

MN SOLAR ENERGY INDUSTRY ASSOCIATION (MnSEIA)

**Midwest Gateway to Solar
November 4, 2014**

**PROPERTY ASSESSED
CLEAN ENERGY (PACE)**

**Peter Klein
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Saint Paul Port Authority**

SPPA PROGRAMS

- **Property Assessed Clean Energy (PACE)**
- **Trillion BTU (TBTU)**
- **Energy Savings Partnership (ESP)**
- **Anaerobic Digestion Facilities (AD)**

ENERGY FINANCING PROGRAMS

Trillion BTU:

- Energy Efficiency and Renewable Energy projects anywhere in Minnesota
- Businesses and non-profits (not housing religious or government)
- Interest rate is usually 4% - never more than that
- Term is usually 5 years – can be a few years longer or balloon payment
- Project size from \$50,000 to \$2,500,000
- 100% financing and immediate positive cash flow

ENERGY FINANCING PROGRAMS

Energy Savings Partnership:

- Energy Efficiency and Renewable Energy projects anywhere in Minnesota
- Local units of government (cities, counties, schools, special authorities)
- Interest rate usually around 3%
- Term of up to 15 years
- Over \$50,000 and no limit on project size
- Primarily for non-GO obligation projects and projects under \$3,000,000
- Annual appropriation lease with US Bank
- 100% financing and immediate positive cash flow

ENERGY FINANCING PROGRAMS

PACE of Minnesota:

- Energy Efficiency and Renewable Energy projects anywhere in Minnesota
- Businesses, housing, non-profits, incl. places of worship
- Interest rate usually under 5% for a term of less than 10 years
- Term of up to 15 years
- Amount limited to 20% of assessed property value
- Primarily for multi-tenant bldgs. & renewable energy projects
- Host City & County institute a requested special assessment
- Port Authority issues debt & administers program
- 100% financing and immediate positive cash flow

PACE OPEN ISSUES

- Lender Consent
 - ▶ Even California Programs Require It
- Off-Balance Sheet Financing
 - ▶ CPA and Building Owner Determine Treatment
 - ▶ CPAs are Becoming More Stringent
- Assessment Stays With Property
 - ▶ Future Mortgagee Will Determine

SAINT PAUL PORT AUTHORITY

PACE JOINT POWERS AGMTS.

<u>Executed JPAS</u>		<u>Pending JPAS</u>
Eagan	Falcon Heights	Woodbury
Eden Prairie	Mankato	Hennepin County
Cottage Grove	Duluth	Carver County
Minneapolis	Roseville	Stearns County
Minnetonka	Hopkins	Washington County
Sherburne County	Saint Paul	Ramsey County
Becker County	Oakdale	Saint Cloud
Wright County	Edina	Stillwater
Bridgewater Township	St. Louis Park	

SAINT PAUL PORT AUTHORITY

APPROVED SOLAR PROJECTS

					Project	PACE/TBTU	Annual
					Cost	Financing	Savings
				kW			
Crankshaft Supply Company			Minneapolis	40	\$ 180,000	\$ 55,000	\$ 5,000
Greenway Office			Minneapolis	80	\$ 506,000	\$ 100,000	\$ 10,000
Buffie Chiropractic			Rockford	40	\$ 250,000	\$ 100,000	\$ 5,000
Meyer's Cozy Corner campground			Richmond	40	\$ 135,000	\$ 135,000	\$ 5,000
Water Street Inn			Stillwater	40	\$ 210,000	\$ 160,000	\$ 5,000
Cover Park Manor			Oak Park Hgts.	10	\$ 52,000	\$ 40,000	\$ 1,000
Carver County Commercial Prop.			Cologne	7	\$ 737,000	\$ 37,000	\$ 800
Jordan Seeds			Woodbury	40	\$ 140,000	\$ 112,000	\$ 5,000
Otten Brothers Nursery			Delano	40	\$ 133,000	\$ 133,000	\$ 5,000
World Imports			Eden Prairie	20	\$ 71,000	\$ 71,000	\$ 2,500
RJFK Media Productions			Saint Paul	12	\$ 57,000	\$ 57,000	\$ 1,500
St. Christopher's Church			Roseville	30	\$ 120,000	\$ 120,000	\$ 3,500
Totals				399	\$1,891,000	\$1,120,000	\$ 49,300