

<http://www.tompkinscountyny.gov/news/enhancements-anticipated-tompkins-county%E2%80%99s-sustainable-energy-loan-program>

## Enhancements Anticipated for Tompkins County's Sustainable Energy Loan Program

Friday, June 29, 2018

Tompkins County is taking steps to enhance the County's Sustainable Energy Loan Program which, once approved by the County Legislature, would incorporate recent amendments to the New York State law and make financing more accessible for clean energy projects.

The Sustainable Energy Loan Program, adopted by the County Legislature in 2015, provides Property Assessed Clean Energy (PACE) financing for local energy-related improvement projects by implementing the Energize NY Benefit Financing Program authorized by New York State. The financing program helps commercial and non-profit building owners reduce operating costs and increase the value of their properties through clean energy improvements.

The PACE program offers low-cost, long-term financing (up to 20 years) for energy efficiency and renewable energy projects, supporting up to the entire project cost, for existing properties owned by a commercial or not-for-profit entity, with repayments collected by the municipality through a charge on the property tax bill. While commercially owned multi-family residential properties are among the types covered, non-commercial residential properties are not, due to federal objections to PACE financing for properties with potential to qualify for federally subsidized mortgage loans.

In the county's first successful PACE project, the owner of Scott Land Yard's "The Livery" property in the Town of Caroline has obtained over \$28,000 in 20-year financing to reduce energy use by installation of new insulation, heating improvements, and LED lighting—improvements expected to save around \$2,400 each year beyond cost of the PACE financing.

Legislature Chair Martha Robertson observes that the Scott Land Yard project illustrates the potential of PACE to help achieve community goals. "Many Tompkins County business owners want to invest in energy efficiency and renewable energy to cut their greenhouse gas emissions, and we are delighted to partner with Energize NY to help them do just that," Robertson said. "We're excited about the PACE-financed upgrade at Scott Land Yard, which reduces the facility's carbon footprint and energy costs while improving occupant comfort. Tompkins County is strongly committed to reducing greenhouse gases and we hope this project is one of many to come that will help property owners achieve economic, environmental, and quality of life benefits using PACE financing."

The amended New York State PACE law (known as "PACE 2.0") revises a former restriction that limited financing from 10% to 35% of a property's appraised value; adds remote net metering and community solar projects as permissible PACE-supported energy improvements; measures savings and costs over the project's lifetime (instead of annually); and allows PACE charges to commence at the beginning of construction. It also allows state, as well as federal, sources to fund PACE reserves. These revised elements are included in the amended Local Law to be considered by the County Legislature. The City of Ithaca adopted PACE 2.0 provisions in March 2018; therefore, the local PACE 2.0 law seeks to stay current with the state and city amended laws.

The Legislature's Planning and Economic Development Committee, meeting on June 25, 2018, took three actions to move the proposed enhanced program forward to the full Legislature—recommending a public hearing to be scheduled on July 17, 2018, passage of the amended Local Law, and an amended municipal agreement between Tompkins County and the Energy Improvement Corporation to implement and administer the revised Sustainable Energy Loan Program.

**NOTE:** Additional information on the current Sustainable Energy Loan Program may be found in the following document: *Tompkins County and City of Ithaca Launch Energize NY Finance Program* (January 2016) <http://www.tompkinscountyny.gov/news/tompkins-county-and-city-ithaca-launch-energize-ny-finance-program>