati Energy Alliance

# WHO WE ARE

# About Us



- Nonprofit economic development agency
- Public-Private Partnership
- Energy Efficiency & Renewable Energy Services
  - Education/Outreach
  - Project Management
  - Green Bank Financing Solutions
- Market Focus
  - Residential
  - Commercial & Nonprofit
- \$44M in in projects developed to date



# GC-HELP: What is it?



## Home Energy Loan Program (HELP)

- Fast, easy, and affordable
- Public/private loan fund
- Accessible underwriting standards:
  - 640 credit score, 50% DTI, no bankruptcy past 7 years
- Loan production:
  - **\$1.4M** lent
  - Average loan: **\$8,851**
  - 3% bad debt reserve; **Two write-offs** in 32 months = <.5%
- What's the niche?
  - Underwriting against the savings generated
  - Quick and easy
  - No cost to customers to apply

# GC-HELP: What makes it work



- Recruiting private contractors to offer
  - Lower cost than manufacturer-driven financing options
- Raise public/social impact capital to reduce the costs
- Pursue marketing partnership with local utilities
- WHEEL
  - First unsecured residential EE transaction in secondary market
- Customer-friendly
  - No prepayment penalty

# GC-PACE: What is it?



## Property Assessed Clean Energy (PACE)

- Allows a commercial property owner to finance EE & RE improvements via a voluntary **Special Tax Assessment** on the property's real estate tax bill
- Authorized by an Energy Special Improvement District

## Why PACE? Benefits to the property owner:

- Stays with the property, NOT the business
- 100% Financing (No down payment required)
- For triple net leases (office/retail), the special assessment can be transferred to tenants in typical lease structures
- 100% of the assessment is tax deductible\*
- "Off book" accounting treatment\*

# PACE PROCESS FOR 1<sup>ST</sup> PROJECT



1. **Property owner** submits petition to local government to create district
2. **Local government** approves PACE district creation by resolution
3. PACE district forms (Board composed of **public** and **private** sector reps)
4. **Local government** approve the project including the PACE special assessment schedule
5. Financing “closing” occurs with **PACE Capital Provider**
6. Special assessment details forwarded to **County Auditor**
7. **Contractors** complete the energy project
8. **Property owner** receives normal tax bill with the PACE special assessment added and remits to the **County Treasurer** as usual

# ENERGY ALLIANCE ROLE



- **Develop legal document set**
- **Developing program criteria**
  - Eligible measures
  - Contractor standards
- **Ongoing program administration**
  - Contractor recruitment
  - Managing customer intake & application process
  - Project energy analysis/review
  - Program marketing
- **Monitoring and measuring program success**
  - Quality Assurance
  - Contractor development



# GOVERNMENT ROLE



## County

- Auditor receives requests from local government to place assessment on property tax record
- Treasurer continues to receives payments from participating property owners and remits to the local government finance department

## Local Government

- Ongoing approval for future projects as new property owners are approved by the PACE district
- Continues to authorize the County Auditor to place new PACE special assessments for new/approved property owners

# ADVANCING PACE FINANCING AS AN ECONOMIC DEVELOPMENT TOOL



- **County Leadership**
  - Economic Development
  - Auditor's office
- **Local Government Outreach**
  - Economic Development
  - Building/Permitting Department
- **Local Business Outreach**
  - Chamber of Commerce
  - Local contractors
  - Utility collaborations

# Local Case Study: Neyer Properties



## Blue Ash

3 separate office buildings

15 year PACE transaction

Tenant pass through via PACE special assessment



## Energy Improvements Include:

LED Lighting

HVAC replacement

# Local Case Study: Ivy Knoll Senior Living



7-story Senior Living Community  
City of Covington

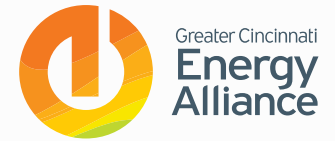
1<sup>st</sup> PACE-financed project in the State of  
Kentucky

Project Cost:	\$750K
Annual Energy Savings:	37%

## **Energy Improvements Include:**

- Solar panels including new roof
- HVAC room unit replacements & controls
- LED Lighting
- Elevator replacements

# CONTACT



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