



NM C-PACE Program



ADELANTE
CONSULTING INC.

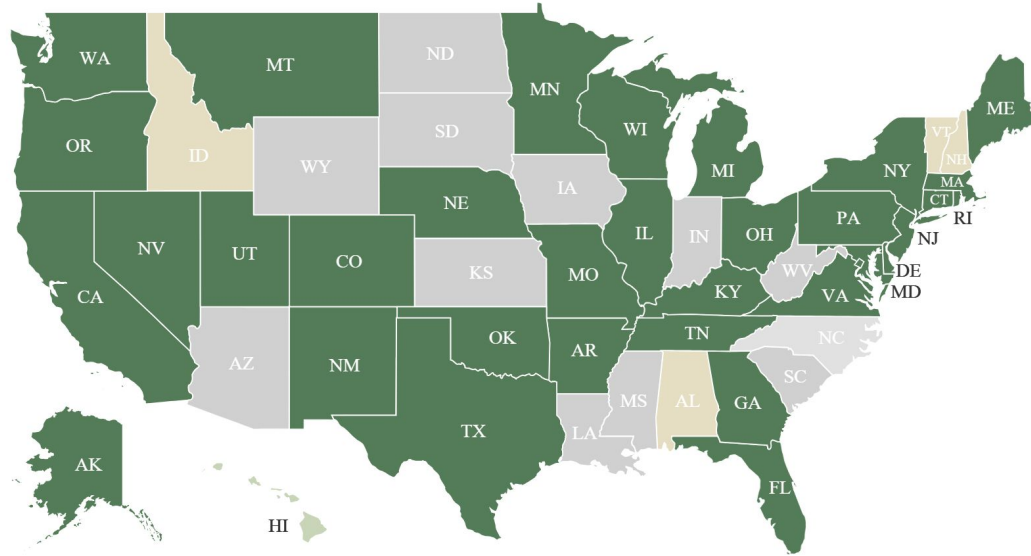
Eric Christensen
Project Manager



What is C-PACE?

- Commercial Property Assessed Clean Energy (C-PACE) is an alternative source of financing for improvements to commercial properties.
- Covers the direct and indirect costs related to reducing energy or water consumption, generating renewable energy, or building resiliency.
- Eligible properties include: any privately-owned commercial, agricultural, industrial, or multi-family property of five or more dwelling units. This includes properties owned by a not-for-profit organization.
- Over 90 C-PACE lenders and \$7 billion funded on over 3,300 commercial properties across the US.

Active C-PACE Programs



Map key



Active program(s)



Program in development

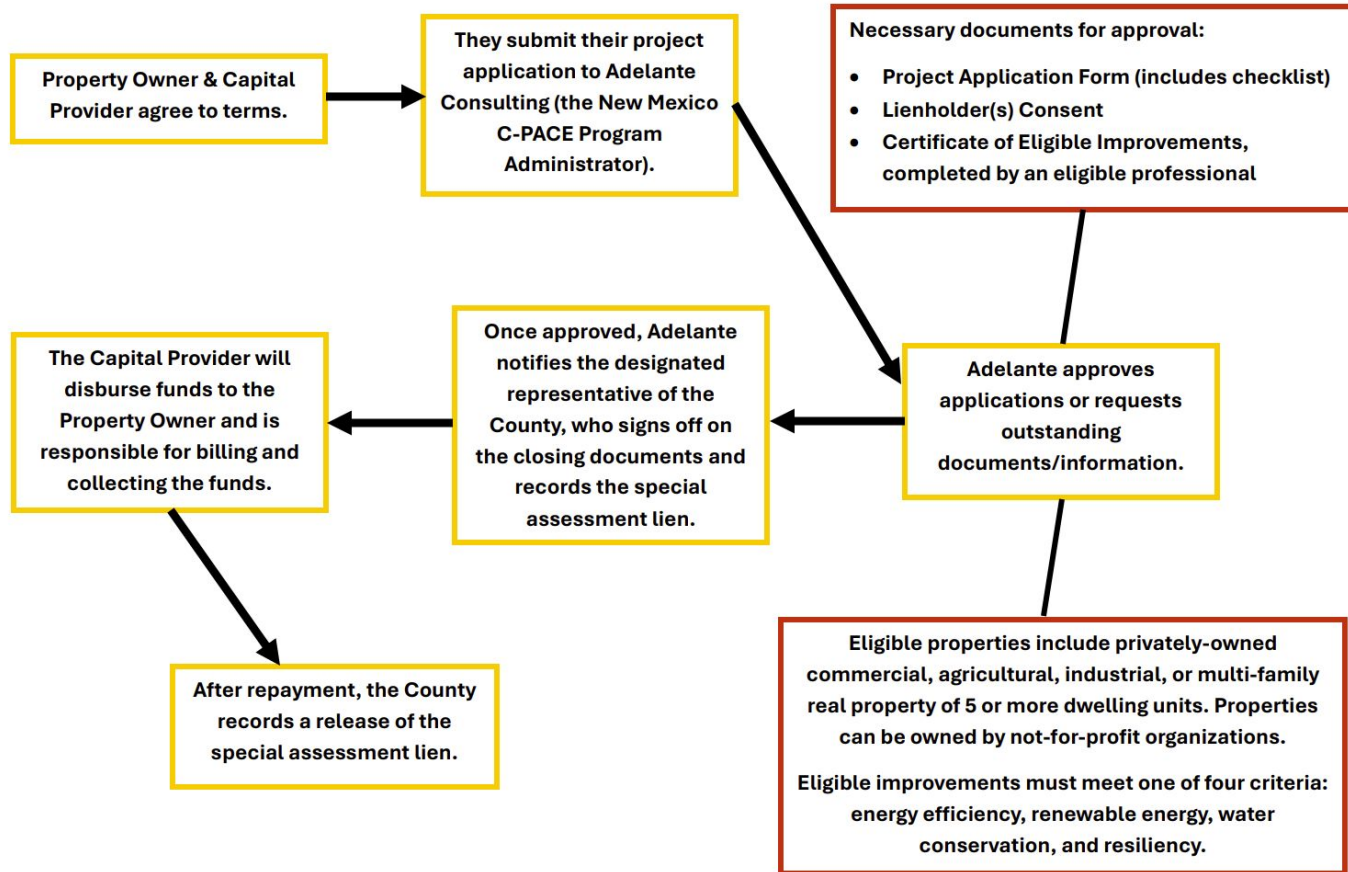


PACE-enabled

How to establish the program?

- States authorize C-PACE programs by statute. This was done in New Mexico through the Improvement Special Assessment Act enacted in 2023 via House Bill 228.
- **Counties and Municipalities need to opt in to the program via ordinance (or resolution for Municipalities)** so that projects within their jurisdiction can use it.
- Adelante Consulting has been contracted by NM EDD to serve as statewide program administrator for the C-PACE Program.
- C-PACE Capital providers provide funds without any public dollars or subsidy.

New Mexico C-PACE: Application Process



Typical Measures Funded by C-PACE



Lighting
upgrades



HVAC systems



Building envelope
& insulation



Automatic
building controls



Solar PV



Solar thermal



Microgrids



EV charging
stations



Variable
frequency drives



Boilers & hot
water heating



Roof replacement



Water
conservation



Seismic resiliency



Hurricane
resiliency



Stormwater
management



Fire resiliency

General C-PACE Benefits



- Financing for 100% of direct and indirect costs;
- Fixed interest rates;
- Up to 30 years to repay;
- Has a 3 year look back period;
- Secured by a property lien (not a personal guarantee); and
- Non-accelerable in the event of default.

Benefits for Property Owners/Developers



- Overcome the up-front costs of a potential project
- Increase property value
- Lower operating costs through energy efficiency
- Special assessment is transferable upon sale

Benefits for County/Municipal Governments



- More jobs are created
- Local building stock value is enhanced
- Carbon footprint of buildings is reduced
- Resiliency of buildings is improved
- Higher property tax payments

Benefits for Capital Providers



- Stronger security for investors due to improvement special assessment placed on the property
- Increased collateral value
- Increased cash flow

Benefits for Existing Lienholders



- Enhance property value
- Improve building's longevity
- See collateral improved without increase in credit risk
- Financing only permitted with consent of all existing lienholders

Frequently Asked Questions

- Q: Seniority of lienholders?
- A: Language from the statute - *Written consent from any holder of a lien, mortgage or security interest in the real property that the property may participate in the program and that the special assessment lien shall have priority superior to all liens, claims and titles except a lien for general ad valorem property taxes or an improvement district lien that is coequal to property taxes.*
- Q: Liability for local government?
- A: Language from the statute - *A county is not liable in any way for the debt of the property owner, is not a third-party obligor and is not pledging or lending its credit to the property owner or the capital provider.*

Frequently Asked Questions

- Q: Who is responsible for the billing and collection of loans?
- A: Language from the guidebook - *Billing, collection, and enforcement of delinquent Improvement Special Assessment Liens or Improvement Special Assessment financing installment payments, including foreclosure, are **the responsibility of the Capital Provider.***
- Q: How are interest rates determined?
- A: Language from the guidebook - *Interest rates are negotiated in a Special Assessment Financing Agreement between the Property Owner and the Capital Provider.*

Frequently Asked Questions

- Q: What are the administrative fees associated with C-PACE?
- A: The Program Administrator's fees are outlined in the program guidebook and are paid at closing along with any required fees by the County for signing and recording the closing documents.
- Q: What is the responsibility of the program administrator?
- A: Responsibilities include:
 - Supporting interested Counties/Municipalities to opt in
 - Processing all project applications
 - Providing educational outreach and answering C-PACE questions for any interested stakeholders
 - Providing semi-annual reports on the C-PACE financing loan portfolio

Updates for New Mexico

- Bernalillo County passed their C-PACE ordinance on May 28th, 2024.
- Albuquerque passed their resolution on June 3rd, 2024.
- Santa Fe County passed their ordinance on September 13th, 2024.
- City of Santa Fe looking to pass their resolution by the end of year.
- Other connected counties: Doña Ana, Sandoval, Valencia, McKinley, Curry, Taos, San Juan, and Los Alamos.
- **Santa Fe County closed our first NM C-PACE transaction at the end of September, 2024 on the Bishop's Lodge Resort.**
- Connected to over 10 out-of-state capital providers with C-PACE financing experience.
- Reaching out to NM credit unions & other local financial institutions.

Case Study: Bishop's Lodge

- ~ \$76M, over 25 years
- Recapitalized on energy & water efficiency improvements made during a renovation that began in 2021.
- Improvements still to be made, including a wastewater treatment facility.
- Used to refinance the existing senior loan on the property, allowing a transition to more favorable financing terms.



Case Study: Bishop's Lodge

- Improvements made:
 - LED Interior Lighting
 - LED Exterior Lighting
 - High Efficiency HVAC Systems
 - High Efficiency DHW Systems
 - High Performance Building Envelope
 - Low-Flow Plumbing Fixtures
 - Wastewater Reclamation & Desert Landscaping
- Resulting annual utility savings:
 - Electricity: 601,319 kWh
 - Natural Gas: -6,824 therms*
 - Water: 5,212,000 gallons
 - CO2: 882,268 lbs
 - Cost Savings: \$66,438



Case Study: Modern Elder Academy

- ~ \$10M, over 30 years
- Refinance of the Modern Elder Academy event and retreat center, located on a 160 acre ranch in Lamy, NM.
- A multi-building complex comprised of two new hotels. The largest building of the resort is Chamisa, which has 19 newly added dwelling units, while Drogheda has 15 newly added units.



Case Study: Modern Elder Academy

- Improvements included: Building envelope, HVAC, Heat pumps, Lighting, Low flow water fixtures, Solar PV arrays, Solar powered entry gates, Liquid waste disposal, and Water conserving landscaping.
- Resulting Annual Utility Savings:
 - Electricity: 60,194 kWh
 - Propane: 752 gallons
 - Water: 100 kGal
 - Sewer: 650 kGal
 - CO2: 33.1 metric tons
 - Cost Savings: \$9,114



Case Study: Wilder Fields, Chicago, IL

- ~\$2.5M over 20 years (total project budget was \$9.8M)
- Repurposed an abandoned property (formerly occupied by a big-box store) for an indoor farm
- Annual electricity savings: 3,073,466 kWh
- Annual utility bill savings: \$328,105
- Improvements included: HVAC, LED lighting, Building controls, Closed-loop irrigation system, and Building shell.



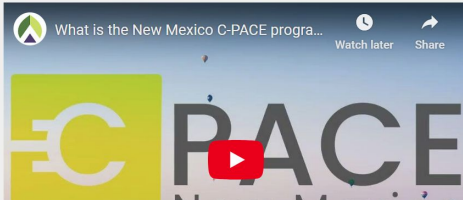
New Mexico C-PACE

Save energy. Build resiliency. Promote economic development.



What is C-PACE?

The Commercial Property Assessed Clean Energy (C-PACE) Program is a financing structure enabled by state statute and local ordinance that provides eligible property owners with access to long-term fixed-rate financing for a range of energy efficiency, renewable energy, efficiency, and resiliency improvements. The program allows local governments to secure the financing via a special improvement assessment on the improved property.



Website: www.nmcpace.com

How to Apply?

Step 1: Ensure that your project meets the eligibility requirements. These can be found on our [Eligibility Requirements](#) page and in our Program Guidebook. Please familiarize yourself with the guidebook to better understand all elements of the New Mexico C-PACE program.

[Program Guidebook](#)

Step 2: Ensure that your project is in a county (and municipality, if applicable) that has opted in to the New Mexico C-PACE program. Refer to our [About NM C-PACE](#) page for updates on which counties and municipalities have opted in and are utilizing Adelante Consulting, Inc. as their third-party Program Administrator. If your county or municipality of interest has not yet opted in, please let us know and we would be happy to initiate a conversation with them.

Step 3: The Property Owner and the Capital Provider prepare the Project Application, consisting of the Project Application Form and all supporting documents (find the Project Application Form and all other program documentation by clicking below).

[Program Documents](#)

Step 4: Once all documentation has been completed, the Property Owner or the Capital Provider will send the application documents to the

Contact Information

- Email: info@nmcpace.com or echristensen@adelanteconsulting.com
- Phone: (505) 788-7117
- Website: www.nmcpace.com