

## C-PACER Program Frequently Asked Questions

What kinds of project improvements can I finance with C-PACER?

C-PACER financing can be used for Qualifying Improvements to both existing commercial buildings and new construction projects. There are several types of improvements that can qualify. Generally, these improvements fall into the following categories:

- Energy efficiency improvements – reduce energy use or greenhouse gas emissions
  - Examples: Electric vehicle charging installation, building envelope improvements, heat pump installation, window upgrades
- On-site renewable energy production – electrical or thermal energy production from a renewable resource as defined in RCW 19.405.020(34)
  - Examples: Solar panel installation, ground source heat pump
- Water efficiency improvements – reduce water use
  - Examples: low flow fixtures, gray water reuse systems
- Water quality improvements – reducing lead in drinking water
  - Examples: lead pipe replacement
- Resiliency improvements – increase building resilience
  - Examples: seismic retrofits, energy storage systems, microgrids, flood mitigation, stormwater management, wildfire resistance

Qualifying Improvements cannot involve the installation of equipment that burns fossil fuels or the replacement of an existing system that doesn't provide additional public benefit.

For more information about Qualified Improvements, see page 8 of the Pierce County C-PACER Program Guidebook.

What is the term length of a C-PACER loan?

The term of C-PACER financing cannot exceed the weighted average expected useful life of the Qualified Improvements. For example, if your project is financing a solar panel improvement and the expected useful life of the solar panel you are installing is 30 years, the term of C-PACER financing cannot exceed 30 years.

Does my multi-family property qualify for C-PACER financing?

If your multi-family property includes five or more units, is privately-owned, and is in Pierce County (incorporated or unincorporated), your property is eligible for C-PACER financing.

Eligible properties include privately-owned commercial, industrial, or agricultural real property or multifamily residential real property with five or more dwelling units located in Pierce County.

For more information about whether your project qualifies for C-PACER financing, see page 8 of the Pierce County C-PACER Program Guidebook.

Can I refinance my project with C-PACER?

Yes, projects can apply for C-PACER financing to refinance a project if the project was completed on or after January 1<sup>st</sup>, 2021 and less than three years have passed since project completion. For more information about refinancing existing Qualified Improvements with C-PACER, see the “Additional Guidance for Qualified Projects” section on page 10 of the Pierce County C-PACER Program Guidebook.

Why can't I use C-PACER to finance fossil fuel burning equipment?

The Pierce County C-PACER Program was created as part of the Sustainability 2030 Plan, a Pierce County plan to reduce countywide greenhouse gas emissions 45% by 2030. The purpose of the C-PACER Program is to incentivize commercial building conversion to higher-efficiency electrified systems and reduce greenhouse gas emissions from our built environment. Fossil fuel burning equipment contributes to greenhouse gas emissions and installing new fossil fuel infrastructure locks our buildings into fossil energy sources for decades to come.

Our electricity fuel mix in Pierce County is cleaner than natural gas due to the high percentage of hydropower and renewable energy available on the grid. Over time, our electricity grid is also getting cleaner thanks to the [Washington State Clean Energy Transformation Act](#) which is requiring electricity utilities to reduce greenhouse gas emissions and work towards 100% emissions free electricity by 2045.

Additionally, [a recent study conducted by the Washington State Department of Commerce](#) shows that, despite higher up-front costs, building all-electric new commercial buildings can create cost savings for owners and occupants and is significantly cheaper than converting buildings from natural gas systems to electric systems down the line.

C-PACER financing can help older buildings retrofit to efficient electricity powered systems as well as make it more cost effective for new construction buildings to go all-electric from the start. For examples of all-electric commercial buildings and efficient electric equipment, explore the following resources:

- [A Zero-Emissions All-Electric Multifamily Construction Guide](#)
- [DOE Better Buildings Low Carbon Technology Strategies Toolkit](#)
- [New Buildings Institute Getting to Zero Tools & Guides](#)

For more information about why Pierce County Council adopted the C-PACER Program, see Ordinance No. 2022-12s.

Why must Qualified Improvements demonstrate Significant Public Benefit?

Significant Public Benefit is a way of showing true additionality in a project that serves not only the property owner but the whole community. By going above and beyond building requirements using C-PACER financing, projects can achieve more energy savings, greenhouse gas emission reductions, and resiliency which will serve the Pierce County community for generations to come.

At least one Qualified Improvement in a Qualified Project must demonstrate Significant Public Benefit. There are several ways a Qualified Improvement can meet this requirement and the options for demonstrating Significant Public Benefit are different for new construction projects

and retrofit projects. See page 9 of the Pierce County C-PACER Program Guidebook for more information about Significant Public Benefit.

What code am I required to meet or exceed to demonstrate Significant Public Benefit?

There are several ways for Qualified Improvements to demonstrate Significant Public Benefit some of which involve meeting or exceeding various building codes. For new construction projects, Significant Public Benefit can be demonstrated by exceeding the Pierce County or Washington State Energy Code under which the project is vested, whichever is more stringent. The same applies for demonstrating Significant Public Benefit by exceeding water efficiency code or resiliency code.

For an existing building that is applying for C-PACER financing for a retrofit project, a Qualified Improvement can demonstrate Significant Public Benefit by meeting or exceeding current building codes. For example, if a retrofit project is replacing old single-pane windows with new, better insulating windows that will save energy, these windows would demonstrate Significant Public Benefit by performing to the latest adopted building code standard.

How can I find a C-PACER lender?

There are many ways a lender can qualify as a C-PACER Capital Provider for your project, in fact, any federal or state-chartered bank can qualify. We recommend that you start by reaching out to your current project lender about C-PACER financing.

There are also many lenders that specialize in C-PACE financing or have prior experience with C-PACE programs. Organizations like [C-PACE Alliance](#) can help you find lenders registered to provide C-PACE financing.

Below is a list of options for lenders to qualify as a C-PACER Capital Provider:

- Capital Provider is registered to provide C-PACE financing in at least two other states
- Capital Provider has financed at least one previous C-PACE transaction in another jurisdiction
- Capital Provider is a federally chartered bank, Community Development Financial Institution, thrift institution, or credit union.
- Capital Provider is a state-chartered bank, Community Development Financial Institution, thrift institution, or credit union.
- Capital Provider is a private entity whose principal place of business is located in Washington State, does not meet the above qualifications, but provides the following information for review and approval. Submission does not guarantee approval.
  - Name
  - Address
  - Contact name
  - Email
  - Phone number
  - Business License No.
  - Most current financial statements