

COUNTY OF KENDALL, ILLINOIS ECONOMIC DEVELOPMENT COMMITTEE

**Remote Attendance Only
Please See Attached Memo for Instructions**

**Friday, July 31, 2020 at 9:00a.m.
MEETING AGENDA**

- 1. Call to Order**
- 2. Roll Call – Audra Hendrix (Chair), Scott Gryder (Vice Chair), Amy Cesich, Matthew Prochaska, Robyn Vickers**
- 3. Approval of Agenda**
- 4. Approval of June 26, 2020 Meeting Minutes**
- 5. Committee Business**
 - *Presentation on C-PACE in Illinois – Anna Maria Kowalik, The Illinois Energy Conservation Authority NFP*
 - *Introduction of Lindsay Bloos, Thomas P. Miller & Associates*
 - *Update on CURES Act funding*
 - *Discussion of possible Consulting Firm Expense Reimbursement through CURE*
- 6. Updates and Reports**
- 7. Chair's Report**
- 8. Public Comment**
- 9. Executive Session**
- 10. Adjournment**

If special accommodations or arrangements are needed to attend this County meeting, please contact the Administration Office at (630) 553-4171, a minimum of 24-hours prior to the meeting time

COUNTY OF KENDALL, ILLINOIS
Economic Development Committee

Remote Meeting Minutes
Friday, June 26, 2020

Call to Order

The meeting was called to order by Committee Chair Audra Hendrix at 9:00 a.m.

Roll Call

Attendee	Status	Arrived	Left Meeting
Amy Cesich	Present		
Scott Gryder	Here		
Audra Hendrix	Here		
Matthew Prochaska			
Robyn Vickers	Here		

Others Present: Scott Koeppel

Approval of Agenda – Member Gryder made a motion to approve the agenda, second by Member Vickers.

Roll Call: Member Hendrix – yes, Member Gryder – yes, Member Cesich – yes, Member Vickers – yes. **With four members voting aye, the motion was approved.**

Approval of April 17, 2020 Meeting Minutes – Member Gryder made a motion to approve the April 17, 2020 meeting minutes, second by Member Cesich. **With four members voting aye, the motion carried by a vote of 5-0.**

Roll Call: Member Gryder – yes, Member Cesich – yes, Member Vickers – yes, Member Hendrix – yes. **With four members voting aye, the motion was approved.**

Committee Business

➤ *Grant Updates*

- *Downstate Small Business Stabilization Program* – Mr. Koeppel updated the committee on the progress of applications that the County has submitted to the State. The state has committee \$20 million total, and have only allocated \$1.3 million thus far, so there is hope that the ones submitted by Kendall County will be awarded soon. Mr. Koeppel briefed the committee on the process with municipalities, and reporting grant funding to the County as they are awarded. Mr. Koeppel reminded the committee on marketing and advertising that is being done by the County and the municipalities in strides to reach as many businesses as possible. Mr. Koeppel stated that the following businesses have submitted applications: Top Notch Kennels, Kennedy Pointe Restaurant, Faith In Designs,

COUNTY OF KENDALL, ILLINOIS

Economic Development Committee

Inc., Blackberry Golf, Inc., The Home Shows, Emerson Creek Events. Mr. Koepfel stated that none of these applicants was in the first round of awards from DCEO.

- *Federal Economic Development Planning Grant* – Mr. Koepfel stated that the EDA is accepting grant applications regarding Coronavirus expenditures. This would be a way to assist local businesses with recovery and
 - *Business Interruption Grants (BIG)* – Mr. Koepfel reported this is a new grant program providing \$60 million to businesses experiencing losses of business interruption as a result of COVID-19 related closures. DCEO will begin distribution of funds to qualifying businesses in early July. In the first wave of grants, priority will be given to businesses located in disproportionately impacted areas (DIAs), or low-income areas that have had high rates of COVID-19 cases. Applications will be accepted from June 26 through July 7, 2020. Discussion on the specifics, the online application, and timeline for submission to the state.
 - *Distressed Capital Program* – Mr. Koepfel reported on the Rebuild Illinois for Economic Distressed Areas Program through DCEO for eligible projects in each region. The intent of this program is to support Illinois businesses that have sustained property damage as a result of civil unrest during protests and demonstrations on or after May 25, 2020. Funds will be used to reimburse businesses for significant repairs to property that has already occurred or will fund repairs or new construction performed by qualified vendors in order to help the business and community recover as quickly as possible. There is a two-week window for applying, and grants can range from \$1,000 to \$200,000. Member Hendrix stated that information for this and other grant opportunities is available on the Economic Development webpage.
- *Discussion of TPMA Future and Current Contract* – The original agreement was for three-months which will end shortly. Mr. Koepfel reminded the committee of the work Thomas P. Miller & Associates (TPMA) has assisted local businesses with in applying for the Downstate Small Business Grant Program. Mr. Koepfel stated that TPMA could assist with additional grant programs, and informing the communities with other available grant opportunities and support available to them. Mr. Koepfel asked for the committee's direction on renewing the agreement with TPMA. There was consensus by the committee to renew the agreement with TPMA for an additional seven-months – through January 30, 2021. Mr. Koepfel will bring the new contract to the July 7, 2020 County Board meeting for review and approval.
- *Discussion of the State of Local Businesses and Increased County Communication* – Mr. Koepfel reviewed the ideas and information that TPMA would utilize when reaching out to County municipalities in collaboration with municipalities and Economic Development organizations. Discussion on the County's enhancement to the municipalities, and our desire to continue to assist and inform the municipalities with grant opportunities, assist with economic growth, getting a pulse on local businesses and their needs, and partner with municipalities in building a stronger more viable Kendall County for the benefit of everyone.

COUNTY OF KENDALL, ILLINOIS
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- *Discussion of Extending Revolving Loan Fund Payment Relief* – Discussion on the necessity of extending the Revolving Loan Fund relief, if the participants have asked for the extension, and current restrictions. There was consensus by the committee to extend the relief program for an additional 60-days, and have TPMA contact the loan recipients in August to discuss additional resources with them.

Member Hendrix made a motion to forward the Discussion of Extending the Revolving Loan Fund Payment Relief for an additional 60-days to the County Board, second by Member Vickers.

Roll Call: Member Cesich – yes, Member Gryder – yes, Member Hendrix – yes, Member Prochaska – yes, Member Vickers – yes. With five members present voting aye, the motion carried by a vote of 5-0.

Updates and Reports – Revolving Loan Fund data is listed on the last page of the packet.

Chairs Report – No report

Items for the County Board - *Discussion and Approval of Extending the Revolving Loan Fund Payment Relief for an additional 6-days*

Items for the Committee of the Whole Meeting - None

Public Comment – None

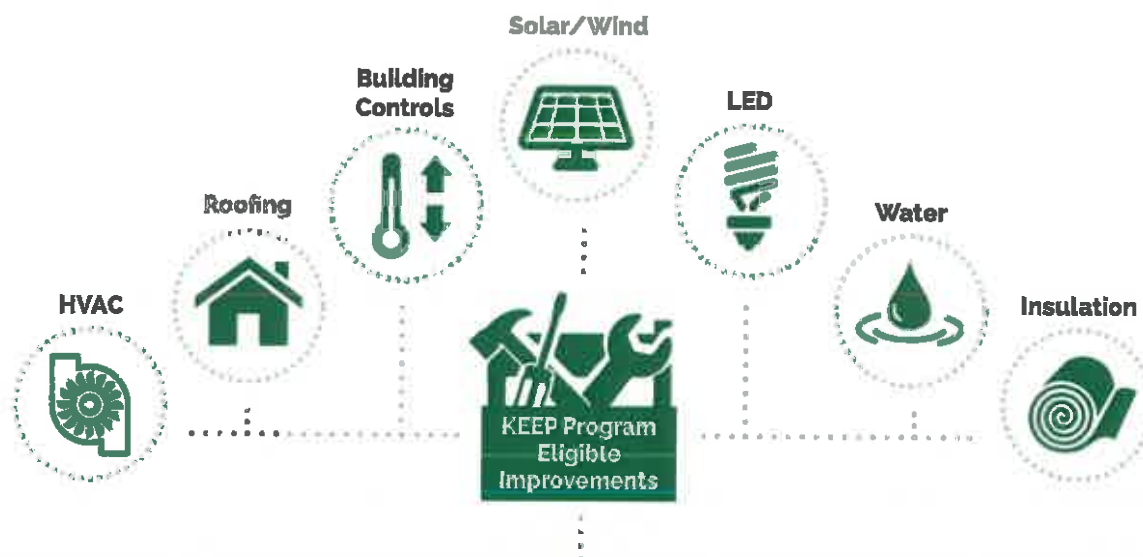
Executive Committee – Not needed

Adjournment - Member Gryder made a motion to adjourn, second by Member Vickers. There being no objection, the Economic Development Committee meeting was adjourned at 9:45a.m.

Respectfully submitted,

Valarie McClain
Administrative Assistant & Recording Secretary

HOW C-PACE CAN MAKE COMMERCIAL PROPERTY MORE ENERGY EFFICIENT



EXAMPLE PROPERTY TYPES:



THE C-PACE PROCESS



C-PACE (Commercial Property Assessed Clean Energy) – potential 100% private equity financing of energy efficiency projects repaid through the property tax bill at fixed interest rates.



THE ILLINOIS
ENERGY
CONSERVATION
AUTHORITY NFP

VISIT iecaPACE.org FOR MORE INFORMATION



Setting the PACE in Illinois

Anna Maria Kowalik, IECA/Inland Green Capital

Jason Stringer, IECA/Slipstream

Brett Bridgeland, IECA/Slipstream



Anna Maria Kowalik
IECA/Inland Green Capital



Jason Stringer
IECA/Slipstream



Brett Bridgeland
IECA/Slipstream



WHO is the Illinois Energy Conservation Authority (IECA)?

The Illinois Energy Conservation Authority NFP (IECA), comprised of nationwide industry experts, is an Illinois not-for-profit corporation (501c3 non-profit status in process) which has been at the forefront of developing Commercial Property Assessed Clean Energy (C-PACE) programs in Illinois (IECA PACE Program).

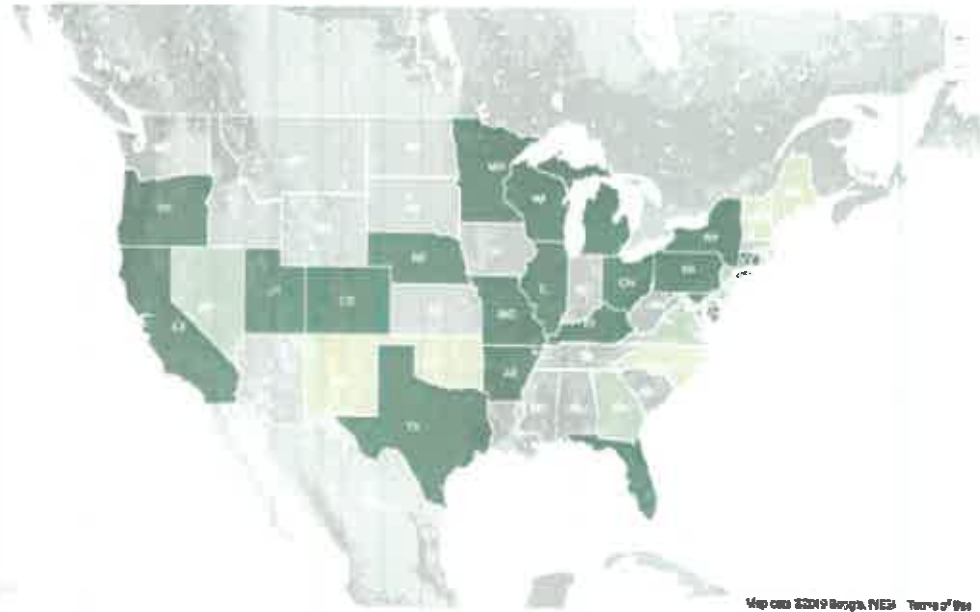
PACE Programs

Commercial PACE (2011-19):

*Over \$1 Billion financed

*Over 2,000 Projects completed

*approx. 17,000 Jobs created



Map data ©2019 Google, INEGI Terra of USA

Map key




Active program(s)



Program in development



PACE-enabled



Property Assessed Clean Energy (PACE)

- **PACE is a financing option for commercial property owners to fund energy efficient measures for their properties.**
- **Offers 100% funding through local and state governments.**
- **PACE Improvements are permanently affixed to the property.**
- **Most commercial property types are acceptable including:**
 - **Retail.**
 - **Industrial Facilities.**
 - **Multifamily (greater than 4 units, leased only).**
 - **Hospitality.**
 - **Office.**
 - **Affordable Housing (greater than 4 units).**
 - **Other Types on Case-By Case Basis.**
- **PACE is a voluntary program.**

Why
PACE?

➤ **Main BARRIERS** to Energy
Efficient Upgrades:

- Capital
- Difficulty finding financing sources
- Loans secured by mortgages are due on sale of property

Why PACE?

Property Owner Perspective

- No upfront capital needed- 100% financing
- Allows access to energy efficient technology, that might have been unavailable to the property owner otherwise
- Energy savings can increase a property value and cash flow
- Lien runs with property not with property owner (non-recourse and can be reflected off Balance Sheet- consult with your tax advisor)
- Up to 25 years term fully amortizing.
- Assessment term matches the useful life of improvements

Why PACE?


Contractor / Architect Perspective

- Provides a value-add Client service
- Easier Client approval on projects
- Helps meet schedules for industry-mandated and code-required upgrades
- Enables coordination of building systems, likely not possible, otherwise, due to financial constraint



Why PACE?

Municipal Perspective

- **\$0 net costs to “Issuer”/Government Body**
 - **Economic development and job creation within the approved area**
 - **Available to all constituents with qualifying properties**
 - **Increased property value due to modernization**
 - **Beneficial for environment**
- 

Why PACE?

Lender Perspective

- **Finances Property Improvements up to 100%, increasing Property Value, while leaving in place the current Lender commitment**
- **Allows Capital Expenditures to be added on a non-recourse basis**
- **Could increase Property Value, thus lowering Lender LTV**
- **In case of default, PACE's priority over the Mortgage is for current tax payments ONLY – no acceleration of the entire PACE debt**



DuPage County, IL

**2nd Highest Population County
in IL**

39 Municipalities

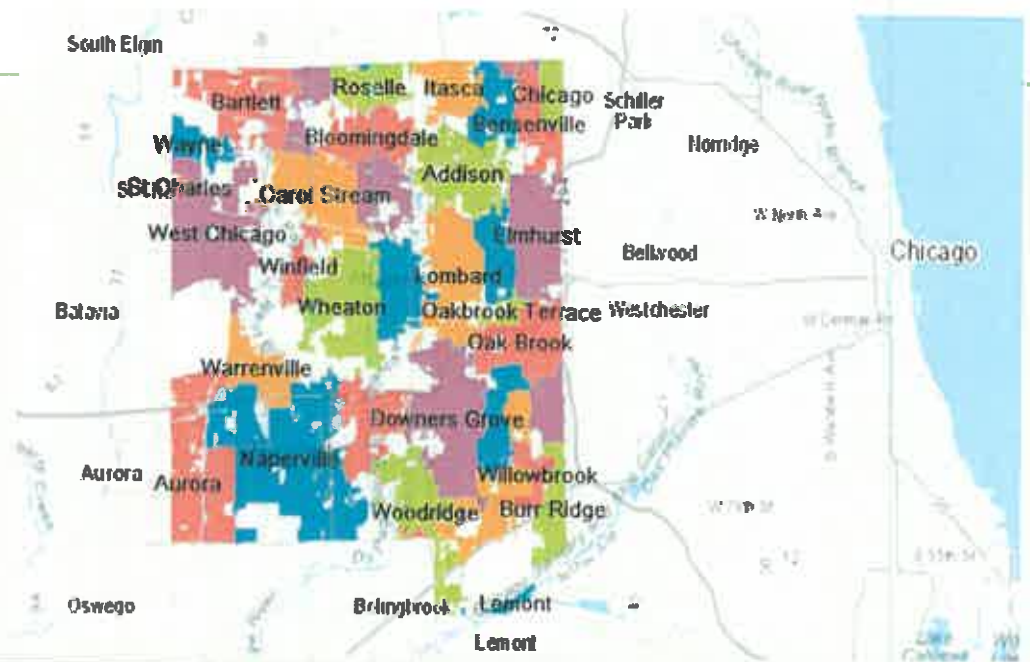
336 Square Miles

Population: 931,826

90,000+ Businesses

First C-PACE Financing Project in IL

High Number of Diverse Industry Sectors



DUPAGECOUNTY



DuPage County, IL

Top Growth Sectors

Healthcare & Social Assistance- 8 award-winning hospitals; 77,000+ employees; \$5.8 billion GDP; fastest growing industry
Professional/Administration Services - 2nd highest growth sector; more than 63,000 employees
Retail -3rd fastest growing with more than 62,00 employees

Other Key Industries

Advanced Manufacturing - Employs more than 57,000; 3,500 properties; 2nd largest in IL
Food Processing & Distribution- More than 11,00 jobs; 51 major employers in DuPage
Transportation, Logistics & Warehousing - Employs more than 33,000; 144 million square feet

Total Employment - 653,705

Information provided by Choose DuPage Economic Development Alliance



DUPAGECOUNTY



Kane County, IL

5th Highest Population County in IL

32 Municipalities

524 Square Miles

Population: 532,403 – 2018 Est.

40,000+ Businesses

First C-PACE Program Launched in IL

Diverse Land Use – Agricultural, Suburban, Urban

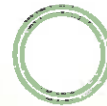


Kane County



Kane County, IL

Top Employers in Kane County



Manufacturing – 46,350 Employees

Retail/Trade – 32,880 Employees, Highlighted by the Randall Road Corridor and Aurora Outlet Mall

Health Care & Social Assistance – 27,786 Employees, 5 Award Winning Hospitals

Other Key Employers

Educational Services- 26,222 Employees, 2 Community Colleges and 2 Universities in Kane County

Construction – 19,310 Employees

Professional, Scientific & Technical Services- 18,556 Employees

Total Employment – More than 275,000

Kane County

The Science of CO₂e



CO₂E, OR CARBON DIOXIDE EQUIVALENT, IS A STANDARD UNIT FOR MEASURING CARBON FOOTPRINTS.

THE IDEA IS TO EXPRESS THE IMPACT OF EACH DIFFERENT GREENHOUSE GAS IN TERMS OF THE AMOUNT OF CO₂ THAT WOULD CREATE THE SAME AMOUNT OF WARMING.

THE CARBON DIOXIDE EQUIVALENT (CO₂E) ALLOWS THE DIFFERENT GREENHOUSE GASES TO BE COMPARED ON A LIKE-FOR-LIKE BASIS RELATIVE TO ONE UNIT OF CO₂.

FOR EXAMPLE: CO₂E INCORPORATES METHANE (CH₄) AND NITROGEN DIOXIDE (NO₂) LEVELS, WHICH ARE 25X AND 298X MORE POWERFUL, RESPECTIVELY, THAN CARBON DIOXIDE AS GWP (GLOBAL WARMING POTENTIAL)

FIRST Illinois C-PACE Deal

- **Industrial Flex Space**
- **Roof Replacement and Solar PV System**
- **Approx. 23,800 Square Feet**
- **Financing – \$318,000 Approved C-Pace**
- **Term – 25 Years**
- **Capital Provider – Inland Green Capital LLC**
- **Vendor – Bright Life Renewable Energy LLC**
- **Anticipated Annual Utility Savings of \$10,075, aside from grants, incentives, and rebates**
- **Energy Savings: 26,785 kWh, saving 71.5 metric tons of CO₂e from the environment**



Second Illinois C-PACE Deal

- **Office Space**
- **Window Retrofit**
- **Approx. 14,000 Square Feet**
- **Financing – \$94,019 Approved C-Pace**
- **Term – 25 Years**
- **Capital Provider – Inland Green Capital LLC**
- **Vendor – Riggsby Companies LLC**
- **Anticipated Annual Utility Savings of \$5,900, aside from grants, incentives, and rebates**
- **Energy Savings: 2,700 therms and 38,500 kWh annually, saving 36 metric tons of CO₂e (1900 lbs of CH₄ Methane & 500 lbs of NO₂ Nitrogen Oxide) from the environment**



FIRST Kane County KEEP Deal*

Industrial Flex Space

- **Roof Replacement and Solar PV System**
- **Approx. 48,000 Square Feet**
- **Financing – \$351,136 Approved C-Pace**
- **Term – 20 Years**
- **Capital Provider – Inland Green Capital LLC**
- **Vendor – Bright Life Renewable Energy LLC**
- **Anticipated Annual Utility Savings of \$9,330, aside from grants, incentives & rebates**
- **Energy Savings: conserving 115,000 kWh, saving 64.9 metric tons of CO₂e from the environment**

* Kane Energy Efficiency Program (C-PACE)



Thank You!

Please feel free to contact us with any questions.

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Overview

IECA is a non-profit organization that provides technical assistance and financing to help small businesses and individuals reduce energy consumption and improve energy efficiency. IECA is a member of the PACES Alliance, a coalition of organizations that work together to promote energy efficiency and renewable energy in the state of Illinois.



Fees and Cost Proposal - Kendall County

Program Administrator for a Property Assessed Clean Energy

Fee Description	Proposer Fees				Notes
	Project Under \$50k	Project \$50k- \$500k (Col 1)	Project \$500k-\$1M (Col 2)	Project Over \$1M (Col 3)	
Application Fee	N/A	\$150.00	\$150.00	\$150.00	
Processing and Underwriting Fee	N/A	\$4,375.00	\$13,125.00	\$17,500.00	1.75%. Project Size Assumptions: Col 1: \$250,000, Col 2: \$750,000 and Col 3: \$1,000,000. Prgram Fee is capped at a transaction size of \$4,300,000
Energy Audit Fee	N/A	Market	Market	Market	
Jurisdiction Cost of Recovery Fee	N/A	TBD by Jurisdiction	TBD by Jurisdiction	TBD by Jurisdiction	To cover reasonable and actual expenses.
Recording and Disbursement Fee	N/A	Per County Recorder Office	Per County Recorder Office	Per County Recorder Office	
Bond Trustee Fee	N/A	Market	Market	Market	
Title and Escrow Fee	N/A	Market	Market	Market	
Origination Fee	N/A	Negotiable w Cap Provider	Negotiable w Cap Provider	Negotiable w Cap Provider	
Other:	N/A	\$200 per installment	\$200 per installment	\$200 per installment	Collection fee for PA. County may want to add a collection fee
Total Fees	\$0.00	\$4,525.00	\$13,275.00	\$17,650.00	Not including Other servicing fee
Percentage/Amount for Lake County	N/A	TBD by County	TBD by County	TBD by County	To cover reasonable and actual expenses.
Additional Notes:	Bond issuer fee may also apply.				

Fees and Cost Proposal - Kendall County
Program Administrator for a Property Assessed Clean Energy

Fee Description	Proposer Fees				Notes
	Project Under \$50k	Project: \$50k- \$500k (Col 1)	Project \$500k-\$1M (Col 2)	Project Over \$1M (Col 3)	
Application Fee	N/A	\$150.00	\$150.00	\$150.00	
Processing and Underwriting Fee	N/A	\$4,375.00	\$13,125.00	\$17,500.00	1.75%. Project Size Assumptions: Col 1: \$250,000, Col 2: \$750,000 and Col 3: \$1,000,000. Prgram Fee is capped at a transaction size of \$4,300,000
Energy Audit Fee	N/A	Market	Market	Market	
Jurisdiction Cost of Recovery Fee	N/A	TBD by Jurisdiction	TBD by Jurisdiction	TBD by Jurisdiction	To cover reasonable and actual expenses.
Recording and Disbursement Fee	N/A	Per County Recorder Office	Per County Recorder Office	Per County Recorder Office	
Bond Trustee Fee	N/A	Market	Market	Market	
Title and Escrow Fee	N/A	Market	Market	Market	
Origination Fee	N/A	Negotiable w Cap Provider	Negotiable w Cap Provider	Negotiable w Cap Provider	
Other:	N/A	\$200 per installment	\$200 per installment	\$200 per installment	Collection fee for PA. County may want to add a collection fee
Total Fees	\$0.00	\$4,525.00	\$13,275.00	\$17,650.00	Not including Other servicing fee
Percentage/Amount for Lake County	N/A	TBD by County	TBD by County	TBD by County	To cover reasonable and actual expenses.
Additional Notes:	Bond issuer fee may also apply.				

RESOLUTION

RESOLUTION ESTABLISHING AN AGREEMENT BETWEEN THE COUNTY OF MCHENRY AND THE ILLINOIS ENERGY CONSERVATION AUTHORITY NFP, TO PROVIDE COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY IMPROVEMENT ADMINISTRATOR SERVICES

WHEREAS, the Illinois State Legislature has enabled Counties to establish a Commercial Property Assessed Clean Energy Program under the Property Assessed Clean Energy Act (50 ILCS 50), and the County of McHenry searched for firms that could provide these services at no cost to the County; and

WHEREAS, the Purchasing Director found DuPage County competitively vetted qualified firms to provide Program Administrator Services to help establish and manage a County of McHenry Property Assessed Clean Energy Program that allows for financing energy efficiency and renewable energy initiatives in commercial, industrial, and multi-family buildings; and

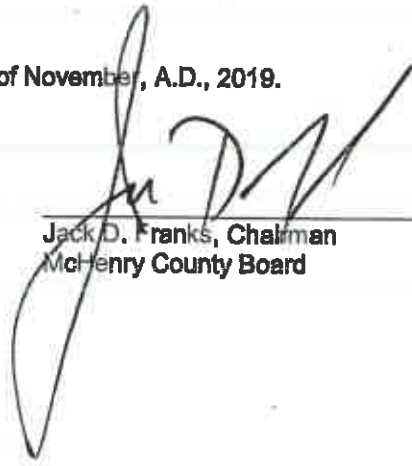
WHEREAS, the Program Administrator will collaborate with the County to develop the program elements, procedures, administrative fees, and forms in accordance with statutory requirements, and implement the program; and

WHEREAS, the Administrative Services has reviewed this recommendation.

NOW, THEREFORE BE IT RESOLVED, by this County Board of McHenry County, Illinois it hereby authorizes the Purchasing Director to execute an agreement with the Illinois Energy Conservation Authority NFP to provide PACE Administrator Program Services at no cost to the County; and

BE IT FURTHER RESOLVED, that the County Clerk is hereby authorized to distribute a certified copy of this Resolution to The Purchasing Director, the County Assessor, the Director of Finance, and the County Administrator.

DATED at Woodstock, Illinois, this 19th day of November, A.D., 2019.



Jack D. Franks, Chairman
McHenry County Board

ATTEST:



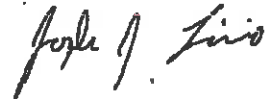
Joseph J. Tiro, County Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF MCHENRY)

16.2.A.1

I, Joseph J Tirio, County Clerk within and for said County and State aforesaid, do hereby certify the attached to be a true and complete copy of Resolution R-201911-06-253; Establishing an Agreement between the County of McHenry and the Illinois Energy Conservation Authority NFP, to Provide Commercial Property Assessed Clean Energy Improvement Administrator Services.

WHEREOF I have hereunto subscribed my hand and affixed the official seal of said County, at my office in Woodstock, Illinois this 19th day of November, 2019.



McHenry County Clerk



IECA PACE PROGRAM GUIDELINES

A Property Assessed Clean Energy (PACE) Program
Offered by the Illinois Energy
Conservation Association (IECA)
Version 1.0

June 20, 2019

**Prepared by:
Illinois Energy Conservation Association
And Slipstream**

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1.0 Introduction

Pursuant to Illinois Public Act 100-0980 (see Appendix A: State of Illinois PACE Statute), Illinois Local Units of Government are authorized to create a Property Assessed Clean Energy (PACE) Area in order to partner with private sector Capital Providers to provide PACE Financings to property owners for qualified PACE Projects. A PACE Financing is secured by an Assessment on the real property where clean energy improvements are installed. According to county ordinances (see Appendix B: PACE Financing Ordinance) adopted in certain Illinois counties, The Illinois Energy Conservation Authority, NFP (the "IECA" or "Program Administrator") is happy to offer the IECA PACE Program ("The Program" or "IECA PACE").

IECA PACE is a low cost PACE program that offers an open-market solution for building owners and promotes clean energy and economic development in Illinois communities. The benefits of The Program are available to building owners located in Participating Communities. Any Illinois Local Unit of Government may enact a PACE Ordinance to establish a PACE Area within its corporate boundaries and opt into IECA PACE. Communities interested in participation should contact the Program Administrator at <http://iecapace.org>.

IECA PACE is an innovative program that enables commercial and industrial property owners to obtain low-cost, long-term financing for energy-efficiency, alternative energy, renewable energy, and water conservation improvements. PACE Financings help property owners overcome financial barriers that typically discourage investment in energy and water conservation improvements to new and existing buildings. Improvements financed using PACE can be completed with no up-front, out-of-pocket cost to property owners and can generate positive cash flow upon completion. The term of a PACE Financing may extend up to the useful life of the improvement, which may be as high as 30 years and can result in cost savings that exceed the amount of the PACE Financing. The results may include improved business profitability, an increase in the property value and improved sustainability of the real estate asset.

PACE Financing is secured through a voluntary PACE Assessment, repayment of which can be collected on the property tax bill or directly by the PACE Capital Provider or its designee. Like property taxes, PACE Financings may be transferred to the next property owner if the property is sold. The remaining balance of the PACE Financing is repaid by the subsequent owners, who continue to receive the benefits of the improvements from the PACE Project. PACE Financing is available for property owners of commercial, industrial, agricultural, institutional, and multifamily buildings with five or more units. PACE Financing for residential properties with four or fewer units is not offered by IECA PACE at this time.

To take advantage of IECA PACE, a property owner develops a qualifying energy and water conservation, renewable energy, and/or alternative energy project with a Registered Contractor of their choice. Building owners have the choice to arrange project financing with any qualified PACE Capital Provider. The property owner and PACE Capital Provider then apply to IECA PACE via <https://iecapace.org/project-center> to qualify their project for PACE Financing according to the criteria in these Program Guidelines. If the PACE Project is approved, the Local Unit of Government and the Record Owner enter into a PACE Assessment Contract that governs the terms of the PACE Assessment. The Record Owner and PACE Capital Provider execute a separate Financing Agreement that defines the terms of the PACE Financing.

IECA PACE relies on private financial institutions to provide capital to fund PACE Financings. IECA PACE is open to any Capital Provider interested in participation. Interested financial institutions may apply to the Program Administrator to become a qualified PACE Capital Provider via <http://iecapace.org/benefits-capital-providers>.

2.0 Definitions

This section establishes definitions of terms used in these Program Guidelines.

Alternative Energy Improvement - The installation or upgrade of electrical wiring, outlets, or charging stations to charge a motor vehicle that is fully or partially powered by electricity.

Annual Fee – This fee is collected annually with the PACE Assessment Contract Installment payment over the term of the PACE Financing. (See [Section 6.0 Program Fees](#) for further details.)

Applicant – Any Person, or their authorized agent, that submits an application to the Program Administrator with the intent to utilize PACE Financing to fund a PACE Project for Property that it owns.

Application Fee – This fee is due at the time the Final Application is submitted for review by the Program Administrator. (See [Section 6.0 Program Fees](#) for further details.)

Assessment Contract - A voluntary written contract between the Local Unit of Government (or a Permitted Assignee) and Record Owner governing the terms and conditions of financing and assessment under the IECA PACE Program, that is recorded in the appropriate jurisdiction's property records, and setting forth the terms of the PACE Financing. The form of the Assessment Contract is attached hereto as [Appendix D](#). Also referred to in this document as a PACE Assessment Contract.

Bond Agreement - An agreement pursuant to which a local government, bonding authority or other such institution agrees to loan the proceeds of revenue bonds issued with respect to a project to the appropriate agency upon terms providing for loan repayment installments at least sufficient to pay when due all principal of, interest, and premium, if any, on those revenue bonds, and providing for maintenance, insurance, and other matters in respect of the project

Completion Certificate – A written acknowledgement by a Record Owner and Registered Contractor that all work required under the Final Application for the PACE Project has been fully and satisfactorily completed and that the Local Unit of Government has fulfilled its responsibilities under Section 25 of Public Act 100-0980.

Direct Costs - All ECM direct costs necessary to complete the installation of a PACE Project, such as the installation/construction contract amount (materials and labor) and any required ancillary cost incurred in order to complete the installation of an ECM.

Eligible Property – Any Property located in a PACE Area that is utilized for general commercial purposes such as retail, industrial, office, agricultural, and hospitality uses, as well as certain multifamily property with five or more units.

Eligible Property Owner – A Person who is a Record Owner of an Eligible Property (including a Person who will become the Record Owner of an Eligible Property immediately following the closing of a PACE Financing, subject to documentation reasonably satisfactory to the Program Administrator) located in a PACE Area that meets the eligibility requirements set forth in these Program Guidelines.

Energy Assessment – An assessment of the Energy Conservation Measures proposed for the PACE Project conducted by the Registered Contractor or professional engineer in compliance with [Section 4.3 Energy Assessment Requirements](#).

Energy Conservation Measure or ECM - Any type of project conducted, including Energy Efficiency Improvements, Alternative Energy Improvements, Renewable Energy Systems, and Water Use Improvements implemented at an Eligible Property. The types of projects implemented vary, but usually are designed to reduce utility and/or fuel costs: water, electricity, natural gas, and transportation fuels being the main four for industrial and commercial enterprises. The aim of an ECM should be to achieve a savings, reducing the amount of energy or water used by a particular process, technology or facility.

Energy Efficiency - Measures that reduce the amount of electricity or natural gas consumed in order to achieve a given end use. "Energy efficiency" includes voltage optimization measures that optimize the voltage at points on the electric distribution voltage system and thereby reduce electricity consumption by electric customers' end use devices. "Energy efficiency" also includes measures that reduce the total Btus of electricity, natural gas, and other fuels needed to meet the end use or uses.

Energy Efficiency Improvement - Equipment, devices, or materials intended to decrease energy consumption or promote a more efficient use of electricity, natural gas, propane, or other forms of energy on property, including, but not limited to, all of the following:

- (1) insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems;
- (2) storm windows and doors, multi-glazed windows and doors, heat-absorbing or heat-reflective glazed and coated window and door systems, and additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;
- (3) automated energy control systems;
- (4) high efficiency heating, ventilating, or air-conditioning and distribution system modifications or replacements;
- (5) caulking, weather-stripping, and air sealing;
- (6) replacement or modification of lighting fixtures to reduce the energy use of the lighting system;
- (7) energy controls or recovery systems;
- (8) day lighting systems; and
 - (8.1) any energy efficiency project, as defined in Section 825-65 of the Illinois Finance Authority Act; and
- (9) any other installation or modification of equipment, devices, or materials approved as a utility cost-savings measure by the governing body.

Energy Project - The installation or modification of an Alternative Energy Improvement, Energy Efficiency Improvement, or Water Use Improvement, or the acquisition, installation, or improvement of a Renewable Energy System that is affixed to a stabilized existing property.

Final Application – The application to participate in IECA PACE and receive a PACE Financing that is approved by the Program Administrator and that confirms the Applicant has met all the requirements set forth in these Program Guidelines. Approval of the Final Application by the Program Administrator is condition precedent to closing a PACE Financing.

Financed Amount – The dollar amount of the special assessment levied against the Property as set forth in the Assessment Contract.

Financing Agreement – The document executed by the Record Owner and the Capital Provider that defines the terms of the financing, which comply with the requirements of IECA PACE and which are mutually agreed upon by the Record Owner and the Capital Provider.

Governing Body - The county board or board of county commissioners of a county, the city council of a city, or the board of trustees of a village.

IECA PACE ("The Program") – The PACE program offered by the Illinois Energy Conservation Authority (IECA) and administered by the Program Administrator pursuant to the terms of these Program Guidelines.

Local Unit of Government - A county, city, or village.

Mortgage Lender Consent – The written consent of the existing holder(s) of a mortgage or other real property lien on the Eligible Property of an Applicant, which must be obtained by an Applicant prior to closing on a PACE Financing. (See [Section 9.0 Mortgage Lender Consent](#) for further details.)

Notice of IECA PACE Approval – This is a notice provided to the Record Owner by the Program Administrator that signifies that the Final Application is complete and has been approved by the Program Administrator. Following receipt of this notice the Record Owner may close their PACE Financing.

PACE – The acronym for Property Assessed Clean Energy.

PACE Area - An area within the jurisdictional boundaries of a Local Unit of Government created by an ordinance or resolution of the Local Unit of Government to provide financing for Energy Projects under a Property Assessed Clean Energy Program. A Local Unit of Government may create more than one PACE Area under the program, and PACE Areas may be separate, overlapping, or coterminous.

PACE Capital Provider – Any Permitted Assignee, Warehouse Lender, or financial institution that meets the participation requirements set forth in the Request for Qualifications from Interested PACE Capital Providers and that makes a PACE Financing.

PACE Financing – Any set of activities undertaken between a Participating Community, a PACE Capital Provider, a Registered Contractor(s) and a Record Owner to finance a PACE Project.

PACE Project – An Energy Project installed on real property that meets the requirements set forth in these Program Guidelines.

PACE Statute – Illinois Statute, 50 ILCS 50.

Participating Community – An Illinois Local Unit of Government that has adopted an ordinance to establish a PACE Area and joined the IECA PACE Program

Permitted Assignee - 1) Any body politic and corporate, (2) any bond trustee, or (3) any Warehouse Lender, or any other assignee of a Local Unit of Government designated in an Assessment Contract.

Person - An individual, firm, partnership, association, corporation, limited liability company, unincorporated joint venture, trust, or any other type of entity that is recognized by law and has the title to or interest in property. "Person" does not include a Local Unit of Government or a

homeowner's or condominium association but does include other governmental entities that are not Local Units of Government.

Pre-Application – The initial application completed by an Applicant by which the Program Administrator can determine whether the proposed project is located on an Eligible Property and that the Applicant is aware of the program requirements. Approval of a Pre-Application is a requirement prior to the Final Application step. (See [Section 7.1 Application Process Overview](#).)

Program Administrator – The Illinois Energy Conservation Authority, NFP (IECA), a not-for profit entity that will administer a Program on behalf of or at the discretion of the Local Unit of Government. It is responsible for arranging capital (if the property owner does not have a PACE Capital Provider) for the acquisition of bonds issued by the Local Unit of Government or the Authority to finance PACE Projects. It is additionally responsible for marketing the program, approving PACE Financings, and servicing repayment.

Program Fee – A one-time administration processing and Program Fee paid to the Program Administrator at or prior to the PACE Financing closing date. (See [Section 6.0 Program Fees](#) for further details.)

Program Guidelines – This document setting forth the IECA PACE Program's requirements, recommendations, and processes under which Record Owners seeking to complete a PACE Project may be approved to utilize PACE Financing.

Project Center – A web portal containing all documents, applications, and instructions required to be approved for a PACE Financing through IECA PACE.

Property - Privately-owned commercial, industrial, non-residential agricultural, or multi-family (of 5 or more units) real property located within the Local Unit of Government but does not include property owned by a Local Unit of Government or a homeowner's or condominium association.

Record Owner - The Person who is the titleholder or owner of the beneficial interest in Property.

Registered Contractor – A business or organization that possesses all required licenses; has accepted all required terms and conditions of participation in the IECA PACE program; and has been approved by the Program Administrator to provide services to Record Owners in the IECA PACE Program.

Renewable Energy Feasibility Study – A study that provides technology and financing recommendations for the installation of a Renewable Energy System. The feasibility study must be performed by a renewable energy expert with detailed knowledge of the Renewable Energy Systems under consideration in compliance with [Section 4.3 Energy Assessment Requirements](#).

Renewable Energy Resource - Includes energy and its associated renewable energy credit or renewable energy credits from wind energy, solar thermal energy, photovoltaic cells and panels, biodiesel, anaerobic digestion, and hydropower that does not involve new construction or significant expansion of hydropower dams. Landfill gas produced in the State of Illinois is considered a Renewable Energy Resource. The term does not include the incineration or burning of any solid material.

Renewable Energy System - A fixture, product, device, or interacting group of fixtures, products, or devices on the customer's side of the meter that use one or more Renewable Energy Resources to

generate electricity, and specifically includes any renewable energy project, as defined in Section 825-65 of the Illinois Finance Authority Act.

Semi-Annual Installment – The portion of the PACE Financing that is due and payable for a particular period according to the PACE Assessment Contract.

Warehouse Lender - Any financial institution participating in a PACE Area that finances an Energy Project from lawfully available funds in anticipation of issuing bonds as described in Section 35 of the PACE Statute.

Water Use Improvement - Any fixture, product, system, device, or interacting group thereof for or serving any Property that has the effect of conserving water resources through improved water management or efficiency.

3.0 Program Information

3.1 Program Authorization

The PACE Act empowers Local Units of Government to establish a PACE Area and create a PACE Program within their corporate boundaries. Through the PACE Act, Participating Communities created the IECA PACE Program and selected The Illinois Energy Conservation Authority (IECA) as the Program Administrator.

Each Participating Community delegates to the IECA the power to administer IECA PACE in its jurisdiction as the PACE Program Administrator. IECA PACE is administered by the Program Administrator, which is responsible for handling day-to-day administration of the Program including PACE Financing application reviews and approvals, as well as payment collections in certain Member Communities on behalf of the PACE Commission.

3.2 Program Administrator

The Program Administrator for IECA PACE is IECA, as an agent of each Participating Community.

IECA Contact information

Website- <http://iecapace.org>

Email- info@iecapace.org

Phone- 888-874-4322

IECA offers the State of Illinois a single point of access for Eligible Property Owners, Participating Communities, Registered Contractors, and PACE Capital Providers to qualify projects for PACE Financing. The Program Administrator ensures that PACE-financed projects are eligible for PACE Financing under the PACE Statute, the PACE Ordinance, and these Program Guidelines.

The Illinois Energy Conservation Authority (IECA) is a non-profit organization formed to facilitate clean energy initiatives in the State of Illinois.

Slipstream—a clean-energy focused nonprofit organization—works in partnership with IECA to provide core C-PACE Program Administration Services: the proprietary C-PACE technology platform, application management, and technical review. Slipstream's role also includes the management of capital provider relationships, contractor qualification, along with providing marketing and training.

3.3 Participating Communities

Participating Communities are Illinois Local Unit of Government that have adopted an ordinance establishing a PACE Area and joining the IECA PACE Program. The following Illinois communities joined the IECA PACE Program:

Counties

- Kane
- DuPage

4.0 Eligibility Requirements

4.1 Eligible Properties

IECA PACE is currently available to commercial properties [office, retail, multifamily (5+ units), warehouse, hospitality, non-residential agricultural and industrial] located within a PACE Area. Eligible properties may be owned by non-governmental, tax-exempt organizations that operate facilities such as community centers, hospitals, theaters, schools, religious facilities, etc. The commercial portion of a mixed-use commercial/residential property is eligible. Nursing homes, and other care facilities are eligible.

Eligible Property Location

To be eligible, the Property must be (or must be eligible to be placed) on the property tax rolls of a County or municipality within a PACE Area and have a property tax identification number.

Ineligible Property Types

Residential single family (1 – 4 units), Property owned by a local, state or federal government, as well as property that is owned by a homeowners association or by a condominium association is not eligible.

Multiple Parcel IDs

Buildings with multiple Parcel ID/Parcel Number/tax keys require additional documentation and underwriting. For PACE Projects that encompass multiple Parcel IDs/tax keys, the Assessment will include 1) a description of the method of spreading the Annual Installment between the parcels; 2) a list of lots, blocks, tracts, and parcels of land in the PACE Area; and 3) the amount assessed on each parcel. However, Program Administrator reserves the right to deny buildings with multiple Parcel ID/tax keys if any one Parcel ID/tax key cannot support the PACE Project.

4.2 Eligible PACE Projects

An eligible PACE Project that is a redevelopment of an existing Property must meet the following criteria. New construction PACE Projects are also eligible but require additional verification and documentation (see additional details in [Section 4.3.4 New Construction PACE Projects](#) below). An eligible PACE Project must meet the following criteria:

- The PACE Financing plus the outstanding principal amount of all mortgages secured by liens encumbering the Property typically do not exceed the amount of the Property value. PACE Capital Providers and existing Mortgage/Lien Holders will impose limits based on their underwriting criteria. Property value will be determined by either the assessed value from the appropriate assessor's office or alternatively Eligible Property Owners may supply an appraisal completed within 12 months of the PACE Financing closing date that is prepared by an independent licensed real estate appraisal firm. If a PACE Financing will be greater than \$1 million, the appraisal must be prepared by a qualified professional in compliance with the Uniform Standards of Professional Appraisal Practices (USPAP). Eligible Record Owners of property-tax exempt properties must provide an appraisal, as described above. Compliance with this requirement can be demonstrated by a certification from the PACE Capital Provider. The PACE Capital Provider may accept property valuations determined by alternative appraisal methods, such as automated valuation methodology.
- The amount of all outstanding PACE Financing on a given Property may not exceed 25 percent of the property value.

- PACE Financing terms shall not exceed the expected life of the proposed Energy Conservation Measure (ECM) as described in the Energy Assessment. For projects that include multiple Energy Conservation Measures, the term of a PACE Financing may not be greater than the Energy Conservation Measure with the longest expected useful life. The ECM with the longest expected useful life must be a substantial portion of the PACE Project, subject to the Program Administrator's review and approval.
- PACE Project Energy Conservation Measure(s) must be permanently affixed to the real property, and the Record Owner must leave the improvements with, affixed or attached to, the Property during the term of the Assessment Contract.

PACE Project Energy Conservation Measure(s) must be supported by an assessment of the existing water and/or energy usage and a calculation of the expected financial and consumption savings and/or generation to be realized following installation of the approved PACE Project (see additional details in [Section 4.3 Energy Assessment Requirements](#) below). Examples of eligible Energy Conservation Measure(s) include, but are not limited to (See [Appendix C](#) for more detail):

- High efficiency lighting
- Heating ventilation air conditioning (HVAC) upgrades
- New automated building and HVAC controls
- Variable speed drives (VSDs) on motors, fans and pumps
- High efficiency chillers, boilers and furnaces
- High efficiency hot water heating systems
- Combustion and burner upgrades
- Water conservation measures
- Heat recovery and steam traps
- Building enclosure/envelope improvements
- Building automation (energy management) systems
- Renewable energy systems
- Engineering and project development costs associated with the above improvements
- Electric vehicle charging stations
- Ineligible Installation projects include but are not limited to:
 - Compact fluorescent and screw-in LED lamps.
 - Plug load devices.
 - Measures that are not permanently installed and can be easily removed.
 - Measures that save energy solely due to operational or behavioral changes
 - Any measure that is not an Alternative Energy Improvement and does not result in energy savings, water savings or renewable energy production.
 - Any measure that cannot be explained in terms of industry-standard engineering or scientific principles.
 - Refrigerant charge (AC/Split Systems/Heat Pumps)
- PACE Projects can qualify for and receive additional rebates and incentives from utility-based clean energy and water conservation programs, and other sources. Applicants are encouraged to obtain all applicable government, utility provider or manufacturer rebates, and

other upfront cost reductions to reduce the total PACE Project cost for purposes of calculating the amount of the PACE Financing.

4.3 Energy Assessment Requirements

A Record Owner must obtain an Energy Assessment for the PACE Project. The Energy Assessment must assess the existing water and/or energy use of relevant systems, or code baseline usage in the case of new construction and include a modeling of expected monetary savings to be achieved by the PACE Project. To implement this provision, IECA PACE requires that a Property Owner obtain an Energy Assessment as detailed below. The cost of the Energy Assessment, as well as the cost of any other third-party review of the assessment may be included in the PACE Financing amount.

All Energy Assessments for a proposed PACE Project must address the following components & information:

- Written description of the proposed PACE Project.
- Expected annual energy savings (kWh or therms), electrical demand reduction (kW), water savings (gallons or ccf), renewable energy capacity (kW), renewable electrical production (kWh) and operational cost (\$) savings.
- Estimate of the useful life of each ECM. Documentation supporting useful life.
- The total project capital cost required for each ECM or for packages of ECMs if interactive effects between ECMs make itemized costs impractical.
- Provide annual energy and water bill savings and operating cost projections. These shall include projected annual energy and water bill savings and operating cost assumptions (in \$ dollars)
- Provide clear and logical documentation of assumptions for energy savings calculations.
 - Document assumptions and inputs to calculations (e.g., hours of operation, equipment efficiencies, lighting power, controls, load factors, power factor, motor efficiencies, etc.) and use consistently throughout any calculations (as appropriate).
 - Key numbers should be easily identifiable (circled, bold, highlighted, etc.) with correct units shown.
 - Where necessary, as determined by the energy engineer, provide step-by-step calculations detailing the estimated annual energy savings, energy production, peak electrical demand reduction, and/or water usage. Must be detailed and orderly enough that one can follow the calculation process without prior knowledge of the Project, specialized software or specific technical knowledge.
- A copy of proposed relevant equipment specs, data sheets, etc.
- Where renewable energy measures are under consideration, please refer to Section 4.3.2 Renewable Energy Projects.

A qualified energy engineer will use generally acceptable engineering calculations or a building energy model in a U.S. Department of Energy (DOE)-approved energy modeling software to determine savings attributable to the proposed ECMs.

The Program Administrator will review the Energy Assessment submitted with application materials and submit any follow-up questions to the Applicant's project team.

Qualified Energy Engineering Professionals:

All Energy Assessments must be prepared and submitted by an energy engineer or by a team including an energy engineer. An energy engineer is defined as a professional holding one, or more of the following certifications:

- Certified Building Energy Assessment Professional (BEAP) (offered by ASHRAE)
- Certified Energy Auditor (CEA) (offered by Association of Energy Engineers [AEE])
- Certified Energy Manager (CEM) (offered by AEE)
- Certified High-Performance Building Design Professional (HBDP) (offered by ASHRAE)
- Certified Measurement and Verification Professional (CMVP) (offered by AEE and Efficiency Valuation Organization)
- Licensed Architect
- Licensed Professional Engineer (P.E.)
- Investor Confidence Project (ICP) Quality Assurance Assessor
- Investor Confidence Project (ICP) Project Developer
- ComEd Energy Efficiency Service Provider

A Registered Contractor with relevant demonstrated experience may also be approved by the Program Administrator to conduct Energy Assessments. A Registered Contractor may request approval to conduct Energy Assessments from the Program Administrator. Written Program Administrator approval of the Registered Contractor's authorization to prepare Energy Assessments must be granted prior to approval of any Final Application.

The IECA Program recognizes that developers and installers of Renewable Energy Systems and Alternative Energy Improvements may be able to provide a qualifying Renewable Energy Feasibility Study and/or an assessment of the benefits of an Alternative Energy System to an Eligible Property Owner without engaging an Energy Engineer, as described above.

The name, firm name and credentials of the energy engineer shall be included in the Energy Assessment.

4.3.1 Efficiency Improvements to Existing Buildings

Baseline:

The existing conditions of a building shall be used to establish the baseline level of energy and water usage against which the performance of the ECMs will be measured. Existing conditions may be determined based on nameplate efficiency ratings of currently installed equipment. Alternatively, the energy engineer may use modeled energy performance of the building or other professionally accepted methods of establishing energy and water efficiency performance of the existing building.

Energy Efficiency Improvement Energy Assessment Guidelines:

The Energy Assessment can adhere to one of the following:

- ASHRAE Energy Audit standards as defined by ANSI/ASHRAE/ACCA Standard 211-2018 (See [Appendix E](#))
- Pacific Northwest National Laboratory, A Guide to Energy Audits, PNNL-20956.
- Investor Ready Energy Efficiency (IREE) Certification. An IREE certification is an acceptable alternative to an Energy Survey.
- ASHRAE Standard 100

- ASHRAE Standard 90.1 Appendix G
- Other methodologies may be considered at the discretion of the PACE program administrator

4.3.2 Renewable Energy Systems

For all PACE Projects that include a Renewable Energy System, the Record Owner must submit a Renewable Energy Feasibility Study. In addition to the Information required for all energy assessments (see Section 4.3), the Renewable Energy Feasibility Study, at a minimum, should address the following components:

- Site ambient conditions
- Location for the Renewable Energy System
- Energy system foundation
- Building characteristics
- Utility consumption profile of the site, including the site's historic energy use and cost
- Description of the proposed Renewable Energy System
- Projected energy production
- Projected energy and financial cost savings to be generated by the Renewable Energy System, including assumptions affecting the cost savings:
 - Weighted cost of energy saved and generated by the Project
 - Cost savings to be realized from time-of-use and demand charge reductions
 - Utility tariff to be applied to the site and/or system following installation
 - Utility escalation rate assumptions
 - Tax benefits and other incentives
 - Expected Useful Life of the Renewable Energy System
 - Maintenance expenses
- Assessment of total Project capital cost, utility tariffs and interconnections issues, including analysis of impacts of surplus energy generation by the Renewable Energy System
- Requirements to maintain optimized system performance for monitoring the system functionality and performance.
- Description of utility tariff, if any, to be applied to system production that exceeds consumption.

The Renewable Energy Feasibility Study should be prepared based on the Eligible Property Owners' intended use of the Renewable Energy System. Allowable uses of a Renewable Energy System include generation of electricity to supply the on-site demand of the Business, export of electricity to a utility provider, sale of the electricity through the use of a Power Purchase Agreement (or similar approved agreement format), or a combination of the three options. Production of clean heat or power by use of a Renewable Energy Resource such as biomass or biogas.

At its sole discretion, the Program Administrator may waive one or more required components of the Renewable Energy Feasibility Study.

Baseline:

The energy generation baseline for all Renewable Energy Systems is assumed to be zero energy generation; provided, however, if a Renewable Energy System is a replacement of an existing

renewable energy system, the Energy Assessment provider shall establish the baseline using performance and/or nameplate ratings of the existing system.

4.3.3 Alternative Energy Improvements

For all PACE Projects that include an Alternative Energy Improvement, the Record Owner must submit an assessment of the benefits of the Alternative Energy Improvement. This assessment must include:

- Description of the proposed Alternative Energy Improvement
- Projected energy consumption of the Alternative Energy Improvement
- Analysis of cost savings to be achieved by the Alternative Energy Improvement, including reductions in consumption of transportation fuels and operations and maintenance cost savings. The analysis may assess additional monetary savings or revenue generation to be achieved by the Alternative Energy Improvement.
- Assessment of utility tariffs, and interconnections issues.
- Requirements to maintain optimized system performance (maintenance expenses)
- Identification of an appropriate commissioning plan
- Present a summary of the estimated implementation cost for the measure, the simple payback period in years, and the simple ROI.
- Assumptions affecting the analysis, including, but not limited to:
 - Utility and fuel cost escalation rate assumptions
 - Any tax benefits and other incentives
 - Estimated Useful Life of the Alternative Energy Improvement

Baseline:

The energy generation baseline for all Alternative Energy Improvement is fossil fuel based internal combustion engine used for transportation.

4.3.4 New Construction PACE Projects

PACE Financing is available for the construction of new buildings as well as the substantial (gut) renovation OR adaptive reuse of vacant buildings. New construction projects, unlike existing-building retrofits, do not benefit from a history of pre-improvement energy consumption data from which baseline energy consumption can be formulated. Without the benefit of this baseline building performance data, additional Energy Assessment requirements are necessary. Further, the demonstration of reduced energy or water consumption will determine the amount of PACE Financing eligible for a new construction or substantial (gut) renovation project.

New Construction

The baseline for new construction projects is the minimum level of equipment efficiency required by the current applicable building energy code. For any new construction PACE Project that follows the performance or prescriptive path, the Applicant must demonstrate through the appropriate Energy Assessment that the PACE Project exceeds the IECC or equivalent ASHRAE 90.1 standard established in the state of Illinois building code, plus any state or local amendments. The state of Illinois publishes the Illinois Building Code and Energy Conservation Code here:

<https://www2.illinois.gov/cdb/business/codes/Pages/default.aspx>

The energy engineer should also verify with appropriate local (county or municipality) building code enforcement jurisdiction to ensure local building code compliance. For the purposes of the energy savings calculations prepared in the Energy Assessment the Applicant must demonstrate energy and water performance that is greater than the baseline set in the Illinois building code.

This Energy Assessment shall summarize the building's total anticipated performance that is better than the building code (baseline) with a summary percentage of performance above the code baseline, such as 5% above the baseline. To be eligible for PACE financing on a new construction project the PACE Project must achieve measurable and significant Energy Savings that exceed the code baseline.

The Energy Assessments for a new construction project may demonstrate expected energy or water savings over this baseline in one of two ways:

I) New construction Energy Assessments may itemize ECMs whose efficiency specifications exceed the baseline requirements as outlined in the appropriate building code, per ECM included in the project. The Energy Assessment must describe each ECM's characteristics according to these energy survey guidelines and provide supporting documentation showing the extent to which each ECM exceeds minimum baseline requirements. 100% of the Direct Cost of each ECM that demonstrably exceeds minimum code requirements may be included in the PACE Financing amount.

II) New construction Energy Assessments may demonstrate overall savings on a whole building level, following a methodology consistent with ASHRAE 90.1 Appendix G guidelines. Estimated whole building energy savings above minimum baseline should be calculated using a DOE approved building energy modeling software or detailed engineering calculations. Building level savings calculations shall state the building's total anticipated performance that is better than the building code (baseline) with a summary percentage of performance of the whole building. New construction PACE Projects must demonstrate measurable whole- building performance that is above minimum code requirements. 100% of the Direct Cost of each ECM that demonstrably exceeds minimum code requirements may be included in the PACE Financing amount.

New construction projects that only involve Renewable Energy installed on new buildings are not subjected to the additional requirements and should follow the established Energy Assessment requirements for these improvements that are set forth above for Renewable Energy Systems.

Adaptive Reuse and Vacant Building Baseline:

If the subject PACE Project concerns the substantial (gut) renovation or adaptive reuse of a vacant or underutilized building at project inception as determined by the Program Administrator, the baseline for the purposes of establishing energy savings of proposed Energy Conservation Measures can be set at the level of existing equipment and building conditions.

With the exception of the provision of historic utility bills, the Energy Survey for this project type should include all other component requirements for existing buildings, as outlined above. Energy savings for adaptive reuse and vacant buildings may be established using the appropriate energy survey methodology determined by the qualified energy engineer as set forth above, provided that the existing equipment will serve the same function as the end result of the project.

4.4 Eligible PACE Project Costs and PACE Financing Amount

The PACE Project budget may include all Direct Costs required to install all ECM(S) included in the PACE Project as well as soft costs required to develop and finance the installation.

Eligible Direct Costs include all ECM Direct Costs necessary to complete the installation, such as the installation/construction contract amount (materials, labor and overhead) and any required ancillary cost incurred in order to complete the installation of an ECM. Examples of eligible ancillary costs are roof structural improvements necessary to allow the installation of a roof mounted solar PV array and building electrical upgrades necessary to install an efficient HVAC system or efficient lighting. All such ancillary costs are subject to the Program Administrator's review and approval.

Eligible soft costs may include the cost of the following: engineer's energy survey, other required design and engineering, project development fees, Program Fees, permit fees, appraisal reports, , environmental report, surveys, legal fees, Capital Provider fees, title reports, credit checks, owner's legal Trustee fees, recording charges, escrow disbursement fees, other third-party reports, financing fees, fees associated with the issuance of bonds for the financing, interest reserves and capitalized interest. Some fees may not apply depending on transaction scope and owner's availability to certain due diligence reports.

The amount of PACE Financing proceeds available for a new construction or adaptive reuse PACE Project is the lesser of the sum of the Direct Costs of the Eligible ECM(s) plus eligible soft costs or 25% of the property value (as determined in section 4.2 Eligible PACE Projects).

The amount of a PACE Financing shall be equal to or less than the amount of the eligible PACE Project costs but may not be less than \$50,000. The Program Administrator may review and approve PACE Financings less than \$50,000 on a case-by-case basis.

4.5 Eligible Property Owners

IECA PACE is a voluntary program available to Eligible Property Owners with Eligible Properties located within a PACE Area. Only Eligible Property Owners who voluntarily participate in the Program and close a PACE Financing will have a PACE Assessment imposed against their Property. To be eligible to participate in the Program, a property owner must, at a minimum:

- Be the person or persons possessing the most recent fee title or land contract vendee's interest of an Eligible Property as shown by the records of the Recorder of Deeds. Alternatively, if the Applicant will become the Record Owner of the property concurrently upon closing of the PACE Financing, documentary evidence showing such anticipated transfer reasonably satisfactory to the Program Administrator will be required. All owners of the fee simple title to the subject property, or their legally authorized representatives, must sign the Final Application. Therefore, before submitting the Pre-Application, please ensure that all owners (or their representatives) of the subject Property will agree to participate in IECA PACE on these terms.
- Obtain the written affirmative acknowledgment of the holders or loan servicers of any mortgages secured by the Property of participation in IECA PACE (See [Section 9.0 Mortgage Lender Consent](#) below).
- Certify they (and its owner of the Record Owner if the Record Owner is a single-purpose entity) are solvent and that no proceedings are pending or threatened in which the Record Owner (or the owner of the Record Owner, as applicable) may be adjudicated as bankrupt, become the debtor in a bankruptcy proceeding, be discharged from all of the Record Owner's (or the owner of the Record Owner's, as applicable) debts or obligations, be granted an extension of time to pay the Record Owner's (and the owner of the Record Owner's, as

applicable) debts or be subjected to a reorganization or readjustment of the Record Owner's (and the owner of the Record Owner's, as applicable) debts. The Record Owner must also certify that the Record Owner (or any owner of the Record Owner if the Record Owner is a single-purpose entity) has not filed for or been subject to bankruptcy protection in the past two years.

- Be current in the payment of all obligations secured by the subject Property, including property taxes, special assessments (including PACE Assessments), special taxes, other tax liens, or water or sewer charges. The Program Administrator and PACE Capital Provider may review public records, including the real property records, to verify compliance with this requirement
- Have no involuntary liens on the Property, including, but not limited to, construction or mechanics liens, lis pendens or judgments against the Record Owner, environmental proceedings, or eminent domain proceedings. The Program Administrator and its financing partners may review public records, including the real property records and court documents, to verify compliance with this requirement.
- Have no notices of default or delinquency on property-based debt that have been recorded and not cured.
- Certify that it is not a party to any litigation or administrative proceeding of any nature in which the Record Owner has been served with notice of pending litigation, and that no such litigation or administrative proceeding is pending or threatened that, if successful, would materially adversely affect the property owner's ability to operate its business or pay the contractual assessment when due, or which challenges or questions the validity or enforceability of the PACE Assessment Contract or any other documents executed by Record Owner in connection with the Record Owner's participation in IECA PACE.
- Properties that are currently appealing a property tax assessment will be reviewed, and eligibility for IECA PACE will be determined on a case-by-case basis.

4.6 Eligible PACE Capital Providers

IECA PACE operates an "Open Market" PACE Program whereby Eligible Property Owners have the flexibility to select their preferred PACE Capital Provider for a PACE Project on their Eligible Property. The open market model gives Eligible Property Owners access to a range of private capital providers who offer competitive rates and financing terms and conditions. Public funds are not anticipated to be made available for funding PACE Projects, though units of government are not prohibited from participating as PACE Capital Providers. No exclusivity will be provided to PACE Capital Providers, and the Record Owners will retain the right to choose the type and provider of financing that works best for their business needs.

Any capital provider interested in offering PACE Financing must meet certain qualifications to become a PACE Capital Provider and to participate in the IECA PACE Program. The process for becoming a PACE Capital Provider is as follows:

1. The interested capital provider must respond to a RFQ (Request for Qualifications) for consideration by the Program Administrator. The RFQ is available at <http://iecapace.org/benefits-capital-providers>
2. Upon approval by the Program Administrator and execution of a PACE Capital Provider Agreement, the capital provider will be considered a "PACE Capital Provider." PACE Capital Providers are listed on the IECA PACE website.
3. PACE Capital Providers may receive information from the Program regarding financing opportunities as well as pertinent developments related to IECA PACE.

4. Applicants may also pre-select their preferred capital provider prior to the capital provider submitting a response to the RFQ. Information pertaining to the Applicant's applications to IECA PACE shall be kept confidential among the parties to the Application. However, prior to the closing of the applicable PACE Financing, the capital provider must be approved by the Program Administrator as a PACE Capital Provider as outlined above.

The information provided by PACE Capital Providers will be used to link PACE Capital Providers, project developers, energy service companies, Registered Contractors, energy auditors, engineering firms, utility companies, property owners, and others to develop and fund qualified PACE Projects.

IECA PACE reserves the right to rescind the "PACE Capital Provider" status of any PACE Capital Provider according to the terms of the PACE Capital Provider Agreement.

4.7 Eligible Contractors

IECA PACE seeks to facilitate good, locally based jobs for contractors and their employees. All Projects financed through IECA PACE must be installed by a Registered Contractor, approved by the IECA PACE Program Administrator. If a Record Owner desires to have a company that is not a Registered Contractor install the ECMs to be funded through the PACE Financing, the non-participating company may become a Registered Contractor by submitting an IECA PACE Contractor Application and receiving approval from the Program Administrator.

To be eligible for PACE Financing, all work associated with the installation of an ECM that requires a license under any applicable law must be installed by a Registered Contractor who holds the appropriate license.

The Record Owner and PACE Capital Provider are required to ensure that qualified, reputable contractors are chosen to perform the work on the PACE Project according to plan, specifications, and requirements set forth in these Program Guidelines.

4.7.1 Approval of Registered Contractors

All ECMs financed through the IECA PACE Program must be installed by a Registered Contractor. To become a Registered Contractor, a company must complete and submit an IECA PACE Registered Contractor Application ("Contractor Application") through the IECA PACE website and receive approval from the Program Administrator. The Program Administrator will review and respond to Contractor Application submissions within no more than ten business days.

As part of its Contractor Application, the contractor must provide current evidence of any applicable licenses that it holds. The company must also agree to certain terms and conditions that will govern its participation in the Program. When accepting the terms and conditions, a Registered Contractor acknowledges that disbursement of a minimum of 20 percent of total financing proceeds will be contingent upon receipt and approval by the Program Administrator of a final Certificate of Completion a copy is attached as Exhibit A to [Appendix H](#) that is signed by the Record Owner. The Certificate of Completion will certify that all ECMs that are included in the PACE Project have been properly installed and are operating as intended. In accepting the Terms and Conditions of the IECA PACE Program, the Registered Contractor retains all legal rights and remedies in the event of a disagreement with the Record Owner.

A copy of the terms and conditions of participation by Registered Contractors in the IECA PACE Program is attached as [Appendix H](#).

5.0 Retroactive Projects

Completed installations of eligible Energy Conservation Measures are eligible for retroactive PACE Financing. Retroactive PACE Financings are PACE Financings that close financing after the Eligible Property Owner completes the Installation of an Energy Conservation Measure(s). Retroactive Projects must satisfy the same requirements as other PACE Projects. However, the Program Administrator recognizes that an Eligible Property Owner may not have been aware of PACE Programs when undertaking a project that would have been eligible. Another situation that justifies Retroactive PACE Financings is a new construction project, which begins with a short-term construction phase financed by a construction loan, followed by long-term permanent loan that refinances the construction loan. Typically, Eligible Property Owners can access permanent financing only after completion and stabilization of the project. PACE Financing is eligible at both phases. If the PACE Financing is put in place at the closing of the permanent loan, it is considered a Retroactive Project.

Eligible Property Owners with retroactive PACE Projects may apply to IECA PACE to be approved for PACE Financing. Retroactive PACE Projects are subject to the following additional requirements:

- 1) All such retroactive PACE Financings have to close within twenty-four (24) months of the completion of the PACE Project.
- 2) For any such retroactive PACE Project, the term of the PACE Financing will be reduced to account for any of the Energy Conservation Measure's life that has elapsed between the time of installation and the close of a PACE Financing. For example, if a PACE Financing is funded one year after installation of the ECM(s), the eligible term of the financing will be reduced by one year.

Required Documentation

Verification is required to establish prior conditions (baseline) and describe the new Energy Conservation Measures installed in any such retroactive PACE Project. The Energy Assessment for a retroactive PACE Project shall include additional documentation that provides evidence of installation of the ECM(s) that are the subject of the PACE Project, as follows:

- Completion Date for the ECM(s) that are subject to the PACE Project
- Make and model of equipment replaced – (describe the baseline)
- Documentation that provides evidence of equipment installed prior to replacement
- Make and model of ECM(s) that are the subject of the retroactive PACE Project.
- Documentation that provides evidence of installation of new ECM(s)

6.0 Program Fees

IECA PACE and Program Administrator reserve the right to modify the following fee structure at any time due to changes to program requirements or market factors. Such modifications will be published in updates to these Program Guidelines.

6.1 Application Fee

A \$150 fee is due to the Program Administrator at the time the Final Application is submitted to it for review. This fee is to be paid before the Program Administrator will begin review of the Final Application. A credit for the Application Fee paid will be applied toward the Program Fees assessed on an approved Final Application at closing. Application Fees are to be sent to:

IECA PACE
Attn: Program Administrator Servicing Department
pavpal@weccusa.org

6.2 Program Fee

The Program Fee is paid to the Program Administrator at or prior to the PACE Financing closing date. (See [7.0 Program Administration \(Application Process\)](#)). The Program Fee is a one-time processing fee for the transaction that is equal to one and three quarters percent (1.75%) of the Financed Amount stated in the Assessment Contract for the subject PACE Project. The Program fee is limited to a maximum of \$75,000. This fee may be capitalized into the Financed Amount for the subject PACE Project. There may be a minimum Program Fee amount assessed on smaller PACE Projects.

6.3 County Fee

The fee is paid to the county in which the Eligible Property is located at or prior to the PACE Financing closing date. The rate and amount of the county fee shall be equal to one percent (1.0%) of the Financed Amount stated in the Assessment Contract for the subject PACE Project. The county fee may be capped subject to the County's discretion. This fee may be capitalized into the Financed Amount for the subject PACE Project.

6.4 Bond Placement Fee

Applicants will be assessed the cost of the bond placement associated with the subject PACE Financing. The bond placement fees include the cost to issue the Bond Agreement including, bond counsel, issuer fees and the trustee. These fees may be capitalized into the Financed Amount for the subject PACE Project.

6.5 Program Administration Maintenance Fee

The annual PACE Assessment installments shall include a Program Administration Maintenance Fee in an amount that is yet to be determined.

6.6 County Treasurer Fee

The county in which the Eligible Property is located may establish an amount for and charge an annual servicing fee for the collection and processing of the PACE Assessment from the real estate tax bill.

6.7 Program Expenses

The foregoing Application Fee, Program Fee, County Fee, Program Administration Maintenance Fee, and County Treasurer Fee include the suite of fees generally necessary to cover the regular costs of the administration of the IECA PACE Program. These costs and expenses do not include any specialized professional services that may be necessary should the circumstances of any particular PACE Project require them. For example (and without limitation), should any participant in a PACE Project submit substantive comments to the IECA PACE program documentation (including but not limited to the PACE Assessment Contract, request a legal opinion from IECA PACE counsel or require other time and resource intensive review of a transaction, the Record Owner for such PACE Project shall be responsible for covering such IECA PACE expenses at cost. These expenses may be paid out of the proceeds of the PACE Financing. The Program Administrator will require evidence that such expenses will be paid before closing of a PACE Financing may proceed.

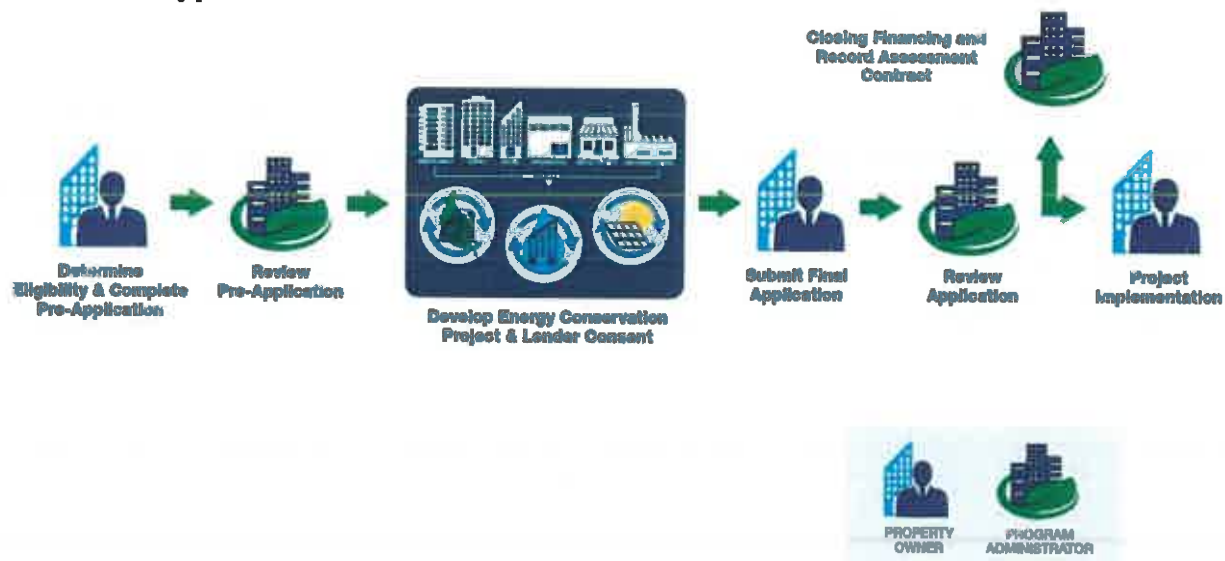
6.8 Capital Provider Fee

PACE Capital Providers may charge an origination fee to cover their cost of arranging the PACE Financing. Any such fee shall be arranged and agreed to in an agreement between the Capital Provider and Applicant. If applicable, a debt service reserve may be required.

7.0 Program Administration (Application Process)

To proceed with a PACE Project a Record Owner must complete the application process outlined below. The Application and Program Administration process is broken into two distinct parts: Part 1 includes the application management, approval, and completion of the project. Part 2 involves the repayment of the PACE Financing.

7.1 Part 1: Application Process



Application Process Overview

To proceed with funding a PACE Project a Record Owner must complete the application process, which has two phases: Pre-Application and Final Application. Approval of the Final Application by the Program Administrator is a requirement prior to closing a PACE Financing.

Project Center

The Project Center portal contains all documents, applications, and instructions required to be approved for PACE financing through IECA PACE. Users may access the Project Center at <https://iecapace.org/project-center>. Applicants are encouraged to review the process below and submit a Pre-Application to determine if their property is eligible for financing.

7.2 Determine Eligibility and Complete the Pre-Application

Step one in the process is to complete the Pre-Application. The Pre-Application gives Record Owners the opportunity to establish Project eligibility for participation in IECA PACE before they invest in project development. The information collected in this step of the process will be used by the Program Administrator to verify that the Applicant's property is an Eligible Property, and that the proposed project falls within the parameters established in these Program Guidelines.

To begin the process, Record Owners or their designated representatives complete the online Pre-Application form available in the Project Center at <https://iecapace.org/project-center>.

New Applicants to IECA PACE will be prompted to create a username and password. These credentials will be used to access the Project Center portal to complete subsequent steps on the application process or to update information.

Once a Pre-Application is submitted, the Program Administrator will conduct a preliminary review to determine if the property and proposed project is eligible for enrollment in the PACE Financing Program. This review will typically be completed within 2 business days of receipt of a completed Pre-Application. If an Applicant's property is not eligible because there is not a PACE Program for the Local Unit of Government where the property is located, the Program Administrator will provide guidance on what steps the Applicant can take to help bring PACE to their community.

7.3 Develop Energy Conservation Project and Lender Consent

Following review and approval of the Pre-Application, the Program Administrator will notify Applicant that the Pre-Application is approved and Record Owners should move forward with the Project development phase.

Record Owners will work with their designated representatives to develop and define an eligible PACE Project. Applicants should obtain an Energy Assessment at this point in the process, as previously described in [Section 4.3 Energy Assessment Requirements](#) above. Following the Energy Assessment, Applicants will work with their Registered Contractors to determine the final scope, project cost and schedule.

Simultaneously to the Project development process the Program Administrator recommends the Applicant approach any current mortgage holder(s) to acquire written Mortgage Lender Consent for the proposed PACE Financing. (See [Section 9.0 Mortgage Lender Consent](#)), below. Mortgage Lender Consent is a condition precedent to closing a PACE Financing under IECA PACE.

Applicants should also contact eligible PACE Capital Providers to secure acceptable PACE Financing terms and conditions.

The Program Administrator manages a list of qualified PACE Capital Providers and this information is available to all Applicants on the Program website iecapace.org. Applicants are free to work with any Capital Provider who will provide financing in accordance with IECA PACE's eligibility requirements. (See [Section 4.6 Eligible PACE Capital Providers](#), below.) The PACE Capital Provider will conduct its own review of the PACE Project according to its underwriting requirements.

7.4 Submit Final Application with Supporting Documentation

When the pre-development work for the PACE Project is substantially complete, Record Owners should then complete the Final Application. The Final Application is available to the Record Owner upon approval of the Pre-Application and is accessible through the Project Center / Existing Application. The Program Administrator will also send the Record Owner an email with a link to the Final Application within Project Center. For reference there is a sample copy of the form Final Application is available in [Appendix G](#).

Along with a complete Final Application form, Record Owners are required to submit documentation about the PACE Project. The Final Application form within the Project Center contains a section available to Record Owners to upload all of the required documents. The Program Administrator will

only accept documents uploaded through the Final Application form in the Project Center. Applicants shall supply the following supporting documentation:

- **Executed Final Application** completed by the Record Owner, with all files filled including all owner certifications and signatures.
- **Signed Installation Contract(s)** from Registered Contractor(s) for the PACE Project that includes the cost of the work, the scope of work, and the schedule for the installation of the ECM(s). Such contract(s) shall provide specifications for the equipment & improvements to be installed in the PACE Project, specifically the ECM(s) identified in the Energy Assessment for the PACE Project.
- **Energy Assessment** conducted according to the requirements of these Program Guidelines and documenting the expected monetary savings from the energy, water and operations savings to be achieved by the PACE Project.
- **Appraisal or Assessed Value** as indicated on the Final Application by the Record Owner, which will indicate the basis for the Eligible Property valuation. If the Applicant selects appraised value, a copy of such appraisal, conducted within 12 months of the estimated closing date shall be submitted along with its application.
- **Capital Provider Offer to Fund:** Applicant must provide documentation that indicates that a Capital Provider has offered to provide PACE Financing for the Applicant's PACE Project. Such documentation may be evidenced by a signed term sheet, commitment letter or other documentation reasonably satisfactory to the Program Administrator.
- **Substantially Final PACE Assessment Contract** (see [Section 7.5](#) for further detail) must have been agreed upon among the Record Owner and the Program Administrator. There should be no material changes to the PACE Assessment Contract after IECA PACE approval and prior to closing.
- **Payment of Program Expenses** must be evidenced in a proposed sources and uses or some other documentation reasonably satisfactory to the Program Administrator. (See [Section 6.7 Program Expenses](#) for further detail.)

Pre-closing Documents (May be submitted after submission of Final Application however documents must be submitted prior to closing of the subject PACE Financing).

- **Mortgage Lender Consent** evidenced by written consent from all existing mortgage holders on the Eligible Property for the proposed PACE Project. (See [Section 9.0 Mortgage Lender Consent](#) for further detail.) Requests for Mortgage Lender Consent must be delivered to holders or servicers of property-based debts on the Eligible Property at least 30 days prior to loan closing.
- **Mortgage Loan Balance(s)** submitted as copies of the most recent mortgage loan statement(s) for all such loans outstanding on the property in order to determine the current loan-to-value ratio.
- **Title Report** disclosing all current mortgage and lien holders on the property and showing that there are no involuntary liens on the property (the Title Report must be issued not more than 30 days prior to closing of the PACE financing). The Applicant and Capital Provider are responsible for obtaining the report.
- **Closing/Disbursement Statement** listing the fees, expenses, third party services, etc. to be disbursed with the proceeds of the PACE financing including the amount of payment.

Once a complete Final Application is received, the Program Administrator will review it for completeness and accuracy of the information and documents enclosed to ensure they comply with these Program Guidelines. The Program Administrator will provide the Record Owner with written Notice of IECA PACE Approval or request for more information within 10 business days of a submission of a completed Final Application. If the Program Administrator finds the Record Owner's Final Application is incomplete, the Program Administrator will notify the Record Owner who will have the opportunity to complete any missing information. Upon resubmission of a completed Final Application, the Program Administrator will complete its review within 10 business days and respond in writing with the results of its review of the Final Application. Thereafter, the PACE Project may be submitted for final IECA PACE approval.

7.5 Close Financing & Execute PACE Assessment Contract

Upon the approval of the Final Application, a Notice of IECA PACE Approval will be sent to the Record Owner and its designated agent. Upon receipt of the Notice of IECA PACE Approval, the Record Owner may proceed with closing of the PACE Financing.

In addition to any financing agreements required by the PACE Capital Provider, the Record Owner and PACE Capital Provider are required to execute the PACE Assessment Contract and/or Memorandum of Assessment Contract in conjunction with the PACE Financing closing. The PACE Assessment Contract is a contract between the Participating Community and the Record Owner that memorializes for the public record that there is a PACE Financing and PACE Assessment Contract outstanding against the Record Owner's real property, among other terms. A copy of the PACE Assessment Contract is included in these Program Guidelines in [Appendix D](#). Following the execution and payment of all applicable fees, the Program Administrator will record the PACE Assessment Contract with the recorder of deeds in the county in which the Eligible Property is located.

7.6 PACE Project Implementation

Following close of the PACE Financing and receipt of the proof of recording of the PACE Assessment Contract, the Record Owner and its agents may initiate construction of the PACE Project or otherwise fund the PACE Financing in accordance with the agreements with the PACE Capital Provider, the PACE Assessment Contract and the Installation contractor's contract.

The Record Owner or Registered Contractor will submit interim completion certificates to the PACE Capital Provider in order to draw funds for the PACE Project. Funds will be drawn directly from the PACE Capital Provider according to terms agreed to between those parties.

7.7 Project Completion

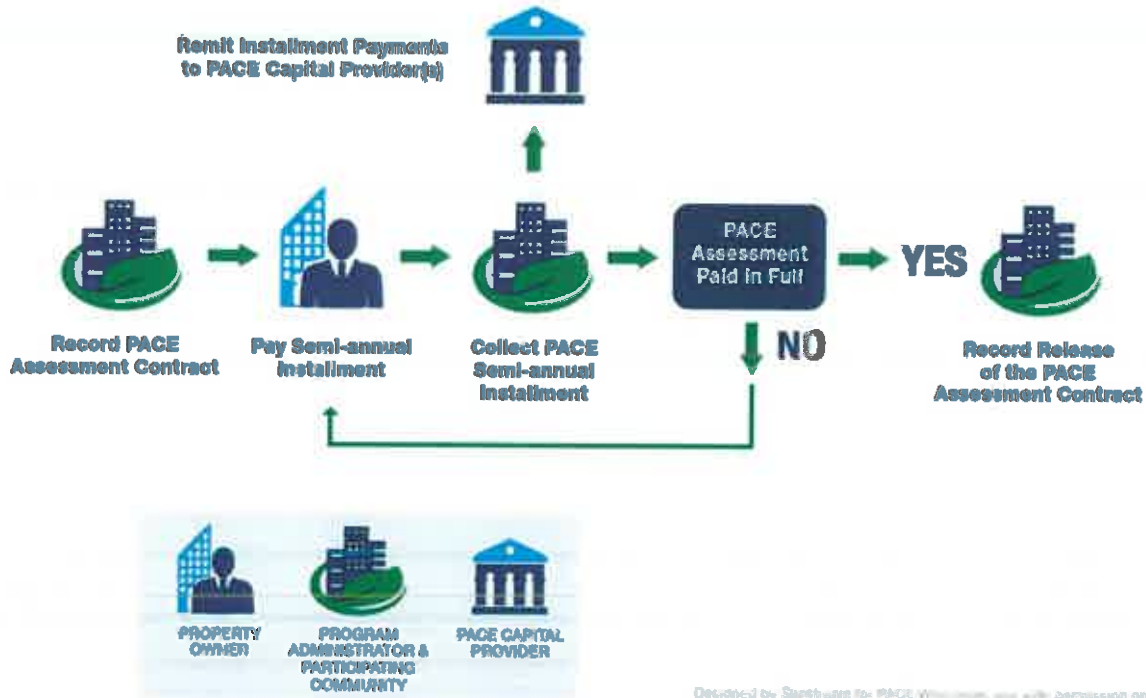
Upon final completion of the PACE Project, the Record Owner and Registered Contractor will execute a final completion certificate. The PACE Capital Provider is prohibited from releasing the final draw of the PACE Financing funds until the Record Owner signs a final Completion Certificate (See Exhibit A to [Appendix H](#)) and submits it to the Program Administrator on behalf of the Local Unit of Government. The Completion Certificate will acknowledge that all contracted work has been fully and satisfactorily completed. The Completion Certificate will further acknowledge that the Local Unit of Government has complied with all requirements of Section 25 of Public Act 100-0980.

IECA PACE recommends, but does not require, that the Registered Contractor or Energy Assessment Provider complete commissioning of the ECMs prior to executing the final Completion Certificate.

IECA PACE recommends that the commissioning provider submit a post-construction commissioning report to the Record Owner, Program Administrator and PACE Capital Provider. A post-construction commissioning report includes certain information:

- 1) A statement that systems have been completed in accordance with the Energy Assessment and/or Renewable Energy Feasibility Study and contract documents, and that the systems are performing as expected;
- 2) Identification and discussion of any substitutions, compromises, or variances between the final design intent, contract documents and as-built conditions;
- 3) Description of components and systems that exceed the owner's Project requirements and those which do not meet the requirements and why; and
- 4) A summary of all issues resolved and unresolved and any recommendations for resolution.

8.0 Assessment Administration



8.1 Assessment Lien

An Assessment Contract created pursuant to the PACE Statute, including the full amount of the PACE Financing, the Semi-Annual Installments, and any Interest or penalties accrued thereon, constitutes a first and prior lien against the Property on which the Assessment Contract is imposed from the date the Assessment Contract is recorded until the Assessment Contract and all Interest and penalties thereon is satisfied.

The Assessment Contract Lien has the same priority status as a lien for any other tax imposed by any agency, municipality or county of the State of Illinois and shall be treated as a tax imposed by any agency, municipality or county. The Assessment Contract (lien) runs with the land and that portion of the Assessment Contract that has not yet become due is not eliminated by foreclosure of a property tax lien. The Assessment Contract lien cannot be accelerated or extinguished until fully repaid. The Assessment Contract lien may be enforced by the County in the same manner as failure to pay real property taxes within such County.

8.2 Repayment of the PACE Financing

Repayment of the PACE Financing will commence according to the terms of the PACE Assessment Contract. The first repayment date for a Semi-Annual Installment of an assessment will be subject to the assessment repayment schedule in the Assessment Contract as well as the existing schedule for billing and collection of real property taxes for the county in which the Eligible Property is located.

Semi-Annual Installments will be collected by the county using their present tax collection process, including through a county tax claim bureau, locally elected tax collector or contracted third party tax collector. Notwithstanding the above, Semi-Annual Installments will not be subject to payment plans

or grace periods allowable for real property taxes; each Semi-Annual Installment must be paid in full on the relevant due date under the Assessment Contract or will be considered delinquent. While partial payments of Annual Installments may be accepted, such Annual Installment will be considered delinquent with respect to the outstanding unpaid amount of that Annual Installment. Annual Installment payments will be added to the Eligible Property Owner's real estate tax bill or stand-alone bill as a separate line item.

Each Semi-Annual Installment payment shall include a Program Administrator Maintenance Fee and a County Treasurer Fee. The Program Administrator will remit collected Semi-Annual Installments, including any penalty or interest thereon, to the Capital Provider pursuant to the terms of the Assessment Contract.

All other procedures related to the payment of the Assessment, including remedies for delinquency and defaults, will be set forth in the Assessment Contract related to the applicable PACE Financing. Nothing in these Program Guidelines may supersede or alter the terms and conditions contained in an Assessment Contract entered into by an Eligible Property Owner and a Participating Community.

Nothing in these Program Guidelines may supersede or alter the terms and conditions contained in a PACE Assessment Contract entered into between a Record Owner and a PACE Capital Provider.

8.3 Delinquent PACE Semi-Annual Installments and Enforcement Remedy

Pursuant to the PACE Statute and an executed Assessment Contract related to an Eligible Property, the Assessment Contract (lien) on such Property will be enforced by the county in the same manner that a property tax lien against real property is enforced by the county to the extent the enforcement is consistent with the laws of Illinois. Delinquent Semi-Annual Installments will incur interest and penalties in the same manner as delinquent property taxes. Delinquent Semi-Annual Installments will be enforced by the county subject to the county's present tax collection process, including through tax sale and/or foreclosure, and pursuant to the terms of the Assessment Contract. In the event a delinquent Annual Installment is enforced, the outstanding balance of the Assessment Contract will not accelerate.

Other events of default may occur if the Record Owner fails to adhere to other obligations specified in the Assessment Contract.

An Assessment Contract may be transferred to a Record Owner upon sale or transfer of the Eligible Property during the term of an Assessment Contract. The process and requirements for transfer of the Assessment Contract are specified in the Assessment Contract ([See Appendix D](#))

8.4 Once a PACE Assessment Has Been Paid In Full

Once the Assessment Contract is repaid in full according to the terms of the Assessment Contract, repayment of the Semi-Annual Installments will cease and the Program Administrator will record a termination of the Assessment Contract with the appropriate county recorder of deeds.

9.0 Mortgage Lender Consent

All Record Owners must provide the written consent of the existing holder or loan servicer of any existing mortgages or other real property lienholder of record on the Eligible Property ("Existing Lien

Holder”) prior to Final Application approval by the Program Administrator. The purpose of the Mortgage Lender Consent is to:

- Provide notice to the Existing Lien Holder that the Record Owner is proposing the Eligible Property participate in IECA PACE and obtain the Existing Lien Holder’s consent to such participation.
- Request confirmation from the Existing Lien Holder that the levy of the PACE Assessment, subject to the PACE Assessment Contract will not trigger an event of default or the exercise of any remedies under the mortgage loan documents or other security documents held by the Existing Lien Holder.
- Advise the Existing Lien Holder that the PACE Financing will be repaid in Semi-Annual Installments collected pursuant to the terms of the PACE Assessment Contract and Bond Agreement subject to the same penalties, remedies and lien priorities as a special assessment. Additionally, provide notification that the Existing Lien Holder’s lien will be subordinate to the PACE Assessment.
- Advise the Existing Lien Holder of the maximum amount of the PACE Financing and the maximum annual assessment amount necessary to repay the maximum PACE Financing.
- Advise the Existing Lien Holder that the Local Unit of Government, or its permitted assignee, can foreclose the property if the PACE Assessment is not paid.
- Contain a declaration from the Record Owner of the Eligible Property to pay on a timely basis both the existing obligations secured by the Eligible Property and the proposed PACE Financing.

The Program Administrator recommends that the Record Owner consult with its PACE Capital Provider before they approach an Existing Lien Holder. Many traditional lenders are not familiar with PACE Financing and may misunderstand how it works. In seeking Existing Lien Holder consent, the Record Owner may find it helpful to inform Existing Lien Holder(s) that in the event of PACE Financing default and tax foreclosure, the PACE Financing will not accelerate and only the delinquent amount of the PACE Financing will enjoy super-priority lien status. Further, participating Eligible Property Owners should emphasize that PACE-financed projects increase the value of the Existing Lien Holder’s collateral. Record Owners are encouraged to have the PACE Capital Provider attend the meeting with the Existing Lien Holder.

A copy of the Mortgage Lender Consent template can be found within the Project Center in the Documents section located [here](#).

10.0 Change Orders

All change orders that result in an alteration of the anticipated energy and water savings attributed to the PACE Project must be pre-approved by Program Administrator to ensure that the changes to the PACE Project remain consistent with the requirements as set forth in these Program Guidelines. The Record Owner shall provide documentation of the change as follows:

- Change in PACE Project scope, description of changes
- Revised PACE Project budget to account for changes in PACE Project cost
- Energy and operations savings estimates, as evidenced in a revised Energy Assessment or Renewable Energy Feasibility Study
- Approval of the change by the PACE Capital Provider.

A Record Owner who requires a change order is required to complete a summary of the above changes and submit the same to Program Administrator for approval.

11.0 Disclosure

- The Program Administrator does not provide legal advice and will not mediate any disputes between any participants in IECA PACE, including but not limited to, Record Owners of Eligible Properties and their tenants, PACE Capital Providers, Registered Contractors, energy service companies, and utilities.
- In addition to other designated and implied responsibilities in the PACE Program, Applicant is responsible for reviewing the terms, conditions, and obligations implied by the PACE Assessment Contract, as well as the terms of any supplemental agreements with the PACE Capital Provider and all agreements with Registered Contractors, Energy Assessment providers, and any other parties to the project.
- When approving an installation contractor as a Registered Contractor, the Program Administrator conducts a limited review of the company, including review of professional licenses held by the contractor. Record Owner should not rely on Program Administrator's approval of a Registered Contractor as assurance of the Registered Contractor's qualifications. Record Owner is responsible for conducting its own due diligence, including but not limited to consideration of finances, performance, and pricing, before selecting a contractor.
- The Program Administrator does not provide any accounting advice regarding how a Record Owner should treat the PACE Financing in their books and records.
- The Program Administrator has the right to review all projects for eligibility and may approve PACE Projects for PACE Financing according to the standards and criteria set forth in these Program Guidelines.
- IECA PACE and the Local Unit of Government retain ultimate discretion whether to approve a PACE Financing and enter into a PACE Assessment Contract to levy a PACE Assessment against an Eligible Property.
- PACE Capital Providers are prohibited from releasing, and installation contractors are prohibited from receiving, final payment for a PACE Project until the required parties have duly executed a Certificate of Completion and the Program Administrator has accepted the Certificate of Completion.
- The Local Unit of Government and Program Administrator:
 - Do not endorse any particular PACE Capital Provider, Registered Contractor, engineering firm, manufacturer, product, or system design by this offering.
 - Are not responsible for any tax liability imposed on the recipient as a result of the payment.
 - MAKE NO REPRESENTATION OR WARRANTY, AND ASSUME NO LIABILITY WITH RESPECT TO THE QUALITY, SAFETY, PERFORMANCE, OR OTHER ASPECT OF ANY DESIGN, CONSULTING, PRODUCT, SYSTEM, EQUIPMENT, OR APPLIANCE INSTALLED OR RECEIVED AND EXPRESSLY DISCLAIM ANY SUCH REPRESENTATIONS, WARRANTIES, AND LIABILITY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Please contact your contractor for detailed manufacturer equipment warranties.
 - Do not guarantee that installation and operation of energy efficient equipment will result in reduced usage or in cost savings to a Record Owner or any occupants of an Eligible Property.

- Are not responsible for the proper disposal/recycling of any waste generated as a result of any Project.
- Are not liable for any damages, including any incidental or consequential damages, arising out of the operation or malfunction of the products, equipment, or appliances, or the installation thereof related to a PACE Project.
- Unless notified in writing, Program Administrator reserves the right to publicize participation in the Program.
- Upon reasonable notice period a Program Administrator representative may schedule a site visit to verify that qualified products, systems, equipment, or appliances were installed.

Appendix A: State of Illinois PACE Statute

Illinois Public Act 100-0980 enables Commercial Property Assessed Clean Energy Financing in the state of Illinois. Illinois amended Public Act 100-0980 In August, 2018. The full text of the act, as amended in August, 2018, is available on the website of the Illinois General Assembly and may be accessed at: <http://ilga.gov/legislation/publicacts/fulltext.asp?Name=100-0980>

The state may approve additional amendments to the enabling legislation in the future. Eligible Property Owners, PACE Capital Providers, and Registered Contractors are responsible for complying with any applicable future amendments to the law.

Appendix B: PACE Financing Ordinance

Ordinance No. _____

AN ORDINANCE establishing a property assessed clean energy program in The County of _____ Illinois, designating a PACE Area, providing for property assessments, and approving related matters.

* * *

WHEREAS, The County of _____, Illinois (the "*County*"), is a duly organized and existing unit of local government created and existing under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Counties Code of the State of Illinois, as amended (the "*Counties Code*"); and

WHEREAS, pursuant to the Property Assessed Clean Energy Act of the State of Illinois, as amended (the "*Act*"), the County Board of the County (the "*Board*") is authorized to establish a property assessed clean energy (PACE) program (the "*Program*") to finance Energy Projects (as defined in the Act) intended to decrease energy consumption using voluntary assessments recorded against privately-owned commercial, industrial, non-residential agricultural, or multi-family (of 5 or more units) real property falling within the jurisdiction of the County and in an area designated by the County as a PACE Area (as defined in the Act); and

WHEREAS, in order to implement and facilitate the Program, the Act provides that the County is authorized to enter into agreements with qualifying owners of real property, Program Administrators (as defined in the Act) and third party capital providers to provide for the imposition of assessments against qualifying properties on the land records of the County to secure the repayment of contractual assessments for the purpose of providing owners of qualifying properties located in the County with affordable financing for energy improvements with respect to such properties; and

WHEREAS, the Board does hereby determine that it is advisable and in the best interests of the County to establish the Program in and for the County, designate a PACE Area, provide for property assessments, and approve related matters:

NOW, THEREFORE, It Is Hereby Ordained by the County Board of The County of _____, Illinois, as follows:

Section 1. Incorporation of Preambles. The Board hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

Section 2. Public Purpose; Approval of Assessment Contracts. The Board hereby finds that the imposition of assessments against qualifying properties on the records of the County to secure the repayment by property owners of voluntary contractual assessments (“*Assessment Contracts*”) entered into for the purpose of providing owners of qualifying properties (“*Owners*”) located in the County with affordable financing for Energy Projects pursuant to the Program further essential public and governmental purposes of the County. Such purposes include but are not limited to reduced energy costs, reduced greenhouse gas emissions, economic stimulation and development, improved property valuation, and increased employment.

The form of Assessment Contract attached as an Exhibit to the Report (as hereafter defined) is hereby approved. Any two of the following: Chairman of the Board (the “*Chairman*”), the County Administrator, the Chief Financial Officer, or their designee (the “*Authorized Officers*”) is hereby authorized to negotiate and execute on behalf of the County the terms of any Assessments Contracts with Owners pursuant to the procedures set forth in the Report and as required by the Act, and upon execution to record such Assessment Contracts or an extract or memorandum summarizing thereof with the Recorder of Deeds of the County (the “*County Recorder*”). Prior to execution of any Assessment Contract, an Authorized Officer shall make all determinations

required by the Act, which determinations may be made in reliance on the Program Administrator (as hereafter defined) or other sources reasonably deemed to be reliable.

When an Assessment Contract is executed and delivered by the County as herein provided, such Assessment Contract will be binding on the County; from and after the execution and delivery of such Assessment Contract, the officers, employees, and agents of the County are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Assessment Contract as executed. Each Assessment Contract or an extract or memorandum summarizing the relevant terms thereof shall be filed by or at the direction of the County with the County Recorder.

Section 3. Designation of Program Administrator. The County intends to facilitate access to capital to provide funds for Energy Projects to be repaid pursuant to the terms of the Assessment Contracts. In order to facilitate and finance the Program, the Board hereby ratifies, approves and, as necessary, directs the execution of a Program Development and Administrative Services Agreement (the "*Administrative Services Agreement*") with The Illinois Energy Conservation Authority NFP ("*IECA*"), an entity that itself, its affiliates, consultants, or advisors shall have done business as a program administrator or capital provider for a minimum of 18 months as required by the Act (the "*Program Administrator*"). Such Administrative Services Agreement and this ratification and approval shall supercede and replace any prior agreement or approval of the Board. IECA shall serve as the Program Administrator for the PACE Area designated herein by the County. The Administrative Services Agreement shall be in substantially the same form attached hereto as *Exhibit A*. The Administrative Services Agreement is hereby ratified and approved by the Board, and the Authorized Officers are hereby authorized and directed to execute and attest said agreement and any supplement or amendment thereto in the name of the County, with such changes therein as such officials shall approve, their execution thereof to

constitute conclusive evidence of their approval of any and all changes or revisions therein from the executed form before the Board. As the Program Administrator, IECA will administer the Program on behalf of the County and shall be responsible for arranging capital in furtherance of the Program.

Section 4. Energy Projects. The Board approves the following Energy Projects which may be financed pursuant to the Program: the installation or modification of an Alternative Energy Improvement, Energy Efficiency Improvement or Water Use Improvement (each as defined in the Act), or the acquisition, installation or improvement of a renewable energy system that is affixed to a stabilized existing property (including new construction).

Section 5. Designation of PACE Area. The Board designates the jurisdictional boundaries of the County, in their entirety, as a PACE Area.

Section 6. Report. Pursuant to Section 15 of the Act, and in order to establish the Program, a report on the Program (the “*Report*”) shall be finalized by the Program Administrator and approved by the County, which Report shall identify and include at a minimum all of the following:

- A. Form of assessment contract between the County and record property owner governing the terms and conditions of financing and assessment under the Program; and
- B. Identification of the County officials authorized to enter into an assessment contract on behalf of the County; and
- C. Maximum aggregate annual dollar amount for all financing to be provided by the Program Administrator under the Program; and
- D. Eligibility requirements and the application process for financing Energy Projects under the Program; and
- E. Method to determine financing terms, including interest rates, repayment periods, and maximum amounts of assessments; and
- F. Explanation of how assessments will be made and collected; and

G. Capital plan to finance Energy Projects under the Program pursuant to the sale of bonds as authorized under the Act; and

H. Information regarding the following to the extent known, or procedures to determine the following in the future: (i) revenue sources (including reserve funds, if any) to be used as security for the above-mentioned bonds, and (ii) fees to be charged to record owners participating in the Program that will be used to finance costs incurred by the County as a result of the Program; and

I. Require the term of an assessment not exceed the useful life of the Energy Project financed by the assessment; provided, however, that the County may allow projects that consists of multiple improvements with varying lengths of useful life to have a term that is no greater than the improvement with the longest useful life; and

J. Determine an appropriate ratio of the amount of the assessment to the assessed value of the property or the market value of the property as set forth in an appraisal no older than 12 months; and

K. Before participation in the Program, require the record owner of a property subject to a mortgage to obtain written consent from the mortgage holder; and

L. Marketing and participant education provisions; and

M. Debt service reserve fund provisions, if any; and

N. Plans to address quality assurance and antifraud measures.

The Report and all the terms thereof and attachments thereto, in substantially the form attached hereto as *Exhibit B*, are hereby approved, and the Chairman and the County Clerk are hereby authorized and directed to execute and attest a final version of the Report and any supplement or amendment thereto in the name of the County, with such changes therein as such officials shall approve, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form before the Board.

Section 7. Public Hearing. Pursuant to the Act, a public hearing is not required by the County in order to establish, amend or facilitate the Program, to establish a PACE Area or to enter into any agreements in connection therewith.

Section 8. Property Assessments. For the purpose of providing funds required to pay annual amounts due from Owners under the Assessment Contracts, and which amounts may be assigned by the County in furtherance of the Program, there is hereby assessed upon property within the County and subject to an Assessment Contract, in the years for which amounts due under such Assessment Contract are outstanding, a direct annual assessment for that purpose; such assessment shall be in addition to all other assessments and taxes of the County.

Any such assessments are to be collected at the same time and in the same manner as taxes collected under the Illinois Property Tax Code. Alternatively, upon the approval of an Authorized Officer, assessments may be billed and collected by a third party assessment servicer, and this Ordinance shall conclusively be deemed to be a special assessment ordinance of general applicability for purposes of the Act.

The County expressly intends to assign and/or pledge payments to be received from each such Assessment Contract in furtherance of the Program. The County covenants and agrees with the beneficial holders of assessments that so long as such assessments remain outstanding, the County will take no action or fail to take any action which in any way would adversely affect the ability of the County to assess and collect the assessments provided for in this Ordinance. The County and its officers will comply with all present and future applicable laws in order to assure that the assessments may be permitted to be assessed, extended, and collected pursuant to applicable law.

Section 9. Limited Obligation of the County. Any obligation of the County to provide funds pursuant to an assignment of amounts to be received under an Assessment Contract shall be a special, limited obligation of the County, payable solely from the funds provided in such Assessment Contract and is not a general obligation of the County, and the full faith and credit of the County is not pledged to the payment of any obligation secured by such assigned amounts.

The Assessment Contracts and any obligations secured thereby shall be payable solely and only

from payments of assessments on benefitted property within the PACE Area, and if applicable from revenue sources or reserves established in support of such obligations.

Section 10. No Conflicts; Further Acts of the County. It is hereby found that no person holding any office of the County either by election or appointment, is in any manner financially interested, either directly, in his or her own name, or indirectly, in the name of any other person, association, trust or corporation, in the transactions contemplated hereby.

When financing documents are executed and delivered by or on behalf of the County in support of the Program, such financing documents will be binding on the County; from and after the execution and delivery of such financing documents, the officers, employees, and agents of the County are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such financing documents as executed.

Section 11. Additional Ordinances. The Board may adopt additional ordinances or proceedings supplementing or amending this Ordinance. Such additional ordinances or proceedings shall in all instances become effective immediately without publication or posting or any further act or requirement. This Ordinance, together with such additional ordinances or proceedings, shall constitute complete authority for the County to implement the Program, all in accordance with applicable law.

Section 12. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Section 13. Repealer and Effective Date. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed and this Ordinance shall be in full force and effect forthwith upon its adoption.

PASSED by the County Board of The County of _____, Illinois, this ____ day of _____, 2018.

Chairman of the County Board of
The County of _____, Illinois

ATTEST

County Clerk,
The County of _____, Illinois

Appendix C: Eligible PACE Improvements

Common Eligible Energy Conservation Measures

The following list of predominant, long-standing, proven energy efficiency technologies, water conservation technologies, and renewable energy generation systems is intended as a reference list for IECA PACE Applicants and can change at any time. If not included on this list, Program Administrator will review proposed ECM(s) and accept them on a case-by-case basis.

- High efficiency lighting
- Heating ventilation air conditioning (HVAC) upgrades
- New automated building and HVAC controls
- Variable speed drives (VSDs) on motors fans and pumps
- High efficiency chillers
- High efficiency boilers and furnaces
- High efficiency hot water heating systems
- Combustion and burner upgrades
- Fuel switching resulting in an overall reduction in the number of BTUs required to achieve a given end use
- Water conservation measures
- Heat recovery and steam traps
- Building enclosure/envelope improvements
- Building automation (energy management) systems
- Renewable energy systems
- Electric vehicle charging stations
- Voltage optimization devices that reduce energy consumption by an end user

The following end-use savings technologies are generally more applicable to industrial facilities:

- New automated process controls
- Heat recovery from process air and water
- Cogeneration used for peak shaving
- Process equipment upgrades
- Process changes

Shown below are key aspects of some of the most commonly applied technologies listed above, with their typical simple payback range. These payback ranges are only provided for informational purposes and should not be construed as a guarantee of performance or requirement for IECA PACE funding eligibility.

Lighting (typical two- to three-year simple payback)

- Daylight controls and natural daylighting designed to reduce energy and improve visual comfort.
- Upgrades for existing fluorescent fixtures including electronic ballasts, T8 lamps, and reflectors including the installment of LED bulbs and fixtures.
- Meeting rooms and other intermittently occupied spaces can garner significant energy savings with the use of timers and occupancy sensors.
- Smaller Impact opportunities including security lighting, stairwell lighting, exterior night-time security lighting and exit signs.

Refrigeration (typical 3 to 5 year simple payback)

- Install improvements to refrigerated cases and walk-in coolers to improve efficiency and decrease waste.
 - Additional insulation, anti-sweat heater controls, auto-closers for cooler/freezer doors, case-lighting controls, improved defrost controls, suction line insulation, etc.
- Thermal Storage Systems (for load shifting).
- Compressors (VFD and controls, heat recovery, mechanical sub-cooling, evaporative condensers, etc.)

Motors (typical 3 to 5 year simple payback)

- High efficiency electric motor replacements usually pay back when a motor is running for long periods at high load, or at the end of motor life.
- The cost premium over standard motors normally can be recovered in less than 2 years
- Motor sizing to the actual load profile to improve efficiency and control electrical power factor.

Variable Speed Drives (typical 3 to 5 year simple payback)

- Applied to motors, pumps and fans
- Matches motor use to variable operating load
- Can save up to 40 percent in power consumption
- Can be packaged with controls
- Extends motor life.

HVAC (typical 2 to 8 year simple payback)

- New packaged units can increase efficiency and indoor comfort
- Proper sizing of HVAC equipment is a major opportunity, since full-load operation is more efficient than part load operation - consider fan capacity reduction or staging of 2 smaller units rather than partial loading of one large unit
- Install VSDs on HVAC motors
- Balance air and water supply systems to remove trouble spots demanding inefficient system operation
 - Improve maintenance
 - Eliminate simultaneous heating and cooling
 - Install economizers and direct digital controls
- Variable air volume conversions versus constant air flow
- Ventilation reduction
- Unoccupied shutdown or temperature setback/setup (controls).

Chillers (typical 5 to 10 year simple payback)

- New chiller models can be up to 30-40 percent more efficient than existing equipment.
- Upgrade lead chiller(s) (base load) to high efficiency
- Manage chiller and condenser settings to minimize compressor energy
- Optimize pumping energy for distribution of chilled water
- Optimize HVAC operation to:
 - Improve temperature/humidity control
 - Eliminate unnecessary cooling loads
- CFC reclamation program/inventory - chiller replacement may achieve both CFC management and energy efficiency objectives.

Boilers (typical 3 to 5 year simple payback)

- Replace steam with hot water boilers for hot water heating loads
- Improve maintenance
- Optimize operation/staging in multiple boiler plants
- Optimize boiler controls
- Tune or replace burners
- Add small “pony” boilers for low loads:
 - Reduced fuel consumption/energy costs
 - Reduced emissions
 - Reduced maintenance costs
 - Higher reliability.

Heat Recovery (typical 2 to 4 year simple payback)

- Heat recovery devices to capture waste heat from water, process heat and exhaust air to re-use it for preheating: of Building intake air
 - Boiler combustion air
 - Boiler feed-water
 - Inlet water for domestic hot water.

New Automated Building and HVAC Controls (typical 3 to 5 year simple payback):

- Old controls may still be pneumatic systems based on compressed air - new electronic controls are more precise and reliable, with greater capabilities.
- Can automate lighting, chiller, boiler and HVAC operation:
 - Load shedding
 - Optimal start/stop/warm up
 - Ventilation control.
- Whole-building energy management systems may come with other advanced control technologies:
 - Security, fire and life safety
 - Alarm monitoring and report generation
 - Preventive maintenance scheduling
- Remote monitoring/metering capabilities may be attractive.

Building Shell and Fenestration (typical 3 to 10 year simple payback)

- Roof insulation, combined with reflective roof coatings in warm climates, reduces energy consumption
- Review building pressurization for proper ventilation: o
 - Balance exhaust and Intake air quantities
 - Add weather-stripping on doors and windows
 - Seal cracks and unnecessary openings
- Window films to reduce solar heat gain and/or heat loss
- Replace windows with more energy efficient glazing.

Water Conservation Improvements (typical 3 to 5 year simple payback)

- Domestic water use can be impacted greatly by the replacement of toilets, urinals, and other bathroom fixtures.
- Commercial kitchens can save water through the replacement of pre-rinse valves, dishwashers, and icemakers.

- Laundry equipment in commercial properties and Laundromats can benefit greatly with upgraded equipment.
- HVAC systems can reduce water consumption through the installation of cooling towers, condensers, and steam boilers.
- Industrial water consumption from car washes, film and x-ray processing, and high-tech manufacturing can be reduced through the installation of equipment involved in each specific process/facility.

Renewable Clean Energy Improvements (typical 3 to 15 year simple payback)

- Solar photovoltaic power
- Solar thermal
- Wind Power
- Geothermal energy
- Fuel Cell
- Methane Gas from landfills
- Low emission advanced renewable energy conversion technologies
- Internal Combustion Engine (ICE) using renewable fuel
- Projects that seek to deploy electric, electric hybrid, natural gas or alternative fuel vehicles and associated infrastructure and any related storage, distribution, manufacturing technologies or facilities
- Sustainable Biomass Facility

Electric Vehicle Charging Stations

- Transitioning from gasoline and diesel powered vehicles frequently reduces total transportation-related energy consumption, as measured by total BTUs consumed.
- Electric vehicles have lower cost for operation, maintenance, and fuel than gasoline or diesel powered equivalents.

Voltage Optimization Devices

- Savings may be achieved by reducing energy lost during the transmission and transformation processes.

Ineligible Measures

The following items will not be considered as efficiency measures under the Program Administrator program:

- Compact fluorescent, screw-in lamps
- Plug load devices
- Measures that are not permanently installed and can be easily removed
- Measures that save energy solely due to operational or behavioral changes
- Any measure that does not result in energy savings, reduced water consumption, or renewable energy production.
- Any measure that cannot be explained in terms of industry-standard engineering or scientific principles
- Vending machine controllers
- Refrigerant charge (AC/Split Systems/Heat Pumps)

Appendix D: PACE Assessment Contract

Document is in process of being updated.

[See Attached]

Appendix E: ASHRAE Audit and Engineering Descriptions

ASHRAE Level I

ASHRAE Level I standards are defined by ANSI/ASHRAE/ACCA Standard 211-2018. An ASHRAE Level I energy audit consists of 1) a walk-through analysis to assess a building's energy cost, 2) a utility bill analysis to assess its efficiency (using ASTM BEPA Methodology to establish the building's baseline energy use), and 3) conducting a brief on-site survey of the building. The walk-through may be targeted at a specific building component that is intended to be replaced or upgraded or added (such as in the case of installing a solar energy system) or may include checking all major energy-using systems. Operational metrics of building equipment are typically limited to data collection of nameplates, but may be more detailed if that data is readily available. Level I energy analysis should at the minimum identify ECMs and the associated potential energy savings, the estimated cost of the ECMs, and specify where further consideration and more rigorous investigation is warranted.

ASHRAE Level II

An ASHRAE Level II energy audit is a more detailed investigation and includes a more comprehensive building survey and energy analysis than a Level I audit. It also includes more detailed financial analysis. In addition to nameplate data collection, empirical data may also be acquired through various field measurements using handheld devices. The Level II audit should at the minimum identify and provide the investment and cost savings analysis of all recommended ECMs that meet the owner's constraints and economic criteria, along with a discussion of any changes to operation and maintenance procedures. Detailed financial analysis includes ROI, IRR, NPV and payback period determination reflecting PACE Financing. Sufficient detail on projected energy savings is provided to justify project implementation.

ASHRAE Level III

The ASHRAE Level III energy audit (often referred to as an "investment grade audit") is generally applicable to projects that are very capital intensive and demand more detailed field data gathering as well as more rigorous engineering analysis. The Level III energy audit provides even more comprehensive project investment and cost savings calculations to bring a higher level of confidence that may be required for major capital investment decisions. Data collection may involve field measurements acquired through data loggers and/or an existing energy management system.

Appendix F: Intentionally Left Blank

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Appendix G: Sample Final Application

The following is a sample of the IECA PACE Final Application completed and submitted through the IECA <https://iecapace.org/project-center>. It may serve as a reference for information required when completing a Final Application. Note that, in addition to the fields on the sample, additional data regarding measures will be required; these values are listed after the sample application.

IECA PACE Final Application



The purpose of this Final Application is to confirm property owners and proposed PACE Projects meet all eligibility requirements set forth in the IECA PACE Program Guidelines. The data collected here and document submissions are required to complete this verification process. Once the Program Administrator completes a review of this information, approved PACE Projects will receive a Notice of IECA PACE Approval letter. If the Program Administrator determines that the Final Application is incomplete then the Applicant will receive a request for more information. A copy of this Final Application signed by the key principal(s) is a required document.

CONTACT: For questions about IECA PACE or application status, email iecapace@energyfinancesolutions.com.

PROPERTY LOCATION

Address Line 1	County
Address Line 2	State
City	ZIP

POINT OF CONTACT INFORMATION

Business Contact Name	Company Legal Name
Title (Job Title)	
Business Contact Phone	Business Contact Email

PROPERTY OWNER INFORMATION

Property Owner Legal Name	
Property Owner Business Classification	
Key Principal Name	Title
Property Type	
Value of Property	Valuation Source

Have you ever filed for bankruptcy or is the property currently an asset to a bankruptcy?

Are there delinquent property taxes, utility payments, or property-secured debt payments for the property?

Are any involuntary liens recorded against the property?

ENERGY CONSERVATION IMPROVEMENTS

Measure Description	Measure Type	Useful Life
Measure with longest useful life (years)	Annual Dollars Saved	



CONTRACTORS**Energy Assessment Provider**

Contractor Company Name	Contractor Name
--------------------------------	------------------------

CAPITAL SOURCES**PACE Financing Amount****Other Loan****Utility Rebates****Owner Cash Contributions**

Total Capital Sources	\$0.00
------------------------------	---------------

PROJECT COST**Installation Contractor Cost****Project Development Fee****PACE Program Fee****Financing Fees****Other Project Cost****Energy Assessor Cost****Legal Cost****Capitalized Interest**

Total PACE Project Cost	\$0.00
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PROJECT SCHEDULE**Anticipated Project Completion (Quarter, Year)****PACE FINANCING INFORMATION****Capital Provider Name**

Financing Interest Rate	0.00%	Financing Term
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REQUIRED DOCUMENTS

Please upload a copy of each required document listed below. A signed copy of this Final Application must be scanned and uploaded to your account. By signing this application, the property owner(s) certifies that it meets the Eligible Property Owner requirements, listed on the last page of this document and in the IECA PACE Program Guidelines.

Document(s)

- Final Application (Signed)
- Signed Installation Contract(s)
- Energy Assessment
- Existing Mortgage Loan Statement(s)
- Mortgage Lender Consent
- Title Report

APPLICATION FEE

A \$150.00 fee is due to the Program Administrator at the time the Final Application is submitted to it for review. This fee is to be paid before the Program Administrator will begin review of the Final Application. A credit for the Application Fee will be applied toward the Program Fees assessed on an approved Final Application.

OWNER SIGNATURE(S)

To the best of my knowledge, the statements made above are complete, true and correct. I hereby certify that I meet the IECA PACE Eligible Property Owner requirements (stated in the Program Guidelines and below) and am authorized to submit this application and affix my signature below. Submission of this application and required project documents does not guarantee approval for funding.



ELIGIBLE PROPERTY OWNER REQUIREMENTS

IECA PACE is a voluntary program available to property owners with Eligible Properties located within a Participating Community. Only property owners who voluntarily participate in the program and close a PACE Financing will have a PACE Assessment imposed against their property. To be eligible to participate in the program, a property owner must, at a minimum:

- Be the Person or persons possessing the most recent fee title or land contract vendee's interest of an Eligible Property as shown by the records of the Recorder of Deeds. Alternatively, if the Applicant will become the owner of the Eligible Property concurrently upon closing of the PACE Financing, documentary evidence showing such anticipated transfer reasonably satisfactory to the Program Administrator will be required. All owners of the fee simple title to the Eligible Property, or their legally authorized representatives, must sign the Final Application. Therefore, before submitting the Pre-Application, please ensure that all owners (or their representatives) of the subject property will agree to participate in IECA PACE on these terms.
- Certify that they or the organization they represent (and the owner of the Eligible Property Owner if the Eligible Property Owner is a single-purpose entity) are solvent, and that no proceedings are pending or threatened in which the Eligible Property Owner (or the owner of record, as applicable) may be adjudicated as bankrupt, become the debtor in a bankruptcy proceeding, be discharged from all of the Eligible Property Owner's (or the owner of record's, as applicable) debts or obligations, be granted an extension of time to pay the Eligible Property Owner's (and the owner of record's, as applicable) debts or be subjected to a reorganization or readjustment of the Eligible Property Owner's (and the owner of record's, as applicable) debts.
- Certify that they or the organization they represent (or the owner of the Eligible Property Owner if the Eligible Property Owner is a single-purpose entity) has not filed for or been subject to bankruptcy protection in the past two years.
- Be current in the payment of all obligations secured by the subject Eligible Property, including property taxes, special assessments (including PACE Assessments), special taxes or any other tax liens, or water or sewer charges.
- Have no involuntary liens on the Eligible Property, including, but not limited to, construction or mechanics liens, lis pendens or judgments against the Eligible Property Owner, environmental proceedings, or eminent domain proceedings.
- Certify that it is not a party to any litigation or administrative proceeding of any nature in which the Eligible Property Owner has been served with notice of pending litigation, and that no such litigation or administrative proceeding is pending or threatened that, if successful, would materially adversely affect the Eligible Property Owner's ability to operate its business or pay the contractual assessment when due, or which challenges or questions the validity or enforceability of the PACE Assessment Contract or any other documents executed by Eligible Property Owner in connection with the Eligible Property Owner's participation in IECA PACE.
- Certify that it has no notices of default or property-based debt that have been recorded and not cured.
- Pay a one-time Program Fee to the Program Administrator and a one-time County Fee to the county in which the Eligible Property is located at or prior to the PACE Financing closing date. Pay annually a Program Administration Maintenance Fee and a County Treasurer Fee. Please refer to the IECA PACE Program Guidelines for details about these fees.



- Acknowledge that the Program Fee, County Fee, Program Administration Maintenance Fee, and County Treasurer Fee include the suite of fees generally necessary to cover the regular costs of IECA PACE's administration of the PACE program. These costs and expenses do not include any specialized professional services that may be necessary should the circumstances of any particular PACE Project require them. For example (and without limitation), should any participant in a PACE Project submit substantive comments to the IECA PACE program documentation (including but not limited to the PACE Assessment Contract or Bond Agreement), request a legal opinion from IECA PACE counsel or require other time and resource intensive review of a transaction, the Eligible Property Owner for such PACE Project shall be responsible for covering such IECA PACE expenses at cost. All fees and expenses may be paid out of the proceeds of the PACE Financing. The Program Administrator will require evidence that all expenses are paid before closing of a PACE Financing may proceed.
- The Eligible Property Owner understands that additional fees may be charged by the PACE Capital Provider, Energy Assessment provider, project developer (if applicable), bond issuer (if applicable), and other providers of services associated with the PACE Project and/or PACE Financing. IECA PACE promotes an open market and recommends that the Eligible Property Owner conduct appropriate due diligence when engaging service providers.



Measures details needed for Final Application:

- Measure Description
- Measure Type
- Life (Yrs)
- Installation Cost

Annual Savings (dependent on measure types used)

- Electric (kWh/year)
- Natural Gas/Fuel (Therms/year)
- Electric Demand Reduction (kW/year)
- Water (1,000 Gallons/year)
- Operation Cost (\$/year)
- Electric Production (kWh/year)
- Other Energy Source (unit/yr) (Oil, Propane, etc.)
- Name of Other Energy Source
- Other Energy Source Unit of Measure (unit/period)

Additionally, the following annual utility bills savings information is also required on each Final Application:

Projected annual utility rate cost savings (In dollars & / year) needed for Final Application:

- Electric Bill Savings (\$/kWh / Year)
- Electric Bill Savings Earned From Renewable Energy System (\$/kWh/year)
- Electric Demand Savings (\$kW / Year)
- Gas Bill Savings (\$/Therm / Year)
- Water Bill Savings (\$/1,000 gallons / Year)
- Other Rate Savings (\$/Unit / Year)

Finally, each Final Application will require the Record Owner's Federal Tax ID Number.

:

Appendix H: Registered Contractor Terms and Conditions

The IECA Property Assessed Clean Energy Program (IECA PACE) is an open-market program that allows property owners to select the qualified installation contractor, energy assessment provider, and capital provider that best fits the owner's objectives. To become a Registered Contractor with the IECA PACE Program and install Energy Conservation Measures (ECMs) funded through a PACE Assessment, an installation contractor must be approved as a Registered Contractor with the IECA PACE Program. This document defines the terms and conditions to which all Registered Contractors must adhere. IECA PACE and the Registered Contractor are the parties to these terms and conditions and may be referred to herein individually as Party or jointly as The Parties.

General Provisions

Term of the Agreement: Registered Contractor status shall commence on the date this application is approved by the Program Administrator and shall continue until terminated in writing by either party.

No Guarantee of Additional Business: IECA PACE makes no representations or guarantees that Registered Contractor will obtain additional business revenue or opportunities through its participation in the program.

Relationship of the Parties: Registered Contractor may present itself as a Registered Contractor in the IECA PACE Program. By submitting this application, Registered Contractor does not become an agent, employee, or representative of the IECA PACE Program. The Parties shall not be considered to be joint venture, partners, agents, servants, employees, fiduciaries, or representatives of each other, and no Party shall have the right or power to bind or obligate any other Party to, or third-party beneficiary of, these terms and conditions.

Indemnification: Registered Contractor agrees to indemnify and hold the IECA Program and its Program Administrator, their respective directors, commissioners, officers, employees, and agents harmless against all claims, liabilities, damages, losses, costs, or expenses (including, but not limited to, reasonable attorneys' fees) arising out of or related to any act or omission of the Registered Contractor, its directors, officers, employees, subcontractors, or agents of Registered Contractor or its subcontractors, including, but not limited to, the failure of Registered Contractor to properly and/or timely pay any wages and/or benefits to the Registered Contractor's employees. The obligations of Registered Contractor under this section shall survive termination or expiration of Registered Contractor's status and shall be in addition to the warranty obligations of Registered Contractor. Registered Contractor waives the right to bring or assert any claim against IECA PACE and its subcontractors relating to its registration and status as a Registered Contractor (including listing as a Registered Contractor) and releases IECA PACE and its subcontractors from any and all liability therefore or relating thereto.

Final Payment: Registered Contractor acknowledges that The Program will not authorize final payment of the proceeds from the PACE Financing to Registered Contractor until The Program has received written confirmation from the Record Owner that the improvements were properly installed and are operating as intended. The Completion Certificate is attached as Exhibit A. Registered Contractor retains the right to exercise all available legal rights and remedies in the event there is a disagreement with the Record Owner.

Use of IECA PACE Logo: Registered Contractor may include the IECA PACE logo and program name in its marketing materials and may provide IECA PACE Program materials to its customers. Registered Contractor may not imply or state that it is a representative of the IECA PACE program or that it has been endorsed by the IECA PACE Program. If the Program Administrator terminates the contractor's status as a Registered Contractor, contractor must immediately discontinue the use of the IECA PACE logo and program name in its marketing materials.

Registered Contractor Responsibilities

True and Accurate Information: Registered Contractor shall provide true, accurate, current, and complete information on the IECA Registered Contractor Application. Contractor is required to ensure, update, and maintain the truthfulness, accuracy and completeness of all information that it provides on its Registered Contractor Application.

Licensing and Registration: Registered Contractor shall be and remain licensed, authorized to conduct business, and in good standing in all jurisdictions in which it conducts business, including the State of Illinois and shall have the legal authority and power to offer, sell and/or install improvements that are permanently affixed to real property. Registered Contractor is responsible for providing documentation of the licenses that it maintains at the time it applies to participate in the IECA PACE Program. Registered Contractor agrees to notify the IECA PACE Program Administrator of any future changes to the licenses and certifications that it possesses and will provide the Program Administrator with documentary evidence of all licenses that it obtains. As a condition of approval of the Registered Contractor or any time following approval of the Registered Contractor, the IECA PACE Program Administrator may request copies of all relevant licenses held by the Registered Contractor. Registered Contractor agrees to promptly provide the requested copies of licenses to the IECA Program Administrator.

Adherence to Laws, Regulations, and Program Guidelines: Registered Contractor shall comply with all laws, ordinances and regulations. Registered Contractor shall also comply with the IECA PACE Program Guidelines, which define the requirements and processes of the IECA PACE Program. The IECA PACE Program Guidelines may be revised from time to time without notice by IECA PACE or its designee. It is Registered Contractor's responsibility to verify current program requirements and procedures and to comply with all laws, ordinances, regulations, and program guidelines.

By executing this agreement, the Contractor expressly acknowledges and agrees that the County, the Program Administrator and the Capital Provider shall have no responsibility with respect to, and shall not be held liable by the Contractor, the property owner or any other party for, compliance by the Contractor with any local, State or Federal labor or similar laws, including without limitation the Illinois Prevailing Wage Act. The Contractor shall be solely responsible for compliance with such laws, and shall, to the extent it deems necessary, consult with its own counsel as to the applicability, if any, of any such laws.

Insurance: Registered Contractor agrees to carry appropriate insurance for its type of business.

IECA PACE Responsibilities

No Endorsement: IECA PACE does not verify, vet, endorse, or rank Registered Contractors. PACE Capital Providers may maintain additional requirements that a Registered Contractor must satisfy in order for the PACE Capital Provider to approve PACE Financing for ECMs that Registered Contractor installs.

Right to Remove Contractor: IECA PACE reserves the right to revoke an installation contractor's Registered Contractor approval, and/or remove Registered Contractor from its listing of Registered Contractors, for any reason or for no reason.

Information Sharing: By submission of an IECA PACE Registered Contractor Application, Registered Contractor agrees that information provided on the application may be published or otherwise publicly disseminated.

Authorization

By submitting the IECA PACE Registered Contractor Application, you represent that you are authorized to act on behalf of the Registered Contractor and that the Registered Contractor accepts and agrees to the IECA Registered Contractor Terms and Conditions. I declare under penalty of perjury that the foregoing statement is true and correct, and I am aware that if I present any material matters as true which I know to be false, I may be subjected to penalties prescribed for perjury under the laws of the State of Illinois.

Signatory Name

Date

Printed Name

Company Name

Exhibit A: IECA PACE Final Completion Certificate

Registered Contractor:

Street:

City/State/Zip Code:

Date of Completion:

Description of the completed installation funded by the PACE Financing:

PACE Project Address

Property Street:

City/State/Zip Code:

My signature below attests that all work funded by the PACE Financing has been installed and is substantively complete. I certify that the financed improvements have been properly installed and are operating as intended. Per the terms of the Assessment Contract, I authorize the final proceeds of the PACE Financing to be disbursed to the applicable Registered Contractor(s).

I am an authorized signatory of the Record Owner/Registered Contractor and have authority to make the statements in this Final Completion Certificate.

Record Owner

Registered Contractor

Authorized Signature

Authorized Signature

Printed Name

Printed Name

Date

Date

Company Name

Company Name