



September 15, 2020

Chairman Joseph N. Bellino
Michigan House Energy Committee

Capital Providers

- CleanFund
- Counterpointe SRE
- Dividend Finance
- Greenworks Lending
- Inland Green Capital
- PACE Equity
- PACE Loan Group
- Petros PACE Finance
- Stonehill
- Twain Financial

Law Firms

- Bricker & Eckler
- Chapman and Cutler
- Hirschler
- Kramer Levin
- Norton Rose Fulbright
- Stinson
- Winston & Strawn

Accounting Firms

- Novogradac & Company

FinTech Partner

- T REX

Service Provider

- Citadel SPV

Dear Chairman Bellino and Members of the Committee:

I am writing on behalf of the C-PACE Alliance (CPA), a coalition of major capital providers and transaction experts in the C-PACE industry, to express support for HB6039. CPA includes the 10 largest private investors and the law firms that specialize in Commercial Property Assessed Clean Energy (C-PACE) financing. Our members have invested in or professionally advised on nearly all the \$1.5 billion in C-PACE projects nationally. CPA publishes white papers and provides technical assistance from a practitioners' viewpoint. For more information, see www.c-pacealliance.com.

C-PACE is an alternative source of financing available for commercial properties (i.e., excluding 1- to 4-unit residential dwellings). Property owners can use C-PACE financing to cover 100% of the costs of projects for energy efficiency and renewable energy generation. All funding comes from the private sector. No public or taxpayer dollars are used in C-PACE financing.

We commend Michigan on enacting one of the first C-PACE programs in the country, in 2010. Today, 37 states and the District of Columbia have similar C-PACE programs. Michigan ranks 12th among the states in C-PACE investments, having approved \$36 million in clean energy projects through the end of last year despite the statutory restrictions that other states do not have. Given Michigan's success, the purpose of HB6039 is to expand access to C-PACE and update Michigan law to be in line with other states' successful programs.

- More uses of C-PACE (new construction; multifamily properties; projects to improve resiliency and other safety improvements).
- More choices for owners on the financing amount (owners can waive borrowing limits and contractor guarantees, so long as the mortgage holders consent and the capital provider underwriting is complete).

Finally, we note that expanding C-PACE financing will help spur the engineering and construction jobs that the Michigan economy will need in the aftermath of the pandemic. Thank you for the opportunity to comment, and CPA is glad to serve as a resource to the Committee. As always, feel free to reach out with any questions about successful C-PACE programs.

Sincerely yours,

Cliff Kellogg
Executive Director

