Better Buildings Challenge & PACE

- Legislation provides authority for a local government to create a stand-alone special district to levy assessment or partner with other local governments to create a program.
- Access to low interest financing to defray upfront costs of energy efficiency retrofits.
- Financed retrofits are paid through property tax assessment that run with the land.
- Provides a voluntary service to commercial property owners at no cost to the City.
- Reduces energy costs, stimulates the economy through local job creation, assists in a property’s competitiveness in the market.
Our Program Selection

Data and Information:

– Collected from municipalities & existing programs in FL
– WPB Sustainability Advisory Committee supports the establishment of a PACE Program; addresses implementation of goals of the Sustainability Action Plan
– City Created vs. Interlocal Opt –in
– Opt-in to existing program is not a procurement, it is the establishment of a program through Interlocal Agreement.

City Created program: Not viable

– Program start-up costs/ Staff resources to run program
– Limited access to financing; smaller pool of participants
– Limited commercial property owners available to create a successful program
– Substantial start up period
Our Choice: Florida Green Energy Works

Existing Viable Program:
- No cost to the City; Third Party Administrator to run program
- Conglomerate of businesses, larger geographic & participant area
- Access to larger pool of financing, lower administrative fees
- Applications/processing available now, minimal start up time

Open Market Approach:
- Multiple Financing Sources (promotes market competition for lower interest rates for participating businesses)
- Promotes Multiple Contractors/Vendors
- Local Jobs creation stimulates economy

Geographic Proximity to WPB:
- Work with local Cities to accomplish similar goals
- Authority is established in PBC, understands our community
PACE Program

Property Assessed Clean Energy (PACE) Financing

The city's commitment to sustainability includes making important tools available to constituents to help them meet their own sustainability goals. In 2012 the City of West Palm Beach became one of the first municipalities in Florida to offer PACE financing for commercial properties through the Florida Green Energy Works program.

Owners of eligible commercial property in West Palm Beach may choose to finance energy efficiency, renewable energy and wind resistance improvements to their property with little or no upfront cost, and then repay the financed amount over a term of up to 20 years as a non-ad valorem assessment on the annual property tax bill.

What's involved. There are just a few simple steps to receiving financing. An energy review by a qualified reviewer is completed and identifies eligible projects. Florida Power & Light offers free evaluations that may meet this criteria, however you may choose your own evaluator and that cost can be included in the financing of the project. The proposals projects must make economic sense – the savings must justify the investment. Once a suitable project is identified, Florida Green Energy Works will match each owner with interested capital providers to finance the project, which could include the owner's existing lender, and the owner just chooses the best offer. The building owner then chooses the contractor to complete the work, and the contractor is paid when the project is complete. Florida Green Energy Works provides support throughout the process.

Eligible projects. Only commercial property is eligible for the program at this time, such as offices, retail, hotels, restaurants, warehouses, churches, hospitals, manufacturing plants and private schools. The maximum financing amount is 100% of available equity in the property. In South Florida, some of the most common projects that easily pay for themselves over time include high-efficiency air conditioning, window tinting, LED lighting, and solar reflective roof paint. A detailed list of eligible improvements can be found here.
Lessons Learned

• PACE participants are potential Better Buildings Challenge partners
• PACE provides a financing option
• Approx. $300,000 and up to develop a PACE program
• Open market approach is key
• Local approach is advantageous (creates local jobs, understand local businesses and municipalities)
• Reduction in community wide GHGEs
• More cities opt-in creates a larger funding/participant pool to ensure a successful program
• Recognition is key – State of the City, websites, TV PSA, presentations
Better Buildings Challenge Partner: West Palm Beach

Invested $6.8M in Energy Performance Contract to replace 7,000 streetlights with induction and LED, retrofit multiple municipal buildings/garages with improved lighting, programmable thermostats, and commissioning HVAC equipment. City committed 1,128,946 Sq. Ft – total with partners is 1,201856 Sq. ft.
Better Buildings Challenge Partner: South Florida Science Museum

As the City’s first BBC partner, the SFSM has committed to reducing its energy intensity through a major expansion/retrofit project currently underway - including HVAC upgrades, LED and high efficiency lighting, white roof and insulation. The museum is also expanding its footprint to include a new exhibit hall and aquarium that will be constructed keeping energy efficiency at the forefront of the planning and construction process.
Better Buildings Challenge Partner: Schumacher Auto Group

This leader in the automotive industry has taken the initiative to install a 135kW solar array on four of their facility roofs generating $33,000 in energy savings annually. Schumacher was able to take advantage of the federal solar tax credit (30%) in addition to FPL rebates for a net cost of $200,000. Having seen such savings, they are now looking to increase energy efficiency in more areas of their operations.
Our newest BBC partner; held a ribbon cutting for 26KW of solar last week; was able to pay for 90% of the cost of the solar installation through the FPL Solar Rebate program and Federal Tax credits; expecting to produce more electricity than he needs and add back to the grid through net metering.
Better Buildings Challenge
U.S. Department of Energy
West Palm Beach

Sustainability Action Plan

The City’s GHG Reduction Target for City Facilities and Operations:
- 19% reduction in GHG emissions by 2018
- 32% reduction in GHG emissions by 2025
- 37% reduction in GHG emissions by 2035

Focus Areas for Communitywide GHG Reductions:
1. Natural Resources & Water Conservation
2. Energy Efficiency & Renewable Energy
3. Land Use, Redevelopment & Transportation
4. Sustainable Buildings & Housing
5. Waste Management & Recycling
6. Growing a Green Economy
7. Urban Agriculture & Community Gardens

Energy Efficiency Retrofits

Community Education

Water Conservation

Sustainability for a Green City
- Rethinking Paradise -