



SB13-212 – Commercial Property Assessed Clean Energy District (C-PACE)

What SB 212 Does

C-PACE uses the existing public-sector structures of improvement and assessment districts to create a voluntary statewide district for funding energy projects. If counties choose to opt-in to the district, commercial property owners will be able to access a valuable new tool that will improve access to financing in Colorado.

How Does C-PACE Work?

- A commercial property owner will allow a property assessment to be placed on a property in order to finance energy improvements
- The debt issued to finance the energy improvements is secured by a property lien that is senior to all commercial liens on the property, including mortgages
- The existing property tax collection system is used to collect debt payments from the property owner and repay the project costs, increasing investor security and improving financial terms

Why is C-PACE Valuable to Colorado's Property Owners?

- Longer duration financing improves monthly cash flow and supports deeper retrofits
- Financing 100% of project results in zero up-front costs for the property owner
- Connecting energy improvement costs to a property assessment makes it easier for owners to pass project costs to the tenants who receive the utility bill savings
- C-PACE assessment transfers with the property to ensure that project costs and savings are always connected, reducing a significant barrier to energy project implementation

Established Best Practices

SB13-212 reflects the best practices established by existing C-PACE programs in UT, CA, CT, and FL:

- Entirely voluntary to allow counties to decide whether to opt-in
- Statewide district ensures consistent and efficient program administration
- Lien-holder consent requirement gives lenders full authority to decide if project economics warrant diminished lien status
- Entire PACE assessment does not become due upon default to reduce risk to lien holders
- Property owner-arranged model provides investment opportunities for local lenders