

FAQ FOR BORROWERS

Commercial property owners now have a way to finance energy efficiency improvements to their property through a SOPEC loan program. SOPEC's program is designed to meet the needs of owners by providing up-front capital to complete the improvements, in a structure that provides stable, predictable payments over the term of the loan. This structure is called PACE—**Property Assessed Clean Energy**.

What is PACE?

PACE is a mechanism that allows property owners to finance energy efficiency and renewable energy improvements through assessments on their real property tax bills. This mechanism provides up-front capital, the SOPEC loan, repaid over time.

What are the benefits of using PACE loan financing?

There are a number of benefits to the borrower, some apply to all borrowers and some apply to rental property. These benefits include:

- Can allow for zero up-front cash to make the investment
- Provides long-term fixed rate financing
- Assessments stay with the property, even if it's sold during the loan term
- Preserves borrowing capacity through off-balance sheet financing
- Allows borrower to pass payments through to tenants
- Provides greater long-term property value and rental benefits

What type of projects are eligible?

Eligible projects include both energy efficiency improvement and renewable energy projects. Some efficiency improvement examples are lighting, HVAC, windows, doors, roofing and insulation. Renewable examples include geothermal, wind, solar-photovoltaic (roof-top or ground-mounted), solar-thermal water heating systems and biomass energy or gasification projects. There are examples. If your proposed project saves energy and is not listed here, talk to us about it. It may qualify.

Who can qualify?

Any commercial property owner is eligible if the property is part of the SOPEC program. This includes for-profit and non-profit, multi-family (more than four units), retail, commercial, industrial, school and college, and government properties.

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How do I know if my property is eligible?

There are several ways to check if your property is eligible:

- You can check your utility bill. If the electric utility accounts for your property are enrolled with SOPEC, your bill will show that.
- You can call SOPEC. We can check if we supply your facility.
- You can check online at www.sopecinfo.org/check-enrollment

What if I have more than one property?

Multiple sites—with the same owners and in the same community—can be bundled together and do not have to be contiguous.

Can I pick my own contractors?

Yes, borrowers can use qualified, licensed contractors of their choice to complete the improvements.

What do I need to do if I want to apply for a SOPEC PACE loan?

First, complete the SOPEC PACE loan application form, available on our website at www.sopecinfo.org. It includes basic information about the borrower, the property (or properties), planned improvements, costs and timing. The application process also includes providing the company's or organization's financial statements, utility costs, an energy assessment or audit by a qualified expert, and related information.

Who is qualified to perform the energy assessment/audit?

There are several options to choose from, including two that are professional certifications. These include individuals with an ASHRAE or CEM certification. ASHRAE stands for American Society of Heating, Refrigerating, and Air-Conditioning Engineers. CEM is a Certified Energy

Manager. If your contractor or engineer does not have either of these qualifications, we encourage you to talk with us about the qualifications.

How long with the loan approval take to close?

After the complete application package is provided, the application will be reviewed internally. Part of the process also involves the local community, and SOPEC will contact them to initiate that step. The community approves legislation that identifies the property as a PACE property and approves the assessment. Some communities require legislation to go through three readings before approving it, which could add a little more time. In most cases loans will typically close within 60-90 days of submitting a complete application package.

Why does the community have a role?

Since this process involves placing an assessment on the property—even at the owner's request—by law the local community must approve it.

What loan terms are available?

SOPEC will finance projects of \$100,000–\$500,000 for up to 15 years through the PACE program. The term will depend, in part, on the amount being financed, the useful-life of the asset(s) financed, and the projected savings from the improvements. (If your project is above or below these thresholds, talk to us. We may have other options for you to consider.) The rate is fixed at closing and all eligible costs can be financed.

Is there a job creation requirement?

There are no job creation requirements. None. However, adding new jobs would be welcomed!

Who should I contact to learn more?

At SOPEC, contact Eddie Smith, Executive Director, at 740-677-2759 or by email at esmith@sopecinfo.org.