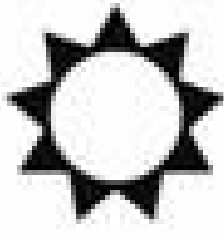


REIA  NM

Commercial Property Assessed Clean Energy (CPACE)

Jim DesJardins

Executive Director, Renewable Energy Industries Association-NM (REIA)

Renewable Energy Industries Association


- New Mexico based trade organization representing 35 companies engaged in the renewable energy business with a focus on clean energy job creation.
- Members and customers located throughout urban and rural New Mexico.
- Advocate for technology, financial incentive programs, public interest, and environmental policies that support continued growth in the New Mexico renewable energy industry, helping to create more jobs, and a strong, healthy economic future for our state.
- Active in New Mexico regulatory and legislative environments.

Solar in New Mexico

- Solar Energy Industries Association (SEIA), end of the first quarter of 2021:
 - At least 70 solar companies operating in New Mexico. A total of 1,210.94 megawatts (MW) of solar energy is installed in New Mexico, enough to power approximately 287,628 homes.
 - Solar industry has invested \$2.3 billion in New Mexico, including \$338.3 million in 2020. The New Mexico solar energy industry employs approximately 1,880 New Mexicans.
 - New Mexico will grow its solar share by more than 1,900 MW in the next five years representing over \$2 billion in new investment in New Mexico.
- Forbes predicts that total installed U.S. solar photovoltaic (PV) capacity is expected to more than double over the next five years.



What is Commercial Property Assessed Clean Energy (CPACE)?


- Financing mechanism that allows low-cost, long-term funding for renewable energy, energy efficiency and water conservation projects for commercial buildings.
 - Financing is repaid as an assessment on the property's regular property tax bill.
 - PACE assessment is filed with the local municipality and as a lien on the participant's property.
 - Serves as just one financing mechanism for energy efficiency, water conservation and renewable energy projects. Building owners and commercial developers like CPACE because it is "off balance sheet lending."
 - CPACE financing is tied to the property and can transfer to new property owners.
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National CPACE Performance 2009 - 2020

- 2,560 commercial projects have been completed through CPACE financing
- 24,000 jobs were created
- \$2,074 billion has been invested in CPACE projects

Benefits for New Mexico Businesses

- Covers 100% up front financing, including project development costs.
 - Provides long-term funding that can result in immediate benefit to cash flow.
 - Preserves working capital and can improve property Net Operating Income (NOI).
 - Increases building value and marketability.
 - Complements other programs such as utility incentive programs.
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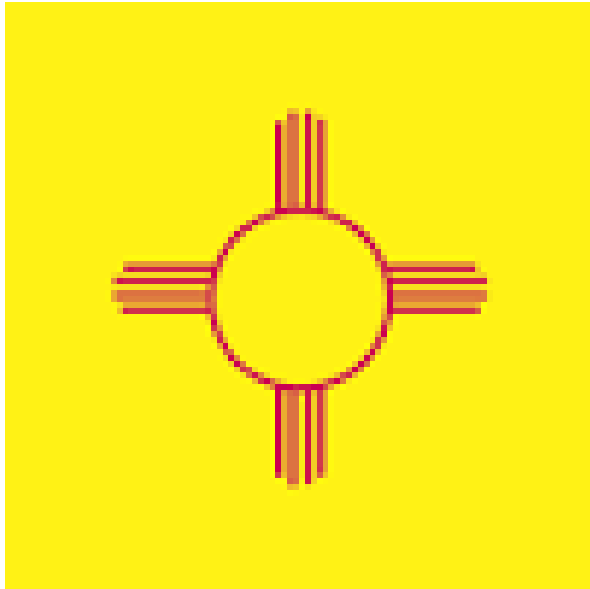
Legislative History

2009 – First NM PACE Legislation

- Allows county commissions to establish solar energy assessment district via ordinance.
- Provides guidelines for county treasurers and county assessors regarding placement of assessment.
- Directs that financing institutions must be certified by Regulation & Licensing.
- States have administrative fees of no more than 10 percent.
- Establishes county is not liable for debt.
- Disallows counties from establishing certain rules for participation such as energy audit requirements.
- Did not address energy efficiency and water conservation.



Benefits for New Mexico



- Helps new and existing businesses in New Mexico save energy and conserve water.
- Supports the state's economy by engaging local lenders and local contractors.
- Reduces Greenhouse Gas Emissions in New Mexico by reducing business energy usage.
- Provides an opportunity for local lenders to engage in the program.

National PACE Performance

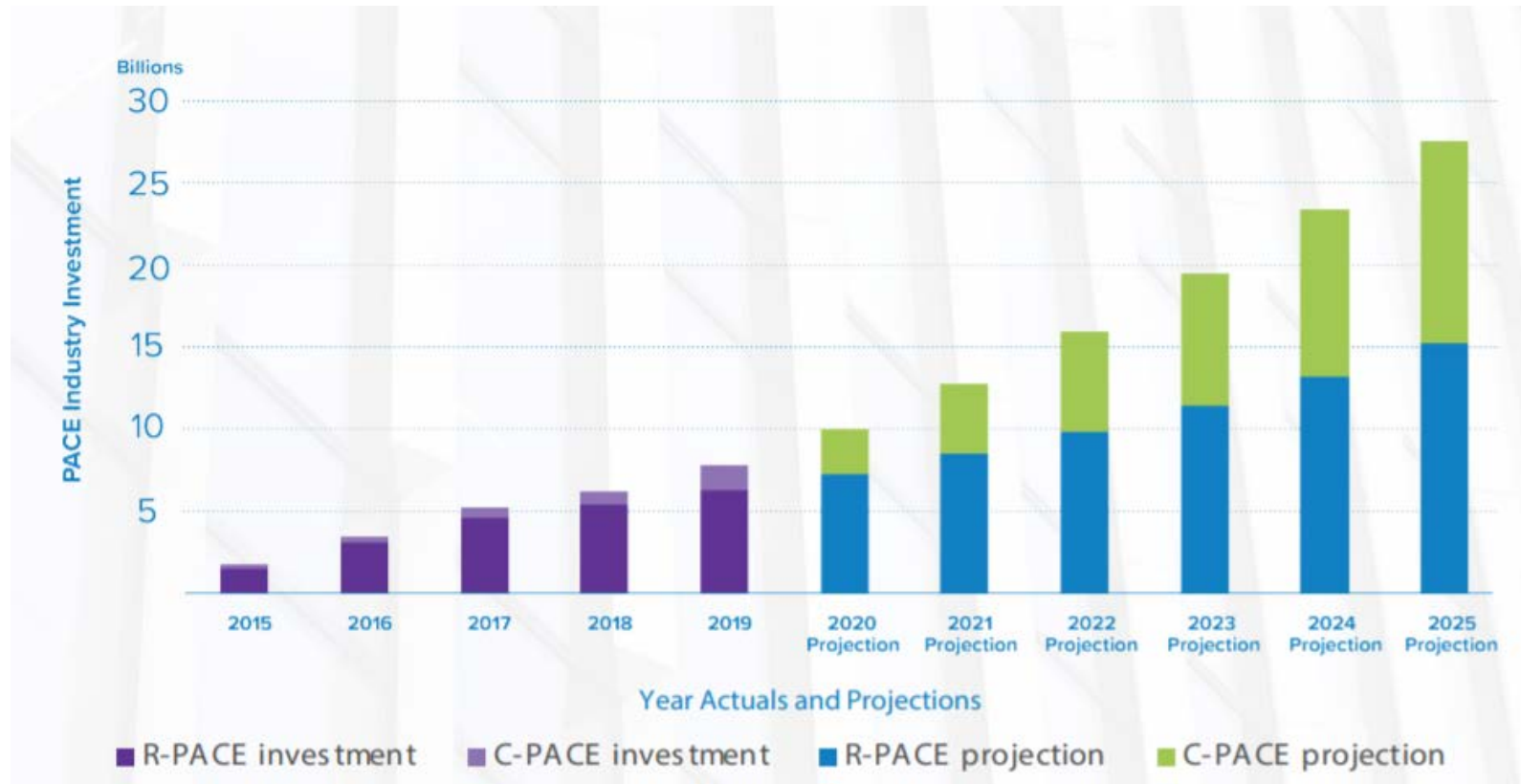
- PACE Projects Snapshot:
 - Majority of projects, 47 percent, fund energy efficiency
 - 26 percent fund renewables, and remainder is mixed and resiliency
 - Project term lengths average 16.5 years
 - Average project size is \$407,000



Need for Revised Legislation to Prepare NM for CPACE

- Lessons learned from other states can help New Mexico provide CPACE opportunities.
- Revised CPACE legislation in 2022, House Bill 299, Rep. Nathan Small
 - Addresses areas such as expanding the type of qualifying projects to include energy storage, adds water conservation and energy efficiency.
 - Other areas that need to be addressed include written consent by existing lien holders, administration fees and project certification methodology.

The Future of CPACE



Thank you! Questions?

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