



July 2023

C-PACE Investment Shows Consistent Growth

Great news for our environment and economy! Commercial Property Assessed Clean Energy (C-PACE) projects are gaining momentum in numerous states as legislators incentivize clean energy and sustainability investments.

C-PACE loans, designed to fund energy-efficient and renewable energy projects like solar and thermal installations, high-efficiency HVAC systems, doors, and windows, are making a significant impact on businesses' sustainability efforts. These projects also encompass water efficiency, wind resistance, flood mitigation, seismic retrofitting, and storm water management initiatives.

With a C-PACE loan, property owners benefit from favorable interest rates and can repay the loan over a ten- to twenty-year period through regular assessed property tax bills. Plus, the added flexibility allows the debt to be transferred when the property is sold.

C-PACE investments skyrocketed by 200 percent in both 2021 and 2022, culminating in a cumulative investment of over \$6 billion!¹ These projects have also contributed to the creation of an estimated 65,000 job-years, fostering economic growth and prosperity.²

Through the end of 2022, 55 percent of C-PACE projects were geared towards enhancing energy efficiency, while 17 percent focused on renewable energy, driving us towards a greener future. An additional 15 percent showcased mixed projects, and 3 percent targeted resiliency, bolstering our communities against potential challenges.³ The remaining 10 percent holds untapped potential that could further revolutionize the way we approach sustainability.

These remarkable projects encompass a wide range of scales, with almost half exceeding \$5 million, a third ranging from \$1 million to \$4.9 million, and almost one-fifth falling under \$1 million.⁴ This diversity highlights the accessibility and versatility of C-PACE initiatives, catering to businesses of all sizes.

For additional inquiries, please contact experts@vegaeconomics.com.

¹Ansell, Chris, David Rogers and Laura Theilmann. "C-PACE Laws Offer Boost for Sustainable Development." *Law360* (July 11, 2023). <https://www.law360.com/articles/1697345/c-pace-laws-offer-boost-for-sustainable-development> (quoting PACENation board member, Andy Holzhauser) (accessed July 21, 2023).

² PACE Market Data, "Commercial Pace." *PACENation*. <https://www.pacenation.org/pace-market-data/> (accessed July 21, 2023).

³ *Id.*

⁴ *Id.*