



TEXAS PACE AUTHORITY

Interested in upgrading your industrial facilities with energy/water efficiency and distributed generation technologies but lack the needed capital?

A new financing option, PACE (Property Assessed Clean Energy), enables industrial site owners to obtain affordable, long-term loans covering up to 100 percent of the cost for energy efficiency, water conservation, and on site generation technologies.

PACE secures private financing for a term as long as the projected useful life of the improvements, resulting in utility cost savings that exceed the amount of the repayment.

You can modernize your facility without fear of over-investment because if you sell the facility, the PACE loan repayment obligation transfers with the property to the new owner.

CASE STUDIES:



CAMBRIDGE ENGINEERING, CHESTERFIELD MO

Cambridge Engineering, Inc., a manufacturer of energy efficiency heating and ventilation technology used PACE to upgrade its facility. A \$610,500 comprehensive retrofit resulted in a 30% energy savings. Measures included:

- Lighting
- Air conditioning upgrade
- Roof replacement
- Air volume distribution systems

FIVE SPOKE CREAMERY, GOSHEN NY

Five Spoke Creamery, a manufacturer of cave-aged artisan cheeses, used PACE to finance \$74,685 over five years for a 53kW solar system that provides 108% of the facility's utility requirements and resiliency.

CRANKSHAFT SUPPLY, INC., MINNEAPOLIS MN

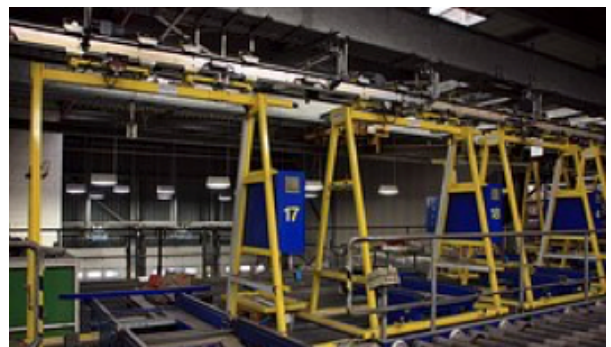
Crankshaft Supply, a 50 year old facility that remanufacturers, builds and repairs crankshafts and cylinder heads, used \$180,000 of PACE financing for a 40kW rooftop solar array that cuts its utility demand by 50%. PACE provided the funding that the company couldn't provide internally or obtain through a traditional bank loan.

NEW FINANCING OPTION FOR INDUSTRIAL PROPERTY OWNERS



Typical examples of qualified improvements:

- High efficiency chillers, boilers, and furnaces
- Combustion and burner upgrades
- Heat recovery equipment
- Mechanical system modernization
- Industrial energy system sensors and controls
- Systems to capture, treat and use other on-site sources of water (condensate, rainwater, reverse osmosis reject water, etc.)
- High efficiency lighting
- Water conservation equipment
- Building enclosure/envelope improvements
- On site generation (resiliency benefits)
- Fuel switching
- Wastewater onsite reuse systems



PACE is available in Cameron, Travis, Willacy and Williamson Counties and soon in the Cities of Dallas and Houston (including its ETJ). Let us know if your company would like to access PACE financing in your county.

“Every single company has a number of efficiency projects already in their backlog that were not able to clear the conventional ROI hurdle. The message is that the hurdle just got a lot lower, and here is the mechanism to move forward.”

–Doug Ruring, Director of Engineering, Maintenance & Reliability, Dixie Chemical

THE FINANCIAL IMPACT OF INDUSTRIAL PACE

This example compares self-funding and conventional funding with PACE financing:

- Industrial Facility
- Project involves a \$2.5M 1.3MW CHP system
- Annual net savings of \$473,000 (5.3 yrs simple payback)
- The project does not pass the company’s hurdle rate for investment in energy efficiency (i.e. the ROI is probably not high enough)
- Conventional Funding for 5 years at 4.0% (20% down payment)
- PACE funding available for 20 years at 6.0%.
- Energy prices held constant. NPV discount rate at 8%.



Financing Scenario Comparison Summary			
	Self-Funded	Conventional Loan	PACE
Out-of-Pocket Investment	(\$2,500,000)	(\$500,000)	\$0
Savings (First Year)	\$473,000	\$473,000	\$473,000
Annual Payment	\$0	(\$561,568)	(\$217,961)
Cash Flow Impact Year 1	(\$2,027,000)	(\$588,568)	\$255,039
Net Project Cash Flow Year 2	(\$1,554,000)	(\$677,136)	\$510,077
Years to Positive Project Cashflow	5.3	7.0	IMMEDIATE
Debt Service Over Finance Term	0	(2,807,839)	(4,359,228)
10-Year Project NPV	\$673,869	\$431,691	\$1,711,330
20-Year NPV	\$2,143,984	\$1,901,806	\$2,504,007

YOUR CONVENIENT PACE LOAN ASSESSMENT CAN INCLUDE:

- Cost of materials and labor necessary for the installation of a qualified improvement
- Permit fees
- Inspection fees
- Lender fees
- Program application and administrative fees
- Project development and engineering fees
- Independent third party reviewer audit fees, including verification fees
- Any other fees or costs that may be incurred by the property owner incidental to the installation, modification or improvement
- Legal, consulting and other fees on an actual cost basis
- Changes to the existing property incidental to the installation

Contact us to discuss your potential PACE project or to learn more about establishing a PACE program in your community.



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