

Climate Mobilization Act Series:



building
energy
exchange

31 Chambers Street
New York, NY

Keeping Pace with PACE - Financial Resources

Join the Building Energy Exchange, Natural Resources Defense Council, and New York City Energy Efficiency Corporation to explore the financial resources that are available to fund your building's decarbonization projects. Our panel of experts will discuss how to leverage PACE financing, the Inflation Reduction Act, utility incentives, and more.

opening remarks

Joe Chavez, Deputy Director, Mayor's Office of Climate & Environmental Justice

moderator

Kyle Madden-Peister, Senior Legal Associate, NYCEEC

panelists

Andrew Chintz, Financing Specialist, NYC Accelerator

Ethan L. Elser, Executive Vice President, PACE Equity

Christianna Ambo-Jones, Manager, Program Design & Implementation, Con Edison

January 25, 2024
9:30 to 11:00am

1.5 AIA
LU | HSW



Financing Assistance from NYC Accelerator

BeeX CMA Series: Keeping Pace with PACE

Presented by:

Andrew Chintz, Financing Specialist, NYC Accelerator

January 25, 2024



What is NYC Accelerator?

- + A New York City program to help control costs, meet compliance requirements for local laws, boost building performance, increase energy savings, and reduce carbon emissions across New York City buildings.
- + NYC Accelerator:
 - Provides **free technical guidance** to help the market transform how our buildings operate and are built
 - **Identifies building upgrade projects** to help meet emissions limits established under the Climate Mobilization Act
 - Offers **no-cost building operator trainings** and supports green workforce development
 - **Connects building decisionmakers directly with service providers** to implement decarbonization projects
 - **Identify applicable financial incentives and navigate applicable incentives**



How Does NYC Accelerator Work?

+ Who is eligible?

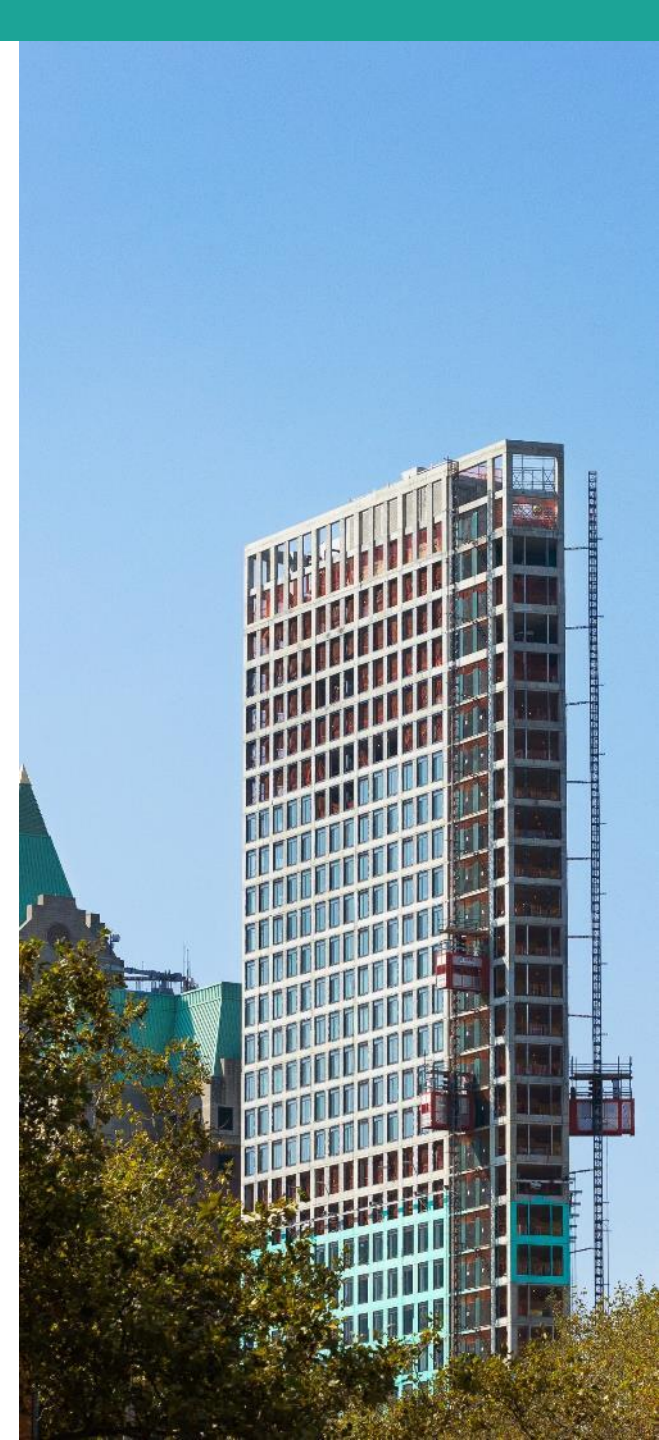
- Any privately owned New York City building $\geq 5,000$ square feet (new or existing)
- Smaller buildings referred to partner organizations

+ How does it work?

- Call us and get connected with a dedicated Account Manager
- Receive customized objective

+ How much does it cost, and what's the catch?

- No catch, no cost, no sign-up or commitment



NYC Accelerator's Financing Assistance

Identify applicable financing programs

- + Relevant to specific project needs
- + Fit with building use and financial structure

Assist in navigating financing options

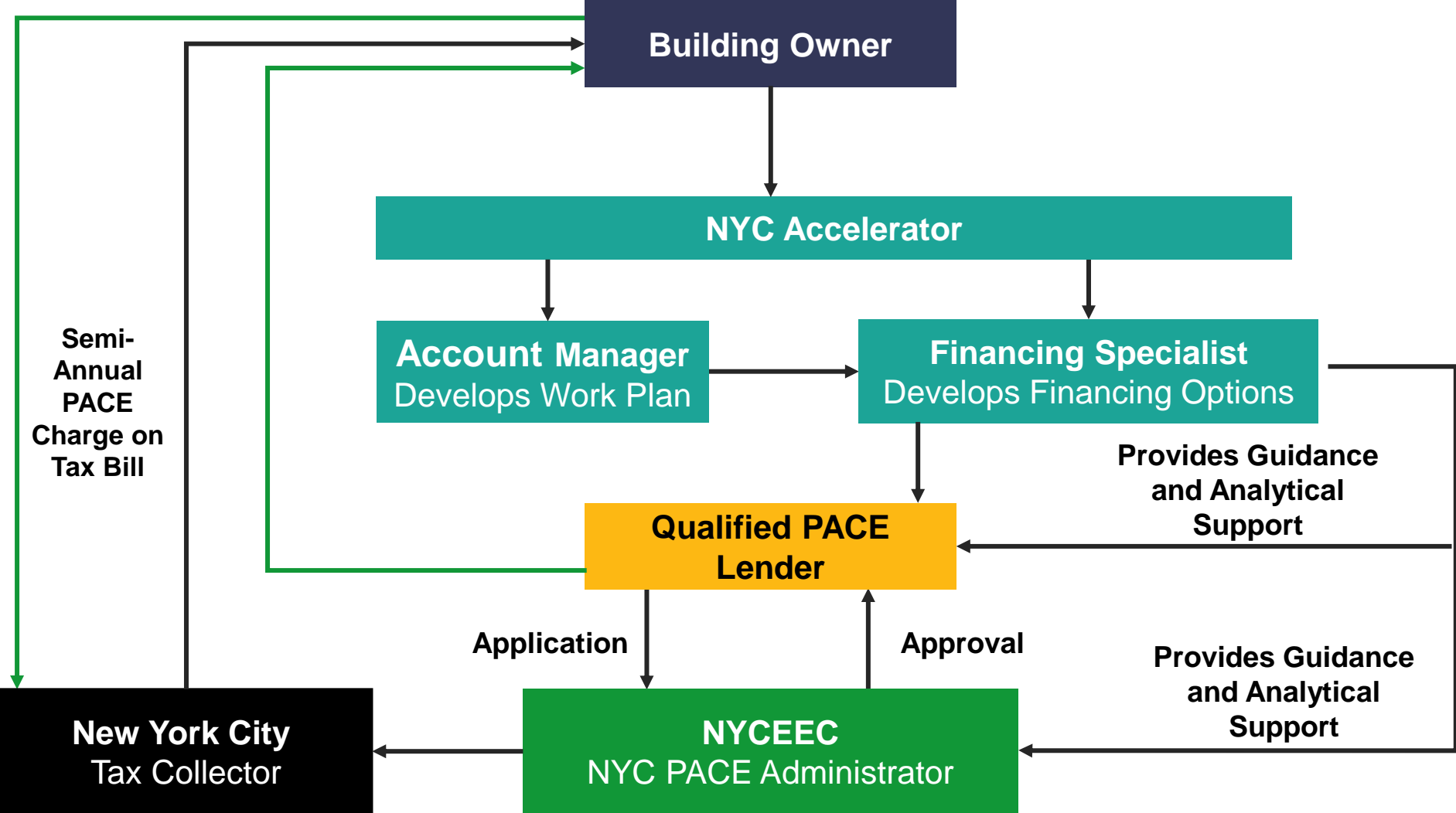
- + Connection to capital providers and lenders
- + Engage building stakeholders in the process
- + Improve understanding of various financing products
- + Guidance assessing options

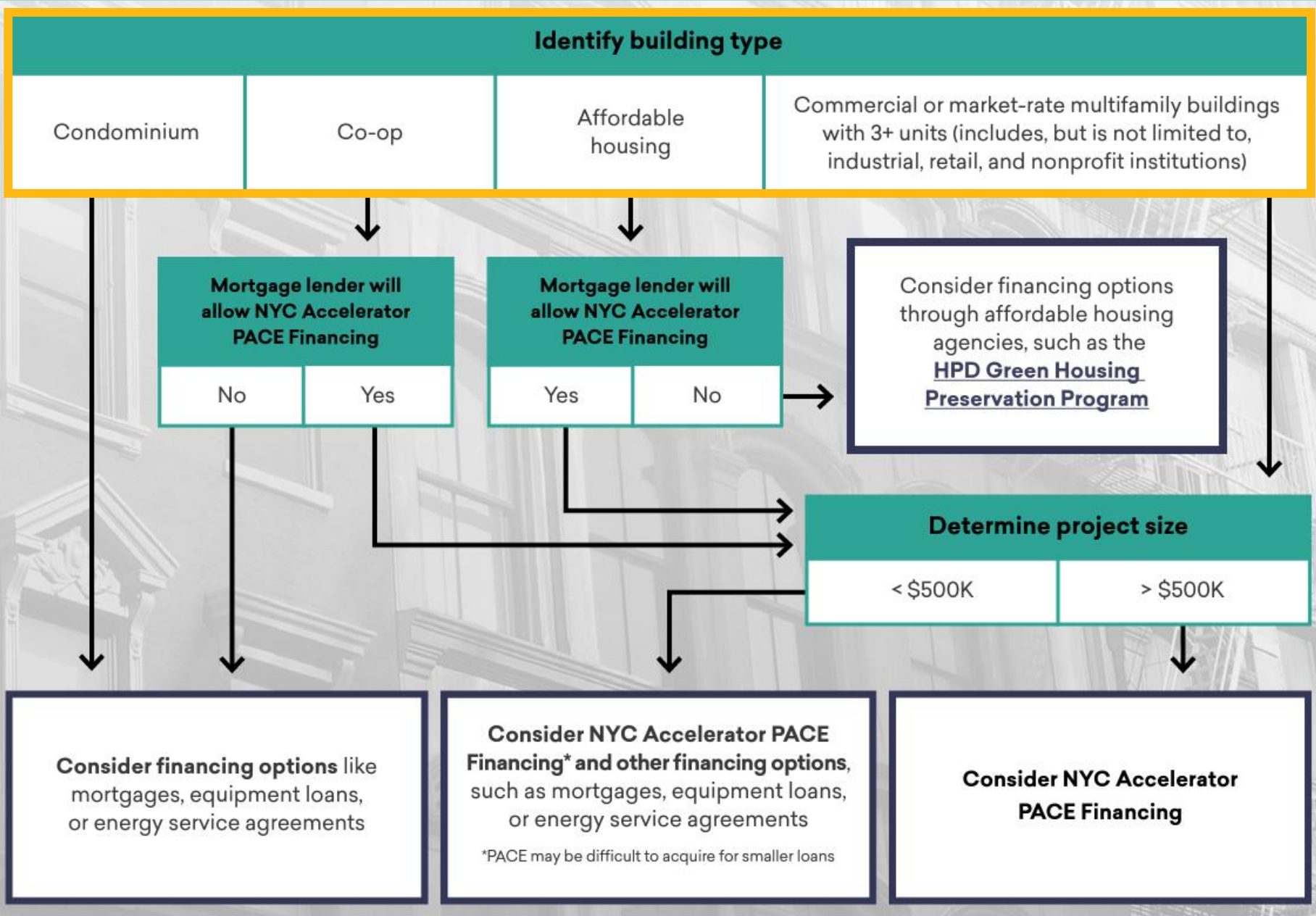
NYC Accelerator PACE Financing



- + Coupled with LL 97, LL 96 authorized PACE Financing to assist building owners in meeting LL97 compliance
- + Repaid as a line item on the property tax bill modeled after a traditional public improvement financing tool
- + 100% financing, fixed rate, non-recourse
- + Long-term financing. Loan term based on the weighted average useful life of improvements for up to 25-30 years. Longer-term financing extends repayment period, lowers payment
- + Reduced operating expenses from energy savings help offset loan repayments with potential for positive net cash flow
- + Transferable upon property sale. New owner enjoys energy savings and continues loan payments
- + PACE can retroactively finance improvements completed up to 3 years earlier

NYC Accelerator PACE Roadmap





Scan to the entire Financing Toolkit.



THANK YOU!

Andrew Chintz
Financing Specialist
andrew@Accelerator.NYC



Contact Our Team of Experts



Web: accelerator.nyc/LL97

Email: info@accelerator.nyc

Phone: 212-656-9202





BeeX CMA Series: Keeping Pace with PACE

Ethan L. Elser
EVP
(414) 446-3645
ethan@pace-equity.com



PACE Equity Background

Leading funder of C-PACE development projects

Pioneering PACE Funding since 2010



We fund projects in never-before-seen ways. Our principals have spent their careers driving sustainable building practices.



We innovated a new program -- a lower cost of capital for lower carbon building with a practical & financially beneficial approach.

End-to-End Execution

Surety of Close: Our unique funding process provides a seamless experience for you.

Our In-house energy engineers do the energy audit and optimize your funding potential.

We Control our Capital

We have our own fund and make our own investment decisions.

We give **binding commitments** rather than term sheets.

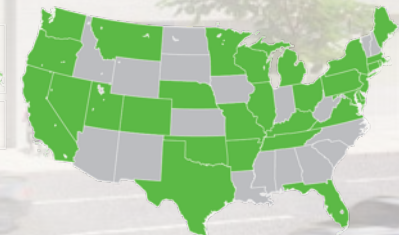
We have an **unparalleled delivery record** on our commitments and have **reduced carbon emissions by over 1 million metric tons.**

100+ projects

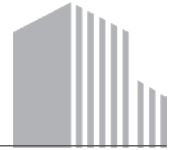
\$500+ million funded

Committed to Local

We take our relationships seriously. We have nationwide coverage with **Managing Directors on the ground** in 20 states.



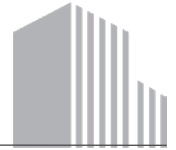
Background



- In the mid 2005s, the Chief of Staff to Berkley, CA was trying to figure out a way to encourage the adoption of energy efficiency
- In the energy efficiency space, access to capital is the biggest barrier
- He proposed using the city tax assessment mechanism, the same mechanism that is tried and true, to have owners voluntarily assess their properties for these improvements over a long period of time.
- The obligations would be transferable upon sale and the govt. could float bonds to not have taxpayers pay for them
- This was the thesis of PACE financing. Thereafter, other states started adopting the model and passing legislation in the early 2010s.



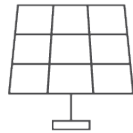
Eligible Improvements*



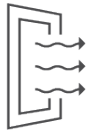
OUR ENGINEERS CAN OPTIMIZE YOUR FUNDING POTENTIAL



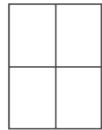
HVAC
EQUIPMENT
& CONTROLS



SOLAR
PV



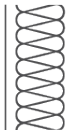
INDOOR
AIR QUALITY



WINDOWS



SEISMIC & RESILIENCY



INSULATION & ENVELOPE



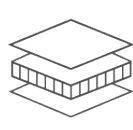
INDOOR
& **OUTDOOR**
LIGHTING



PLUMBING



**ELEVATOR/
ESCALATOR**



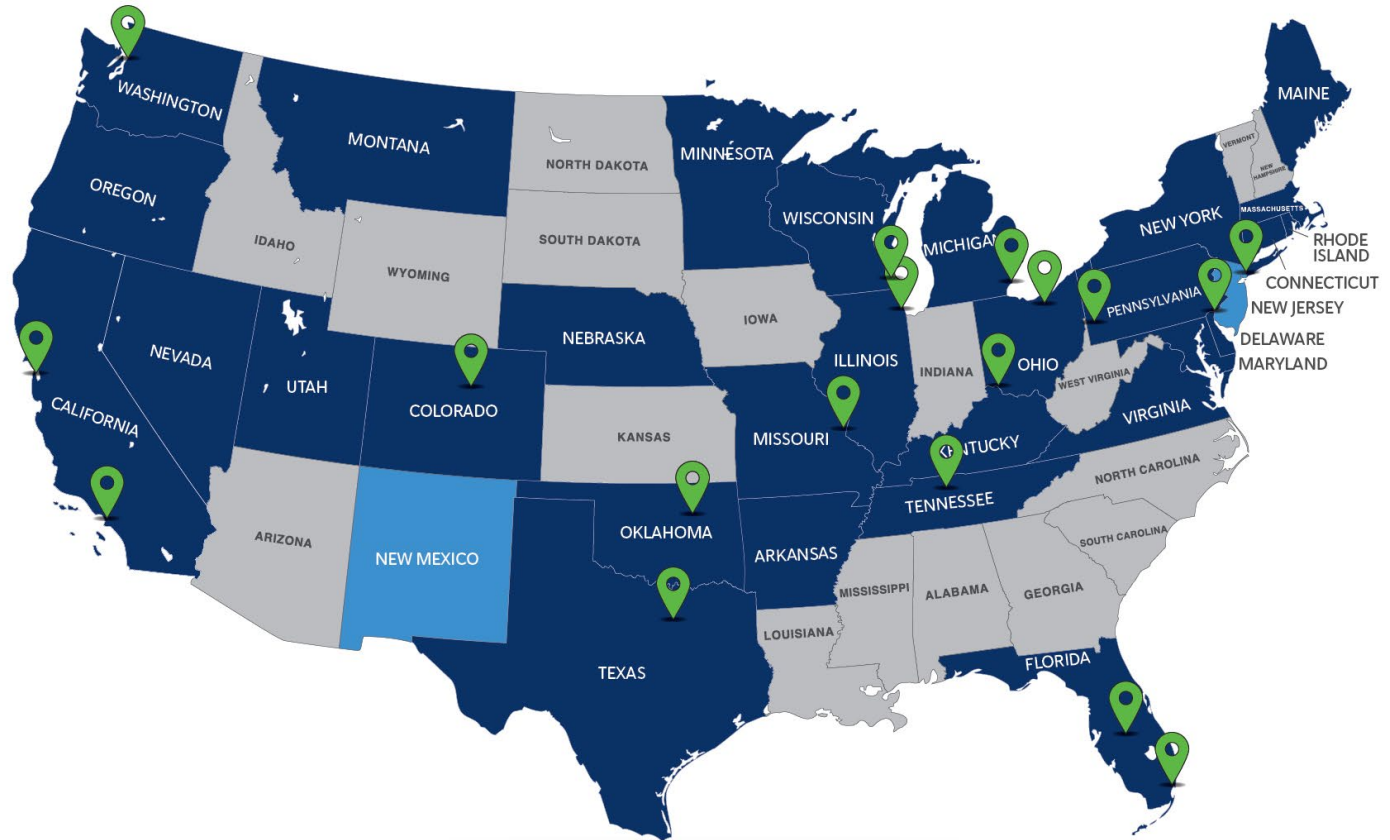
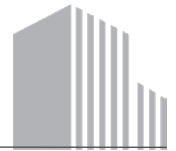
ROOFING

MAXIMIZE YOUR FUNDING

- When you work with us, you get our Engineering Team too. We know how to maximize your funding.
- Improvement measures with a quantifiable utility, water or renewable impact are eligible for funding.

*This is not an exhaustive list; every state has unique options for eligibility. Seismic and wind resiliency only available in certain states.

Where is PACE Equity available?



 PACE Equity Managing Director

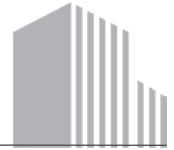
 Funding Available

 Funding Likely Available in 2024

 No Funding Available

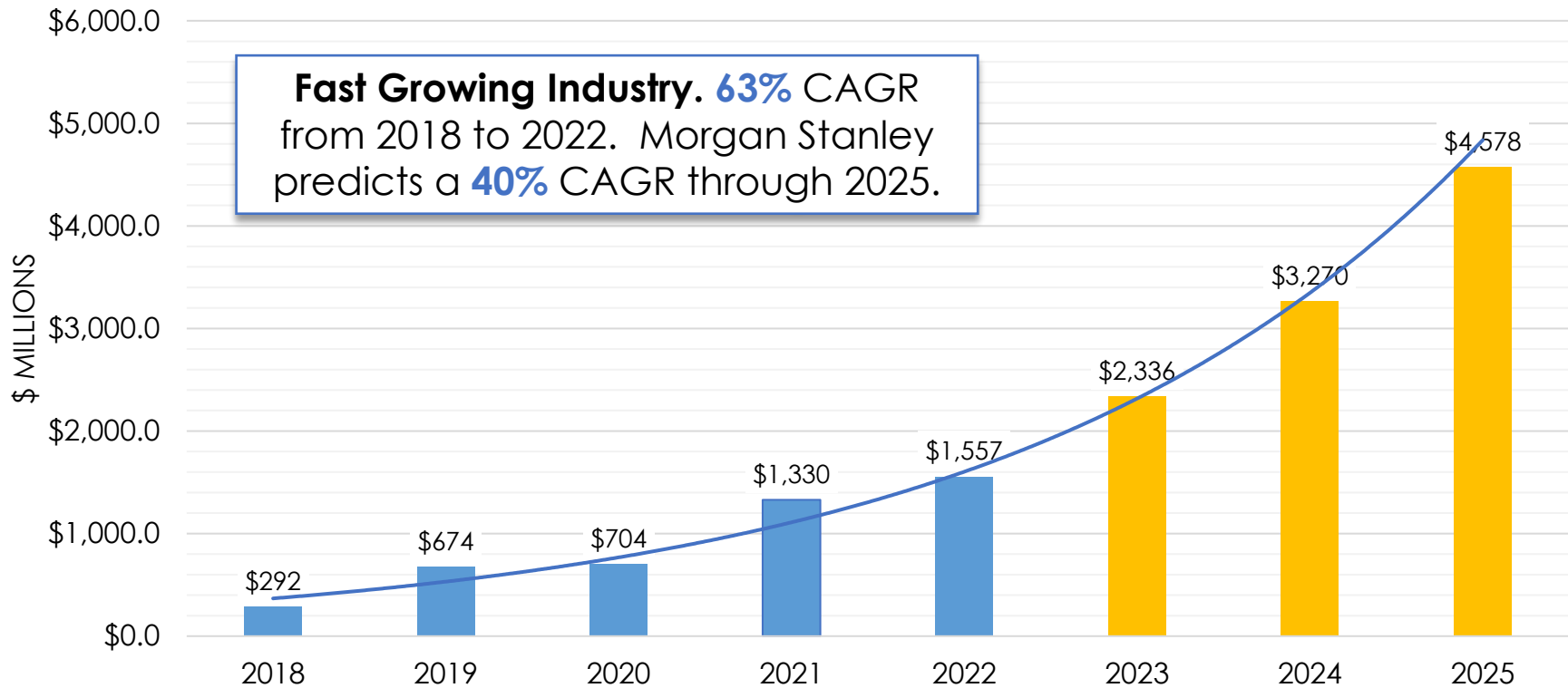


Commercial PACE Market



C-PACE Funding by Year

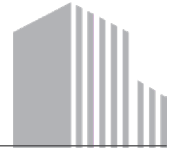
Actual Projected



Growth Drivers:

- New markets (New York, Philadelphia, New Jersey, Las Vegas, Seattle, Boston)
- Texas recently revised their guidelines to make new construction viable

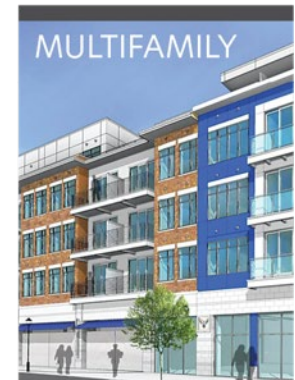
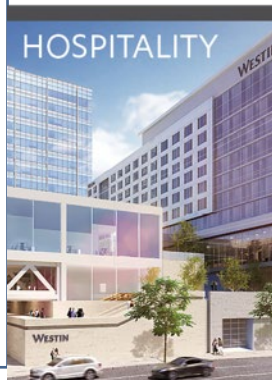
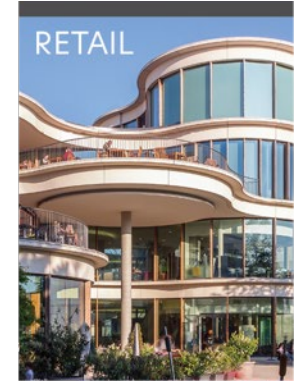
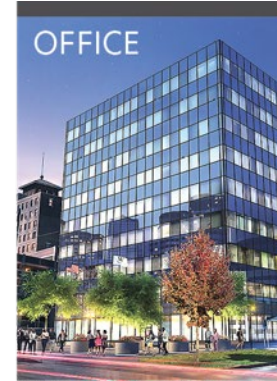
Funding Opportunities



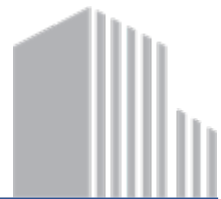
PACE FINANCING CAN BE USED FOR DIFFERENT SCENARIOS ACROSS A VARIETY OF CLASSES

COMMON SCENARIOS FOR FINANCING

- BPS (LL97) Compliance Funding
- Renovation/Retrofits
- Redevelopment
- New Construction
- Cost Overruns
- Gap Financing/Additional Capital
- Renewable Energy
- Retroactive/Refinancing



Brooklyn United Methodist Church Home



RENOVATION, RETROACTIVE REFINANCING

Brooklyn, NY



\$5 MILLION

ENERGY IMPROVEMENTS ENSURE COMPLIANCE WITH NEW YORK'S BUILDING PERFORMANCE STANDARDS

PACE Equity Finances Energy Updated to Achieve Local Law 97 Carbon Emission Goals



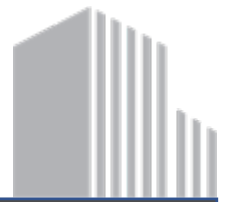
"PACE Equity was easy to work with to get the financing accomplished and the financing will place Brooklyn United Methodist Church Home in a better position to continue to improve its energy efficiency platforms now and for the foreseeable future."

*Victor Orriola, CEO & Administrator
BUMCH*

Colman Yards

REDEVELOPMENT

Rockford, IL



\$11 MILLION

HISTORIC REDEVELOPMENT EMBRACES CIRRUS LOW CARBON FOR LOW COST OF CAPITAL

PACE Equity Financing and Historic Tax Credits Paired in the Capital Stack

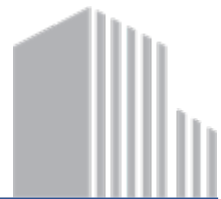


CIRRUS Low Carbon is an effective way to get great financing terms without adding unnecessary burden to the project.

*Tyler Parbs
Vice President, Investments, J. Jeffers & Co.*



830 Main Street



COST OVERRUN FINANCING

Cincinnati, OH

\$4.1 MILLION



REDEVELOPMENT LEVERAGES PACE EQUITY FOR MID-CONSTRUCTION RECAPITALIZATION

Retroactive Refinancing Provides Needed Capital for Project Cost Overruns

”

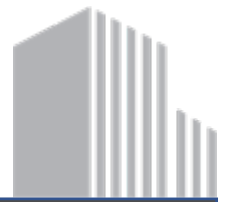
The developer benefitted from improved returns as they captured low-cost and long-term financing over a term of 29 years.



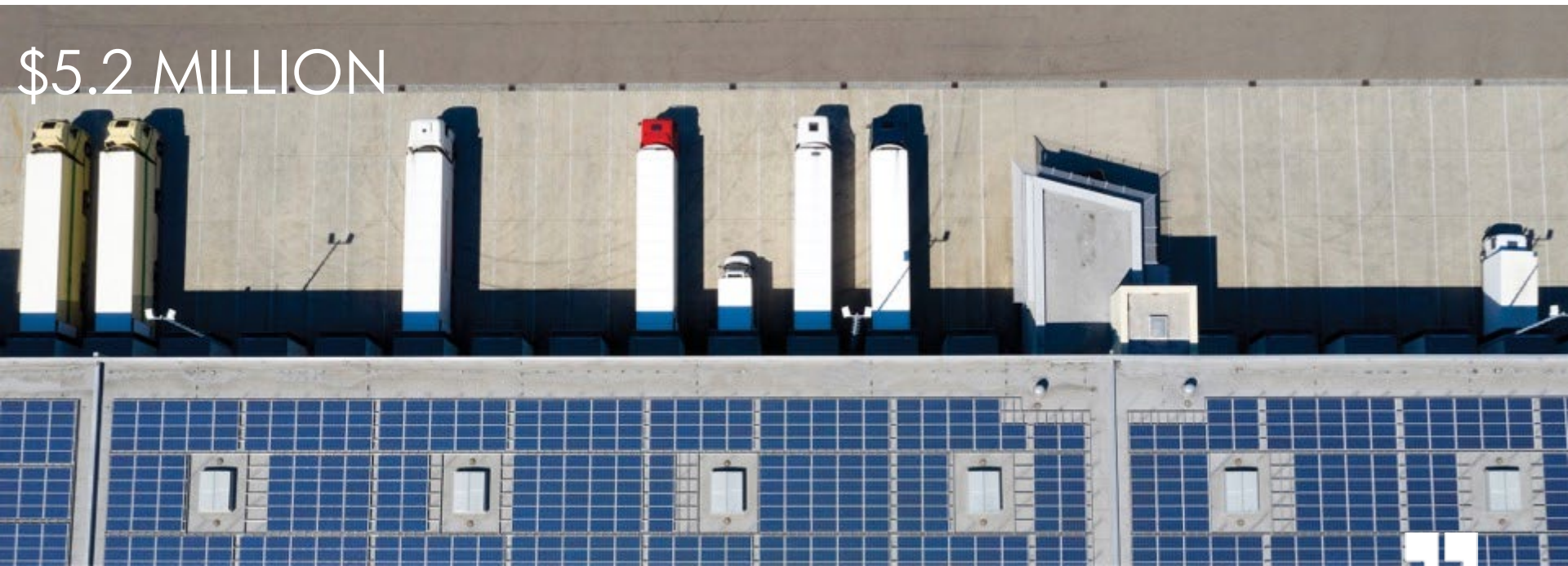
Sunnyvalley Smoked Meats

SOLAR/RENEWABLES

Manteca, CA



\$5.2 MILLION

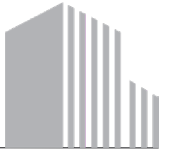


SOLAR INSTALLATION ADDRESSES ENERGY COSTS AND GHG REDUCTION GOALS

”
The PACE Equity team was thorough and clear about what they needed and where we were in the process. I really appreciated the transparency.

*Eric Wentink
Corporate Procurement, JBS Foods*





Thank you!

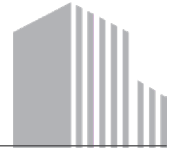
Ethan Elser

(414) 446-3645

ethan@pace-equity.com



What is PACE financing?



PROPERTY ASSESSED CLEAN ENERGY (PACE)

PACE BASICS

BENEFITS

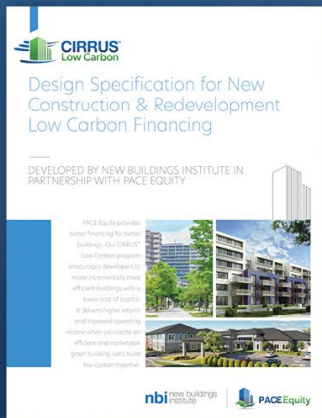


Funding for new construction and renovation projects

WHAT IS THE CIRRUS LOW CARBON PROGRAM?

1

Design specification for energy efficiency



2

Lower rates from PACE Equity



3

Marketing & promotion package including building plaque



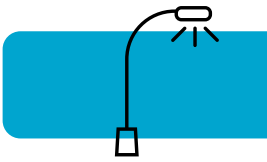


conEdison

Clean Energy Rebates & Incentives

Christianna Ambo-Jones, *Department Manager – Program Design*
Con Edison Customer Clean Energy Programs

Overview



- **The Utility's Role**
- **Value to the Customer**
- **Current Offerings**
 - Commercial Programs
 - Small Business
 - Commercial and Industrial
 - Residential Programs
 - Residential Energy Efficiency
 - Multifamily and Low-to-Moderate Income
- **Supporting Local Law 97 Compliance**

The Evolution of the Utility's Role in Clean Energy



Core Business

Three Commodities:
Electric, Gas and
Steam



Our Customers

Diverse market
segments, unique
building stock



Growth Strategy

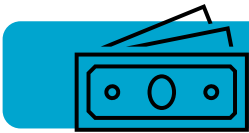
Investing \$1.5B in
energy efficiency and
heating electrification
by 2025



Trusted Energy Advisor

Promote customer
choice, education,
and incentives

Customer Value – Increase Profitability, Decrease Energy Usage

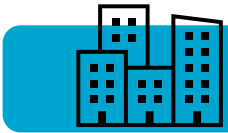


- ✓ Offset project costs with cash incentives
- ✓ Increase ROI
- ✓ Lower monthly bill
- ✓ Lower maintenance costs
- ✓ Avoid paying fines



- ✓ Reduce carbon footprint
- ✓ Meet sustainability goals
- ✓ Meet state compliance goals
- ✓ Enhance brand reputation

Commercial Program Offerings



Small-to-Medium Business Energy Efficiency

Business owners with 12-month average peak demand of up to 300kW can receive **up front** customer incentives that can reduce the cost of energy efficient equipment by up to 70%!

Equipment Incentivized
Lighting
Refrigeration
HVAC
Building envelope
Energy Management Systems

Small-to-Medium Business Clean Heat Program

We also participate in the state-wide Heat Pump program

- Businesses or non-profits ≤ 2,500 sqft qualify for fixed incentives based on size, up to 50% of costs.

Commercial & Industrial (C&I) Energy Efficiency (EE)

Building owners and property managers with commercial use properties with 12-month average peak demand above 100kW can receive rebates for several EE technologies.

C&I Clean Heat Program

Existing buildings eligible for C&I EE can receive rebates for clean heat equipment. New construction buildings are only eligible for ground source heat pumps rebates.

- Incentives are available for full or partial load and capped at 50% of project costs (100% of the measure cost), and with a \$1M cap for all projects per account year.

Prescriptive Path	Custom Path	Clean Heat (Heat Pumps HP)
Lighting and controls	Building Management Systems and controls	Air Source Heat Pumps
Refrigeration	Building envelope	Ground Source Heat Pumps
HVAC	Chiller plant optimization	Water Source Heat Pumps
Steam trap repair	Demand Control Ventilation	Heat Recovery Chillers
Pipe insulation		Building Envelope w/ HP
Variable Frequency Drives (VFDs)		Advanced Controls w/ HP
Chiller replacements		Heat Pump Water Heaters
Boiler replacements		Heat Pump Chillers

Residential Program Offerings



Residential Energy Efficiency - Weatherization

Homeowners and renters of single-family or 2- to 4-family homes can receive up to \$4000 when installing insulation and air/ duct sealing.

Residential Clean Heat Program

- Heat pumps must be sized correctly to meet full heating load requirements of the home
- Incentives vary based on whether old equipment is decommissioned or integrated controls are used

Multifamily Clean Heat Program

- Existing multifamily buildings are eligible for all clean heat offerings. New construction buildings are only eligible for Ground Source Heat Pump incentives.
- Mixed-used buildings should apply to either multifamily or commercial clean heat programs based on dominant use type
- Multifamily existing buildings are required to decommission existing fossil fuel systems for the building's space heating scope of work

Multifamily Energy Efficiency (EE) Programs

Owners or managers of residential multifamily buildings with 5+ residential units are eligible for rebates for several EE technologies.

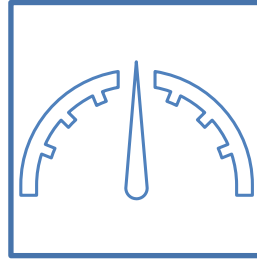
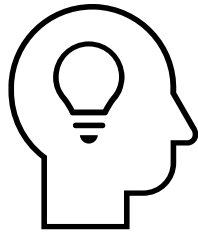
Incentives are available in the following Paths:

- Market Rate
- Affordable Housing Incentives (Low-Moderate Income LMI)

Electric EE	Gas EE	Multifamily Clean Heat
Lighting and controls	Boiler replacements and boiler clean & tune	Air Source Heat Pumps
Elevator modernization	In-unit Showerheads and faucet aerators	Ground Source Heat Pumps
Variable Frequency Drives (VFDs)	Energy Management Systems	Heat Pump Water Heater
EC Motors	Pipe insulation	Envelope w/ Heat Pumps
Chiller replacements	Steam traps	
Cooling tower replacements	2-pipe steam retro-commissioning	
Packaged Terminal Air Conditioners	Building envelope (air sealing, roof and wall insulation, window replacements)	
Air Conditioner – Central unit replacement		

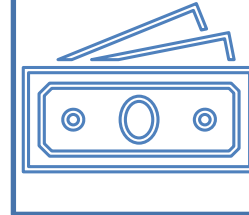
Supporting Local Law 97

What our customers
want to know about
LL97...



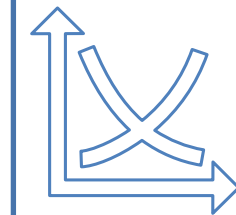
Am I in
compliance?

How much is my
fine?



How much will it
cost to come into
compliance?

Is it worth it?



Here's where Con Edison
EE programs help.

Local Law 97 Compliance - Commercial



Overview of Applicable Program Offerings

*§28-321.2.2 **Prescriptive energy conservation measures.** By December 31, 2024, the owner of a covered building shall ensure that the following energy conservation measures have been implemented where applicable:

1. Adjusting temperature set points for heat and hot water to reflect appropriate space occupancy and facility requirements; [2.4.8 Building Automation Systems \(2024 Bonus\)](#)
2. Repairing all heating system leaks; *C&I does not incentivize broken Equipment*
3. Maintaining the heating system, including but not limited to ensuring that system component parts are clean and in good operating condition; [2.3.5 Boiler Tune-Up](#)
4. Installing individual temperature controls or insulated radiator enclosures with temperature controls on all radiators; *No formal prescriptive offering, potential custom measure*
5. Insulating all pipes for heating and/or hot water; [2.4.5 Pipe Insulation \(2024 Bonus\)](#)
6. Insulating the steam system condensate tank or water tank; *C&I does not incentivize for steam only measures*
7. Installing indoor and outdoor heating system sensors and boiler controls to allow for proper set-points; [2.4.8 Building Automation System \(2024 Bonus\)](#)
8. Replacing or repairing all steam traps such that all are in working order; [2.4.4 Steam Trap Replacement \(2024 Bonus\)](#)
9. Installing or upgrading steam system master venting at the ends of mains, large horizontal pipes, and tops of risers, vertical pipes branching off a main; *C&I does not incentivize for steam only measures*
10. Upgrading lighting to comply with the standards for new systems set forth in section 805 of the New York city energy conservation code and/or applicable standards referenced in such energy code on or prior to December 31, 2024. This provision is subject to exception 1 in section 28-310.3, provided that July 1, 2010 is replaced by January 1, 2020 for the purposes of this section; [2.1 Prescriptive Lighting](#)
11. Weatherizing and air sealing where appropriate, including windows and ductwork, with focus on whole-building insulation; [2.4.2 Building Envelope \(2024 Bonus\)](#)
12. Installing timers on exhaust fans; and [2.4.6 Variable Frequency Drives \(VFDs\)](#)
13. Installing radiant barriers behind all radiators. *No formal prescriptive offering, potential custom measure*

Local Law 97 Compliance - Multifamily



Prescriptive Energy Conservation Measures (PECM)

- Financial incentives from Con Edison are available for a limited time to help affordable multifamily buildings comply with Local Law 97 Article 321 through the Prescriptive Pathway
- Eligibility
 - Affordable multifamily buildings that are 25,000+ sq ft with 5 or more units
 - Con Edison gas customer
 - Buildings subject to LL97's Article 321, including
 - Greater than 35% rent-regulated units
 - HDFC co-ops
 - HUD project-based assistance, including buildings that participate in NYCHA PACT

Incentives (\$/dwelling unit)

Whole-Building Upgrades	Incentive Per Residential Unit
Common Area Lighting	\$80
Air Sealing	Free with additional upgrades
Roof Insulation	\$10 sq. ft.
Unitary Controls	\$100

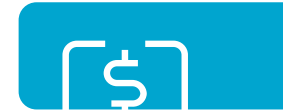
Heating Upgrades	Incentive Per Residential Unit		
	1-Pipe Steam System	2-Pipe Steam System	Hydronic System
Boiler Clean and Tune	\$34	\$34	\$34
Thermostatic Radiator Enclosure	\$500	\$500	
Tank Insulation	\$100	\$200	
Energy Management Systems	\$200	\$175	\$120
Steam Traps		\$600	
Master Venting	\$70	\$40	
Pipe Insulation	\$200	\$130	\$120

Visit our website and Contact Us!

- Residential programs and offerings [Energy Efficient Savings for Renters and Homeowners | Con Edison](#)
- Multifamily programs and offerings [Savings for Multifamily Building Managers | Con Edison](#)
 - contact us at Multifamily@conEd.com
- Commercial programs and offerings
 - Commercial & Industrial [Savings for Business Customers | Con Edison](#)
 - Contact us at commercial@coned.com
 - Small to medium business [Savings for Small-Medium Business Customers | Con Edison](#)

THANK YOU

Appendix: Case Study - Con Edison Building #2



Building Info:
15 residential units
17,260 square feet
Built in 1905
Affordable Housing



Project	Description	Achieved Energy Savings	Total Project Cost	Total Incentive	Project Cost Covered	Annual Energy Cost Savings
Building Envelope and Pipe Insulation	Reduce heat loss and improve thermal comfort	1,710 Therms	\$16,320	\$11,010	67%	\$1,710*

*Assuming \$0.19/kWh and \$1/Therm

discuss.

moderator

Kyle Madden-Peister, Senior Legal Associate, NYCEEC

panelists

Andrew Chintz, Financing Specialist, NYC Accelerator

Ethan L. Elser, Executive Vice President, PACE Equity

Christianna Ambo-Jones, Manager, Program Design & Implementation,
Con Edison



thank you.

