CITY OF PORTLAND, MAINE

Standing Committee on Sustainability and Transportation
Councilor Andrew Zarro, District 4, Chair
Councilor Roberto Rodriguez, At-Large
Councilor Victoria Pelletier, District 2

Agenda
May 24, 2023
5:00 PM

The Sustainability and Transportation Committee will conduct this meeting remotely via Zoom. If you are not able to attend live either in person or via Zoom, a recording will be available in the Agenda Center following the meeting.

For public comment via Zoom, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit *9. You will be unmuted by the host when it is time for public comment.
https://portlandmaine-gov.zoom.us/j/84214993024?pwd=ZG8yL3Zlemo4dmpBb3NJV3NWMldPUT09

1. Review and approve minutes from May 10

    a. May 10 Minutes

2. Sustainability Program Updates
   Updates

    a. Updates

3. Presentation and Discussion

    a. Consideration of a request by Portland Downtown to declare Sundays from June 16 to September 23, 2023, "Open Air Sundays" on Exchange Street"
       Public comment will be taken

    b. Workshop on Commercial Property Assessed Clean Energy (C-PACE)
       No public comment

    c. Review and Discuss Burlington, Vermont's Carbon Pollution Impact Fee
       No public comment

4. Other Business

CITY OF PORTLAND, MAINE
Committee on Sustainability and Transportation
Councilor Andrew Zarro (D4), Chair
Councilor Victoria Pelletier (D2)
Councilor Roberto Rodríguez (At-Large)

Draft Minutes May 10, 2023
Members Present: Councilor Zarro, Councilor Pelletier, Councilor Rodríguez
Staff Present: Troy Moon, Erin Ferrell, Emma Perry
Guests: William Boornazian (City Water Resources Division Manager), Doug Roncarati (City Stormwater Program Manager), Michael Goldman (City Corporation Counsel), Mike Murray (Acting Director of Public Works), James Woidt (Hydrologist and Water Resources Engineer at Streamworks), Grace Nicols (Representative of the UMaine Law School Energy and Environmental Law Society student organization)

Meeting was called to order.

March 22 Minutes
Councilor Zarro makes a motion to approve the March 22nd, 2023 meeting minutes. Councilor Pelletier moves the motion. March 22 minutes passed unanimously, 2-0.

Sustainability Update
Presented by Troy Moon and Erin Ferrell
Benchmarking reports were due by May 1 for all single-tenant buildings 20,000 square feet or more. The Office is using a benchmarking implementation platform, BEAM, to better evaluate benchmarking reports for compliance and accuracy. We've received over 100 reports so far with more expected by the end of the month. We are seeing improvements in report completeness using the BEAM platform already. Anyone with questions or looking for assistance with submitting their report should refer to portlandmaine.gov/energybenchmarking.

The office launched the Electrify Everything! e-bike incentive "Electrify Bikes!" at our Earth Day Celebration. Electrify Bikes! will help income-eligible Portland residents purchase an electric bicycle or electric cargo bicycle that can provide a reliable, practical transportation option that does not rely on fossil fuels and supports goals identified in One Climate Future to reduce vehicle miles traveled in automobiles and to reduce carbon emissions from transportation. We began taking applications for incentives on Monday, April 24th at 8:30 AM, and by Wednesday, the 26th at 12 PM we had reached our $150,000 anticipated spending limit. 76 individuals have received incentives and we placed 13 participants on a waitlist in case some incentive certificates may expire or are not used in full.

Garbage to Garden officially took over as Portland's official composting partner. We recruited offices and departments throughout City Hall to collect and compost their food scraps, visited the new Homeless Service Center to facilitate collection at the site, and look forward to increasing residential participation in the community composting program or curbside service.

Weekly drop-off site maintenance continues and we recently updated all the QR codes on the signs. Garbage to Garden was also a fantastic help in managing all waste collection at the Earth Day celebration.

The neighborhood charging hubs at East End Elementary School and at Deering Oaks are finally online and operational! Troy is working hard with EVGo to identify more sites to place the rest of the L2 and DCFC chargers. After presenting to the Housing and Economic Development Department, we are looking into the feasibility of the parking lot on Marginal Way by Miss Portland Diner.

The Office launched an educational campaign "Mow Tall Until Fall" in support of sustainable landcare practices. We look forward to hosting educational webinars with partners such as Wild Seed Project, Maine Audubon, and ME-DACF throughout the summer, as well as in-person tabling at the Portland Farmer's Market and Wayside Pop-Up Summer Picnics.

The Sustainability Office is so excited to announce that amongst the neighborhood applications received, Libbytown and Parkside neighborhoods were selected to join Portland's Sustainable Neighborhoods Program.

Councilor Comment on Sustainability Update
Councilor Zarro asks if the EVGo chargers potentially going at Miss Portland Diner would be L2 or fast chargers. *They will be a bank of L2 chargers. We have also been considering installing at the Back Cove parking lot.*

Councilor Rodríguez asks Director Moon if Garbage to Garden will still be tracking data on compost collection rates in the City? *Yes, and hopefully we will be able to set targets for increasing participation in food scrap recovery in the City - we look forward to working together with them to do that.*

Councilor Pelletier shares that, as a Councilor in District 2, she is very excited that Libbytowbn and Parkside were selected for the Sustainable Neighborhoods Program.

Stroudwater Dam Presentation
Presented by Mike Murray, William Boornazia, and James Woidt
The Stroudwater Dam is a masonry dam constructed at the mouth of the Stroudwater River in 1849. Its original purpose was to power a grist mill that once operated at the site. While it has no functional purpose, it creates an impoundment some area residents use for recreation and that many value for aesthetic reasons.
Streamworks did an assessment included in the packet.
Staff in Public Works have reviewed the recommendations contained in the Streamworks report and the developed cost estimates for completing the work, which are included in the back up material. They note that funds available for dam repairs in existing CIP accounts are likely insufficient to complete the repairs recommended by Streamworks. In addition, maintaining the

dam in satisfactory condition will require Public Works to request annual allocations of funds to perform routine maintenance and to address damage that may occur to the dam in the future. Before any further funds are used to start recommended repairs and the need for ongoing future funding, we seek guidance from the Sustainability Committee about whether they recommend pursuing significant repairs or whether the Committee recommends exploring options to relieve the City of the costs associated with owning the dam. As noted in the deed, if the City does not wish to maintain the dam, title to the dam would revert to the Leavitts or their heirs. Corporation Counsel will be available at the meeting to discuss what such a process might entail.

Public Comment on Stroudwater Dam Presentation
Multiple residents requested staff do more research into the environmental impact of actions in maintaining or dam removal, the aesthetic and recreational value of the dam, and the significance of the historic landmark. Residents noted the importance of further opportunities for community input and discussion on the topic.

Councilor Comment on Stroudwater Dam Presentation
Councilors ask for staff to look into all options available and revisit in a later Committee meeting.

Metro Presentation
Presented by Greg Jordan and Mike Tremblay
The Metro presented on the status of Metro performance including ridership which has not recouped to pre-pandemic levels. This is a national trend which is causing fiscal cliffs. Strategies to improve ridership include: Improve route directness and frequency with bus network redesigns.Center the mobility needs of historically disadvantaged communities.Emphasize high all day service levels, and longer operating hours (peaks have flattened).Serve major destinations and connect the modes (bus, rail, ferry, trails). Speed up transit with projects like Bus Rapid Transit, Transit Signal Priority, Priority Bus Lanes. Simplify transit for riders with smart fare payment, pass programs, intuitive trip planning tools, easy transfers between routes, effective communications, and steps to present a single (bus) transit system. Implement first mile-last mile strategies (microtransit, bus stop accessibility, connections to trails). Operate a safe and secure system and make sure the public knows this. Mix land uses, increase affordable/multi-family housing, price and supply parking at levels that shift incentives, complete streets, increase pop/emp densities in core and along major corridors(s).
GPCOG/PACTS is working on a more seamless and simple regional transit network and greater integration of public facing elements of the transit network. Proposed changes in Portland are included in the packet.

Councilor Comment on the Metro Presentation
Councilor Zarro notes that there is a possibility of creating a transportation area (shuttle, metro stop Route 8) for islanders and supports city staff working with Metro on that recommendation.

Councilor Pelletier notes more changes to Route 8 in district 2. Routes are constantly being evaluated.

Councilor Rodriguez clarifies that funding requested from the state is to give the Metro more room to continue operating while ridership is recovering from the pandemic. The Metro is hoping for more equity prioritized in allocating funding. Greg notes that the range for the electric buses proved themselves in the winter months but is not sufficient to run for the entire day - hopes for technology to advance and batteries to allow for longer ranges.

Resolution Supporting a Fossil Fuel Non Proliferation Treaty
Presented by Grace Nichols
Representatives from the University of Maine Law Schools student organization, the Energy and Environmental Law Society, have requested the the City of Portland's City Council pass a resolution in support of the Fossil Fuel Non-Proliferation Treaty sponsored by the the small island nations of Vanuatu and Tuvalu, which face the prospect of complete inundation by rising sea levels due to climate change caused by the continued burning of fossil fuels. Adopting the resolution aligns with the City of Portland's existing climate goals including the adoption of One Climate Future, Resolve 7-16/17 committing the City to run on 100% clean energy by 2040, Resolve 10-16/17 committing to the goals established by the Paris Climate Agreement, and Resolution 8-19/20 declaring a climate emergency and prioritizing actions to eliminate the use of fossil fuels by 2030.

Public Comment on Resolution Supporting a Fossil Fuel Non Proliferation Treaty
Bill Weber shares his agreement with the resolution's adoption but does not want this Council to lose focus on the actionable items that must be addressed soon to meet the climate action plan's near term goals.

Jamie Dogleshe is a student at Maine Law, here to support the adoption of this resolution. They share their frustration with meaningful action or noticeable change in action towards reducing fossil fuel use or and global warming. Municipal action and grassroots action must occur to provide a livable future.

Will Shabo is a Portland resolution, here in full support of the adoption of this resolution.

Lee is a another student at Maine Law, here to support the adoption of this resolution. Showing support for this treaty is how we can show support for global climate action.

Tom is a Portland resident and big supporter of the METRO, but shares his frustration with single occupancy vehicles dominating the roadways. He shares his support for this treaty as it will reduce fossil fuel use, and while a treaty would not change anything Portland is doing currently, it would signal to the world the direction that we intend to and need to take.

Maggie echoes that we must step up our action in the building and transportation sectors to reduce the City's carbon footprint.

Councilor Comment on the Resolution Supporting a Fossil Fuel Non Proliferation Treaty
Councilor Zarro appreciates Grace Nicols for bringing this resolution to us and encourages residents and attendees to bring future topics to Council. This Committee and the One Climate Future team is very intentional about taking action and taking steps to tackle the goal of

reducing carbon emissions generated in this City. We support this resolution, but we are also careful of taking deliberate actions to proceed in that battle.

Councilor Pelletier shares appreciation for the efforts of this group and public attendees as well. Councilor Pelletier is also willing to support this resolution and is grateful to do this work, with the Council, that helps us align with our City's goals.

Councilor Rodríguez is also supportive of this resolution and bringing it to full Council.

Motion to recommend the Resolution Supporting a Fossil Fuel Non Proliferation Treaty to City Council
Councilor Zarro makes a motion to move the Resolution Supporting a Fossil Fuel Non Proliferation Treaty to Portland City Council. Councilor Rodríguez seconds the motion. Passes unanimously, with agreement from Councilor Pelletier.

Motion to Adjournment
Moved by Councilor Rodríguez, all adjourned.
Meeting Adjourned

CITY OF PORTLAND
Sustainability Office
Troy Moon
Sustainability Director

Sustainability Updates
May 24, 2023

Energy
With the help of our new implementation platform, BEAM, we are seeing improvements in energy benchmarking reporting and successes for the overall goal of the ordinance. Reports are increasingly more complete and the tool assists in communication with property owners about their building's efficiency, or inefficiency. Anyone with questions or looking for assistance with submitting their report should refer to portlandmaine.gov/energybenchmarking.

Residents have been steadily purchasing e-bikes through the Electrify Bikes! incentive and we are excited to learn more about the impact of this program after conducting a follow-up survey later this summer. It has been wonderful working with the local bike community and nice to see people so excited about a City program.

Electric Vehicles
Maine Public Radio did a story highlighting the City of Portland's efforts to develop EV charging hubs that make it convenient for apartment dwellers to purchase and drive an electric vehicle. They interviewed two residents who use the chargers including one who decided to purchase an EV after seeing the installation of the charging hub at the East End Community School.

Landcare

We received a complaint about an application of pesticides at a Little League field by folks volunteering to fix up the field. We followed up with the LL leadership and have gotten assurance that they understand Portland's restriction on the use of pesticides and that they will ensure the LL and volunteers comply.

After launching "Mow Tall Until Fall", the Office is gearing up to host three educational webinars with partners at the Wild Seed Project, Maine Audubon, and UMaine Cooperative Extension throughout the summer. We look forward to promoting sustainable landcare practices all summer long.

We have free yard signs available to residents. People who are interested can get one from the Guest Services staff at the main entrance and Myrtle St. entrance to City Hall.

We spend quite a lot of time helping Portland residents and lawn care professionals understand and adhere to the Landcare Ordinance, so the goal of these educational initiatives is to get residents practicing and learning about sustainable ways to take care of their lawns and backyards to prevent the need for inputs and treatments.

Community Support
We have met with the leadership from both of our Sustainable Neighborhoods partners – Libbytown and Parkside. The next step is to schedule kick-off events for both neighborhoods inviting all neighborhood residents to learn more about the program and provide input on what types of initiatives the neighborhood might adopt. Stay tuned for more information on our website, newsletter, social media, and flyers.

Education and Outreach

On March 11, the Sustainability Office gave the 75 students of King Middle School a tour of the Ocean Avenue solar arrays. This was a great opportunity to help classrooms learn more about how electricity and solar energy work and what the City is doing to meet goals outlined in the One Climate Future plan.

On March 17th and 18th, the whole Sustainability Office attended the New England Municipal Sustainability (NEMS) Network annual conference in Keene, New Hampshire. NEMS is a consortium of New England cities and towns that collaborate to build connections among municipal sustainability professionals in the region and share ideas and resources. We had some great team bonding, learned a ton at the City of Keene's wastewater treatment plant, and found it was well worth the trip to collaborate, in person, with other municipal sustainability professionals and support each other in this work.

On March 19th, the Office supported Bike to Work Day with partners at the Bicycle Coalition of Maine, GoMaine, Portland Trails, Portland BikePED, and many more.

The One Climate Future team held their first in-person Coffee and Climate event on May 11th to discuss climate resilience in both our working waterfront and the local aquaculture industry. With thanks to our host - the New England Ocean Cluster - and panelists - Libby Davis of the Lady Shuckers, Jesse Baines of Atlantic Sea Farms, Bill Needelman the City of Portland Waterfront Coordinator, and Peter Stocks the City of South Portland Harbor Commissioner - we had a turn out of ~100 people, 50+ sign-ups for the OCF newsletter, and spread the word about One Climate Future!

Join us for our June Coffee and Climate: Sustainability & the Arts, hosted at the Portland Museum of Art on June 16th at 10:30 AM! Entrance to the museum and event are free! Please reserve your ticket through the Eventbrite link here.

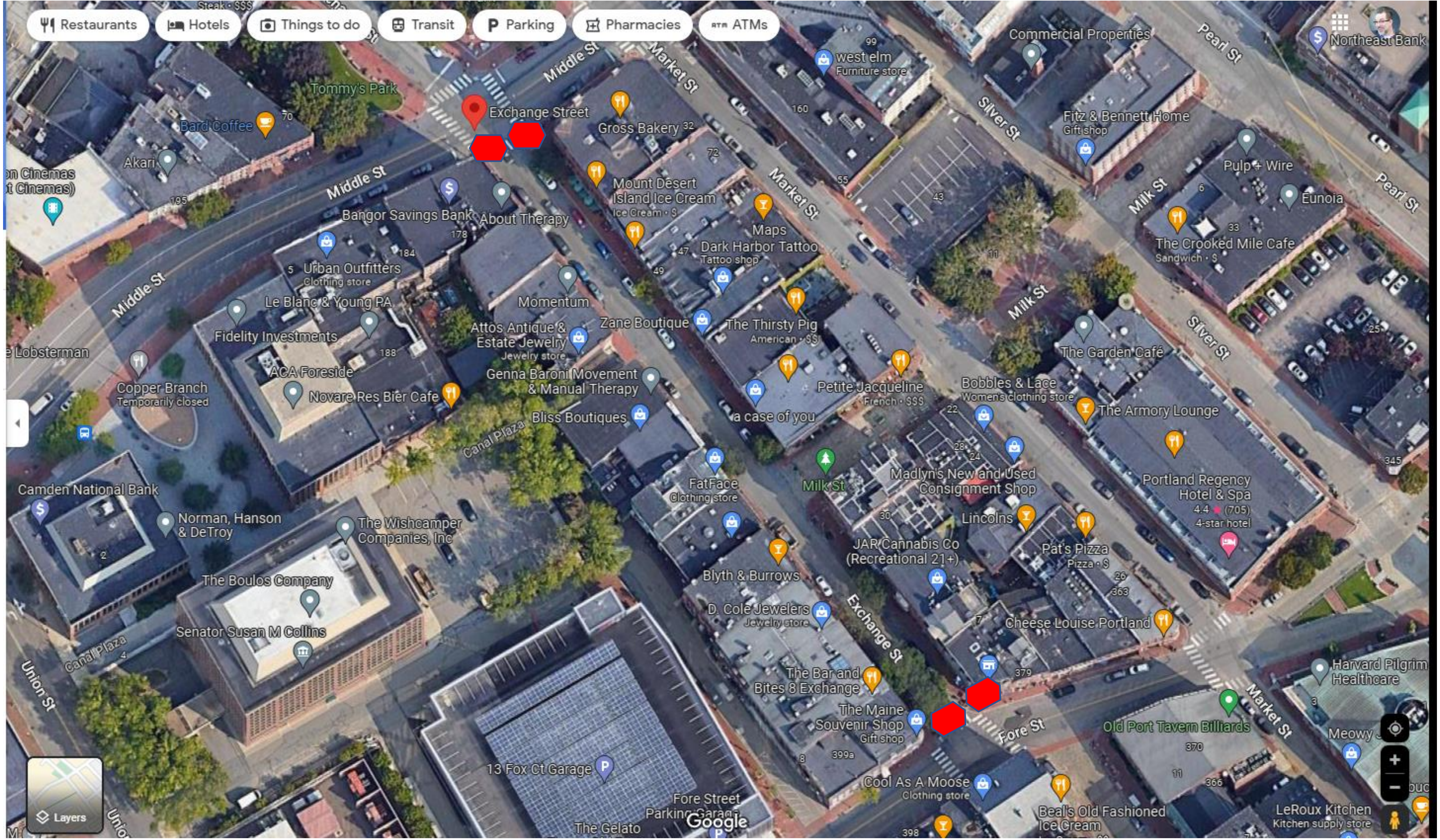
Climate and Coffee events are community conversations that happen on the 2nd Friday of the month at 9 AM. We record sessions with guest speakers and post them on www.oneclimatefuture.org, along with other information about our work. You can also follow us on social media. Instagram @sustainableportlandme / Twitter @SustainPortME / FB @SustainablePortlandME

Coffee & Climate 2023 Series

January 13	**Climate Ready Casco Bay** *w/ GMRI & GPCOG*
February 10	**Being Bird Friendly and Bird Safe** *w/ Maine Audubon and Portland Society for Architecture*
March 10	**Complete Streets** *w/ Bicycle Coalition of Maine*
April 14	**Sharing Economy & Electric Tools** *w/ Brie Berry, economic & environmental anthropologist*
May 11	**Aquaculture (in-person event)** *w/ the Hus, Atlantic Seafarms, and the Lady Shuckers*
June 9	**Sustainability & the Arts (in-person event)** *w/ Portland Museum of Art*
July 14	**Plastics & Producer Responsibility (in-person event)** w/ Go-Go Refill, Rubbish! Portland, NRCM, and Tandem Coffee
August 10	**Breweries & Sustainability (in-person event)** *w/ NEEFC and local brewers*
September 8	**Navigating State & Federal Incentives** *w/ Efficiency Maine and Maine Governor's Energy Office*
October 13	**How to Talk About Sustainability** *w/ Our Climate Common*
November 17	**Environmental Justice** *w/ Color of Climate*
December 8	**2023 Recap** *w/ One Climate Future team*

Coffee & Climate is a monthly event exploring sustainability and climate topics with the help of guest experts.

For more information, visit oneclimatefuture.org/


Restaurants
Hotels
Things to do
Transit
Parking
Pharmacies
ATMs
Exchange Street
Tommy's Park
Bard Coffee
Akari
Middle St
Gross Bakery
Mount Desert Island Ice Cream
Ice Cream · $
Market St
Silver St
west elm
Furniture store
Commercial Properties
Pearl St
Northeast Bank
Fitz & Bennett Home
Gift shop
Pulp + Wire
Eunoia
Milk St
The Crooked Mile Cafe
Sandwich · $
Bangor Savings Bank
About Therapy
Maps
Dark Harbor Tattoo
Tattoo shop
Urban Outfitters
Clothing store
Le Blanc & Young PA
Momentum
Fidelity Investments
Attos Antique & Estate Jewelry
Jewelry store
Zane Boutique
The Thirsty Pig
American · $$
The Garden Café
Lobsterman
Copper Branch
Temporarily closed
ACA Foreside
Novare Res Bier Cafe
Genna Baroni Movement & Manual Therapy
Petite Jacqueline
French · $$$
Bobbles & Lace
Women's clothing store
The Armory Lounge
Bliss Boutiques
a case of you
Canal Plaza
Milk St
Madlyn's New and Used Consignment Shop
Portland Regency Hotel & Spa
4.4 (705)
4-star hotel
FatFace
Clothing store
Camden National Bank
Norman, Hanson & DeTroy
The Wishcamper Companies, Inc
Lincolns
JAR Cannabis Co (Recreational 21+)
Pat's Pizza
Pizza · $
Blyth & Burrows
The Boulos Company
D. Cole Jewelers
Jewelry store
Exchange St
Cheese Louise Portland
Senator Susan M Collins
Harvard Pilgrim Healthcare
Union St
The Bar and Bites 8 Exchange
The Maine Souvenir Shop
Gift shop
Fore St
Old Port Tavern Billiards
Meowy
13 Fox Ct Garage
Cool As A Moose
Clothing store
Fore Street Parking Garage
Beal's Old Fashioned Ice Cream
LeRoux Kitchen
Kitchen supply store
The Gelato
Layers
Google

parks, recreation & facilities

TIER III / SPECIAL EVENT
PUBLIC PARK AND SPACE

City of Portland, Public Assembly Facilities Division
221 Canco Road Suite A
Portland, Maine 04103
207-808-5434
Rusty Groh - rgroh@portlandmaine.gov

TIER III APPLICATION FEE $50.00
EXPECTED ATTENDANCE 2000+

PAYMENT MUST BE MADE WHEN SUBMITTING COMPLETED APPLICATION
(This is a transferable/non-refundable fee. If your event is permitted, the $50.00 will be credited toward your permit fee.)

For uses of city property, there are typically: 1) fees charged for use of the area, 2) a security deposit required, 3) insurance required and 4)Area Impact Study. There may be fees due and applications required from other City Departments.

TODAY'S DATE	3.10.232	ORGANIZATION NAME	Portland Downtown		
ADDRESS (Street/City/State/Zip)	PO Box 8593 Portland, ME 04104				
CONTACT NAME(S)	Cary Tyson		TITLE(S)	Executive Director	
PHONE	207.772.6828 x212	PHONE		PHONE	
EMAIL	cary@portlandmaine	EMAIL		EMAIL	

PARK AREA / PUBLIC SPACE REQUESTED	Lower Exchange (Middle to Fore)		
EVENT DAY(S) & DATE(S) Sundays June 11- Sept 24	Sundays, June 1	RAIN DAY(S) & DATE(S) (50% added fee)	n/a
OVERALL EVENT START & END TIME (When setup will begin until cleanup is expected to be complete.)	c.10a-9p	EVENT START & END TIME	

EVENT NAME	EVENT CLASSIFICATION Road Race, Parade, Public Assembly, Music Festival, Block Party	EXPECTED ATTENDANCE
Open Air Sundays	open streets	?

AREA IMPACT STUDY: Please be as specific as possible regarding the area of public space/park that you would like to permit and please describe the event in detail using the **AREA IMPACT STUDY(AIS) CHECKLIST.**(add link to guide.)

AIS CHECKLIST	COMPLETED
1. Description of event. Brief description of event and event history so that all departments may better understand your event request. (Downloadable format)	
2. Permits. Include all applicable permits from all pertinent city departments.(Fire,Police,City clerk...)	
3. Detailed site plans. Include maps of venue, parade and course routes, parking/shuttle plans, evacuation plans... (Downloadable format) close w/ some form of barricade, lower Exchange Middle to Fore	
4. Event components. Event time frame, sound levels, neighborhood impacts, road closures, security/police, EMS services. (Downloadable format) apx 9a - 9p	

IS THERE A REGISTRATION FEE/PLEDGES COLLECTED FOR THIS EVENT? NO	Please check: 0 FEE ______ PLEDGES	
IF YES FOR FEES, HOW MUCH?	FEE	$

	STUDE NT FEE	$

PLEASE CHECK OFF AND ANSWER:

Fees for Police, Fire/EMS or Parking Control Staff will be invoiced by those individual departments & should be paid to them directly.				
		X-YES	X-NO	AIS
*	Are you setting up a **canopy(s)?** (10'x10' size or smaller) **How many?** Maybe Apx 5			X
*	Do you wish to set up a **tent(s)** and/or **stage(s)?** A canopy/tent or stage larger than 10'x10' needs a Temporary Tent or Stage Permit issued by Building Inspections. For permit application, please go to: https://content.civicplus.com/api/assets/376697a8-b6ac-4a4c-babc-9dbcf1e61eb8 or contact the Permitting and Inspections Department at buildinginspections@portlandmaine.gov or 207-874-8703 for more information. PLEASE apply at least 2-weeks before your event. **Tent/Stage Size(s):** **Exact Location(s) of Tent/Stage Placement Requested:** *** In order to drive tent stakes into the ground, DIG SAFE must be contacted: 888-344-7233. ***			Permit Required Include on Site Plan
*	Will you be setting up **tables and/or chairs?** How many tables: apx 1(chairs: apx 20	X		Include on Site Plan
*	Are other items or equipment being placed on City property? (i.e. Moon Bounce, Dunk Tank, Radio Station Van, Helium Tank, etc.) Please List:			Include on Site Plan
*	Will there be **refreshments** at the event? Do you wish to **sell food?** If so, you will need approval from PAFD and possibly a Temporary Food Service License from the Business Licensing Office. PLEASE provide them at least 2 weeks advance notice (207-874-8557). **List food and drink / Food Trucks, etc.:** PLEASE NOTE: A Temporary Food Service License is NOT needed when: 1. Food Vendors have a current City of Portland Food License 2. Just pre-packaged refreshments, or food & drink items are purchased or donated from a licensed establishment 3. Bottled water / water is served A TFSL is needed when food vendors are not licensed or when food is being prepared and cooked at the event.		X	License Required Include on Site Plan
*	Do you wish to sell **non-food items** (like T-shirts, crafts, cd's, etc.)? If so, please apply for a Street Goods Vendor License(s) at the Business Licensing Office (207-874-8557) – 2 week notice. **List items you wish to sell:** No - block no working to click no		X	License Required Include on Site Plan
*	Do you wish to sell or provide **Alcohol? If yes**, you must complete the application for a Liquor License specific to your event through the State of Maine and submit the application to the City of Portland Business office first. Application will need City of Portland's approval prior to going to the State. Questions?please contact the Division of Liquor Licensing and Enforcement at (207) 624-7220/email- MaineLiquor@maine.gov.		X	License Required -
*	Are you setting up a **PA (sound) system?** Maybe Are you planning on having **Amplified Music?** **Band? DJ? Boom Box?** If so, your event may require a concert license. PAFD will advise upon review of your application. Amplified speech (i.e. Press Conference) does not require the license, however, a Sound Security Deposit may be required. There are time restrictions for amplified music/speech in Downtown Parks & Squares: limited to 11:45am – 1:15pm and 1 hour between 5pm - 8pm. likely A person & instrument, low volume			License Required Include on Site Plan & Event Components
*	Will your event require **electricity**? Electricity is available at Deering Oaks Park, Monument Square, Congress Square, Tommy's Park, Post Office Park, Payson Park, Preble Street Grass Area, Eastern Prom, Fort Allen Park, and Lincoln Park. A $40 activation fee is required.		X	
*	Are you planning on bringing a **Grill for a Barbecue**? Grilling is subject to weather conditions and possibly Fire Dept. review.		X	
*	Will the event require **reserved parking spaces / parking meters**? How many? "No Parking" signs may be purchased at the PAFD Office, 212 Canco Rd.	X		t, close th
*	Will your event need **safety vests, signs, barricades and/or cones?** We can purchase these if needed **Please list what you would like to borrow/rent:** Limited safety vests, cones & barricades may be borrowed/rented from PAFD Office. Traffic signs may be borrowed/rented from Public Works if needed (207-874-8493).			
*	Will your event require **street closures**? Will your event affect **METRO BUS ROUTES?** – NO (Please be specific under "Description of Event")	X		Include on Event Components

*	Will your event require **Police** assistance? An event such as a road race, march or parade in the street, would typically require police assistance. To reserve & hire an Officer(s) to be on site at your event, please visit: https://portlandmaine-portal.app.transform.civicplus.com/forms/26740		X	Required
*	Will your event require **Fire/EMS** assistance? (For a large walk/race, it may be required.) To hire or inquire about hiring city Fire/EMS staff to be on site, please email fireprevention@portlandmaine.gov well in advance of the event. For general questions, you may also call 207-874-8400.		X	Required
*	Will your event require **Parking Control** assistance? To hire a Parking Control Officer(s) to be on site at your event, please call 207-874-8910 well in advance to arrange.		X	
*	Will your event require **portable-restroom** rental(s) or need existing porta-restrooms cleaned? (Some of the parks already have porta-restrooms. Event participants may use these, but a $25 fee is assessed for events where attendance is 150 or more.) Porta-restrooms may be rented from any of the local companies. Units currently on site are through Associated Septic. **1 unit/50 people when serving alcohol 1 unit/75 people with no alcohol**		X	Include on Site Plan
*	Will your event require waste management and recycling? What is the waste management plan? no		X	Include on Site Plan & Event Components
	For events where more than two thousand (2,000) individuals anticipated to gather or participate in the event or activity in the park, the **permittee shall provide a bond in the form of cash, certified check or surety bond from a surety company qualified to do business in the State of Maine in an amount of not less than two thousand dollars ($2,000.00). Such a bond shall be utilized to guarantee cleanup of the area and shall be applied against claims by the city for excessive damage to real or personal property in the park.**			Required

	INSURANCE CERTIFICATE INFORMATION			
*	Will your event require liability Insurance? (Commercial liability insurance is required for a walkathon, race, festival, press conference, concert, etc. Product liability insurance is also required if the event has been approved for serving food.)		X	Required

- ♦ If you answered YES, you shall procure and maintain occurrence-based Commercial General Liability and Product Liability Insurance, when required, in an amount not less than Four Hundred Thousand Dollars ($400,000.00) per occurrence for bodily injury, death and property damage. You shall name the City of Portland as an additional insured or shall obtain a general liability extension endorsement, for coverage only in those areas where government immunity has been expressly waived by 14 M.R.S. A. § 8104-A, as limited by § 8104-B, and § 8111. The terms of this permit and the insurance coverage shall not be deemed a waiver of any defenses, immunities or limitations of liability or damages available to the CITY under the Maine Tort Claims Act, other Maine statutory law, judicial precedent, common law, or any other defenses, immunities or limitations of liability available to the City. You shall also be responsible for any and all deductibles and/or self-insured retentions.
- ♦ Both the **Certificate of Insurance** and **Additional Insured Endorsement** shall be sent to rgroh@portlandmaine.gov and must state that the policy is endorsed to name the City of Portland as an additional insured pursuant to the date of the event (and rain date).

PUBLIC ASSEMBLY FACILITIES DIVISION POLICIES

EVENT REVIEW

The PAFD Office holds a monthly meeting where proposed events are discussed and reviewed by City Departments. For some events, organizers will be asked to present before the committee. Some potential factors may necessitate your event receive City Council approval.

ELECTRICITY

All cords in the public way must be covered by rugs, mats or orange cones to avoid public hazard. If weather is inclement (drizzle, rain, snow, etc.) we require that you **not use** electricity, unless all connections and equipment are covered and protected from the elements. If a generator is used, please take all necessary measures to ensure safe operation. Bring a fire extinguisher, set generator up away from activities (and combustibles), store fuel source away from the generator and keep children away from the generator.

BARBECUES - GAS GRILLS ONLY

Only GAS GRILLS are allowed in parks/public spaces – i.e. No Charcoal Grills or open burning. Barbecuing must first be approved by PAFD Office and is subject to weather conditions, and possible further review by the Fire Dept. Grills must be set up away from children's activities. You are required to have a fire extinguisher with in the grilling area.

PORTA-RESTROOMS / BATHROOM FACILITIES

Porta-Restrooms are required for large events and events where refreshments are being served. Some of Portland's parks already have portable restrooms from Associate Septic on site (*Preble Street Grass Area at the Preble Street Parking Lot – across from Hannaford's, *Entrance to Dyer's Flat – beside Payson Park, *Deering Oaks Park – Playground + Ravine, *East End Beach - Winter & Early Spring: Just EEB.) If over 150 people are expected to attend the event, a $25 user fee is required (paid to PAFD). If extra units are rented by the organizer, then no additional user fee is assessed. Porta-restrooms are cleaned M, W, & F. If you would like to guarantee that they are cleaned just prior to your event, then you need to call the porta-restroom company (Associated Septic / Royal Flush, 207-799-1980, M-F) to request and pay for a cleaning. If renting units, the organizer has the option of renting from Associated Septic / Royal Flush, or from other local companies.

TRASH

All groups must abide by our Carry In/ Carry Out Policy. Please bring extra trash bags and/or trash receptacles and remove all trash. Do not use existing trash barrels or the metal liners inside. You will need to haul all of your trash out of the park/public space or forfeit the security deposit(s). Please recycle whenever possible, (please do not use Styrofoam - it is NOT recyclable). The area will be checked following your event; if the park is clean and conditions for use adhered to, your security deposit will be returned to you. Thank you in advance!

MARKING OF GROUNDS

Please DO NOT mark city property in any permanent way.
DO NOT use SPRAY PAINT or SPRAY CHALK. DO NOT STAPLE or NAIL anything to trees.
Children's Art Chalk can be used on hardscape areas with permission from PAFD Office. Tape may also be used.
If markings remain for more than a few rain storms, event organizers are responsible for removing them.
If city staff or contractors need to remove the markings, event organizers are responsible for the cost of staff time and materials.
You may also place signs on stakes in the grass areas bordering trails/race routes (when applicable).
Please remove all signage immediately following the event.

USE OF CANDLES

It is preferred that LED lighted candles or glow sticks are used. If flammable candles are used this may need to be approved by the Portland Fire Department. Please make sure all candles have drip protectors to prevent wax from dripping on hardscape surfaces, which may cause permanent stains/damage. Please make sure all candles are extinguished before being thrown away. Please collect all spent candles so there is no trash left behind. Please take safety precautions: bring a fire extinguisher, gallon of water, etc. in case of fire. **Any damage** (dripped wax absorbed into hardscape causing stains, etc.) **will result in a forfeiture of your security deposit.**

ADA COMPLIANCE

Event organizer must comply with the Americans with Disabilities Act (ADA) and the Maine Human Rights Act (MHRA), including maintaining the permitted use area and all public rights-of-way accessible during the entirety of the permitted event. In the event the permitted area is rendered inaccessible to disabled persons, and/or by request of PAFD staff, the organizer shall act immediately to provide accessibility. All requests to provide interpretive services shall be the responsibility of the organizer to provide and pay for such services. The organizer shall defend, indemnify, and hold the City harmless from any and all liability and damages resulting from alleged violations of the ADA and/or MHRA.

PARKING ON GRASS AREAS / SIDEWALKS / ILLEGALLY PARKED VEHICLES

Vehicles are prohibited from parking on grass areas/sidewalks/park streets (unless specifically approved by city staff). $20 will be deducted from your security deposit for each vehicle parked on grass/sidewalk areas or vehicles parked illegally. **Any tire ruts/damage to the grass areas will result in a forfeiture of your security deposit.**

RESERVED PARKING

To reserve parking for your event, please contact the PAFD Office (808-5400 x0). Staff will review your request and can issue you "No Parking" signs ($25 each*). You will need to label signs and tape them to meters or signposts AT LEAST 24 HOURS PRIOR TO YOUR EVENT. (NOTE: If event is on a Sunday or Monday, NP Signs may need to be posted on the preceding Friday by Noon.) Please do not cover up coin slots on meters. If the reserved parking area has no actual parking meters, you may need to tape signs to sign posts, utility poles, trees, or orange cones (placed on the sidewalk beside the street). Please make sure signs are removed once the event is complete.

FIREWORKS

Organizers wishing to have fireworks as part of their event must contact the Portland Fire Department directly. Permits will need to be obtained through the Portland Fire Department, the State of Maine and possibly through the US Coast Guard.

ALCOHOL / SMOKE-FREE ZONES

By city ordinance, smoking a cigar, cigarette, pipe, marijuana, electronic cigarette, electronic cigar, electronic pipe, or other similar product that relies on vaporization or aerosolization, is prohibited at and within 20 feet of the following outdoor recreation and event areas: downtown squares and plazas, trails, parks, playgrounds, beaches, and athletic facilities. Consumption of alcohol is prohibited in public spaces unless specifically approved by City Council. Please inform all participants / attendees.

AMPLIFIED SOUND POLICY

Outdoor events with amplified sound may require an Entertainment License from the PAFD Office.
If the Police Dept./City Staff receive noise complaints, they will respond accordingly.
Please set the PA System up with speakers facing away from businesses/residences to lessen impact.
Please keep volume levels low out of consideration for nearby residents and businesses.
The Permittee (organizer) shall not allow the sound emanating from the event to exceed an A-weighted 85 decibels / C-weighted 95 decibels. One verbal warning shall be issued if the sound has been found to have exceeded those limits. The warning may be given to the sound board operator or the organizer/organizer's designee. If the decibel limit is found to have been exceeded a second time during the same event, the entertainment license (or permission to use a bullhorn/PA system) shall be immediately suspended, the PA system / amplification / bullhorn turned off, and the sound security deposit forfeited.

CANCELATION POLICY

Events must be canceled with PAFD prior to the event date in order to be eligible for a refund.
If canceled within 2 weeks of the scheduled event date, a $75 cancellation fee may be charged.

NOTIFICATION
Please keep a copy of your event permit on site at all times. City staff may require proof of permit. If there are members of the public in the reserved space upon arrival, please present the permit as proof of reservation & approved usage. If you need assistance, please contact the Police Department at (207) 874-8574.. You may put up temporary A-frame signs to alert the public to your event or place signage on orange cones, etc. Signs are to be up DAY OF EVENT ONLY. Please remove all signage immediately following the event. Please call Portland Police Dept. (874-8574) on the day of your event to remind them it is taking place. Please notify any nearby neighborhoods, businesses, including restaurants that may have tables out for dining, to alert them to your event.

STREET CLOSURE NOTIFICATION
Should an event involve a Street Closure, lasting longer than an hour, PAFD Office requires organizers to give advanced notification to area businesses, residents and bus companies (in the form of a "Street Closure Sign Off Sheet"). If an event impacts METRO Buses, the organizer (in advance) must discuss detour plans with Parks Rec and Facilities..

REVOCABLE PERMIT
♦ The City reserves the unconditional right to control or cancel events to protect and/or prohibit damage to public property. ♦ The City reserves the unconditional right to revoke or revise an issued permit. ♦ Police or City Staff on site may use their discretion to revise conditions of use.

I HAVE READ AND UNDERSTAND ALL OF THE ABOVE POLICIES	**TYPE INITIALS**	CT	**DATE**	3.10.23

ASSUMPTION OF RISK & LIABILITY				
Users of the area agree to accept the grounds in an "as is" condition and shall be responsible for all risk and liability in using the park/public space area for the said event. By returning this form (should permission be granted to use city property), the above parties agree to indemnify, defend, and hold harmless the City of Portland, its employees and agents, from and against all claims arising out of activities during said event.				
I have read the Assumption of Risk & Liability Agreement	**TYPE INITIALS**	ct	**DATE**	3.10.23

PLEASE INITIAL & DATE HIGH-LIGHTED YELLOW BOXES ABOVE.

PLEASE RETURN FORM AT LEAST 60 DAYS IN ADVANCE TO:
♦ Public Assembly Facilities Div. ~ 212 Canco Rd. ~ Portland ~ ME ~ 04103 **EMAIL PREFERRED:** rgroh@portlandmaine.gov

FEE SCHEDULE – UPDATED JULY 1, 2019

Fees are tiered and assigned based on the level of demand placed on City resources and impact on City infrastructure.

Simple Event (no registration fee): $75/hour Event with registration or pledges & attendance 25 - 300: $125/hr Event with registration or pledges & attendance 301+: $225/hr Film/Photo Shoot: $150/day Public Space/Park Security Deposit: $100 - $1000 Sound Security Deposit: $100 - $1,000 Impact/Street Closure Fee (variable based on impact): $100-$500 Staff Fee (on site event support): $37/hour Administrative Fee (event coordination support): $40/hour or more Reserved Parking: $25 each space Cancelation Fee: $75	Electricity (activation/deactivation) Fee: $40/flat Porta Restroom User Fee (if attendance is 150+): $25 Entertainment License: $50 Barricades: $5/ea. Rental Fee + $25/ea. Security Deposit Bike Racks: $10/ea. Rental Fee + $25/ea. Security Deposit Flashing Lights: $10/ea. Rental Fee + $40/ea. Security Deposit Cones: $2/ea. Rental Fee + $15/ea. Security Deposit Safety Vests: $15/ea. Security Deposit Keys: $50/ea. Security Deposit Equipment Delivery Fee: $100 or more Fortification Fee: TBD

TOTAL AMOUNT(S) DUE TO PUBLIC ASSEMBLY FACILITIES DIVISION (Please make all security deposit checks out separately)

Permit Fee for use of area: Number of Hours of Use: **Approx.**	$	Entertainment License Fee:	$
		Equipment Rental Fee:	$
Staff Fee (on site event support):	$	Public Space / Park / Sound Security Deposit:	$
Admin. Fee (event coordination support):	$	Borrowed / Rented Equipment Deposit:	$
Electricity Fee (activation/deactivation):	$	Additional Fees: (Porta-Restroom User Fee, "No Parking" Signs, etc.)	$
Impact/Street Closure Fee (variable based on impact):	$		

CITY OF PORTLAND ACCEPTS CASH, CHECK, MONEY ORDER AND CREDIT / DEBIT CARDS FOR PAYMENT
Checks should be made payable to City of Portland There will be a 2.65% processing fee added to all Debit / Credit Card transactions.

FOR OFFICE USE ONLY							
APPLICATION FEE:	$ 25.00	PERMIT FEE:	$	SECURITY DEPOSIT:	$	INSURANCE NEEDED?	Y / N
DATE RECEIVED:		DATE RECEIVED:		DATE RECEIVED:		DATE RECEIVED:	

Merchandise -Do you wish to sell **non-food items** (like T-shirts, crafts, cd's, etc.)**?** If so, please apply for a Street Goods Vendor License(s) at the Business Licensing Office (207-874-8557) https://content.civicplus.com/api/assets/9ef5d795-ac26-4794-9e38-c2f0bb9c9f04?cache=1800

Tents/Stages -Do you wish to set up a **tent(s)** and/or **stage(s)?** A canopy/tent or stage larger than 10'x10' needs a Temporary Tent or Stage Permit issued by Building Inspections https://content.civicplus.com/api/assets/376697a8-b6ac-4a4c-babc-9dbcf1e61eb8

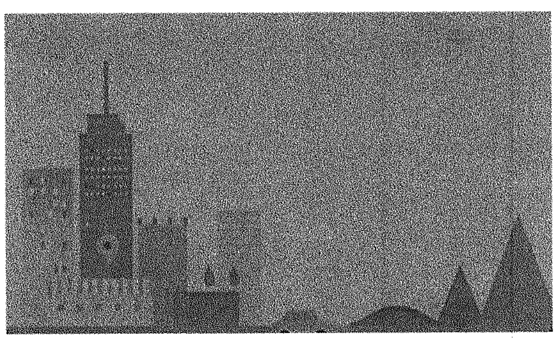
Alcohol sales -Do you wish to sell **alcohol**? You must complete the application for a Liquor License specific to your event through the State of Maine and submit the application to the City of Portland Business Licensing office first. Application will need City of Portland's approval prior to going to the State. Questions?please contact the Division of Liquor Licensing and Enforcement at (207) 624-7220/email-MaineLiquor@maine.gov. https://www.maine.gov/dafs/bablo/liquor-licensing/license-and-permit-applications

Food Sales - Will there be food vendors? If so, you must apply for a Temporary Food Service License from the Business Licensing Office. https://content.civicplus.com/api/assets/12f35a2a-e2a4-4d87-bf05-9ec89545e996?cache=1800

Police - Will your event require **Police** assistance? https://portlandmaine-portal.app.transform.civicplus.com/forms/26740

Fire/EMS - Will your event require **Fire/EMS** assistance? Email Fire Department - fireprevention@portlandmaine.gov

Google Maps Exchange St



Exchange St

Sustainability Office
Troy Moon
Sustainability Director
May 19, 2023

To: Councilor Zarro and Members of the Sustainability and Transportation Committee
From: Troy Moon, Sustainability Director
Re: C-PACE Program

In 2020, the Maine Legislature approved and Governor Mills signed a bill to create a Commercial Property Assessed Clean Energy (C-PACE) program in Maine. The City of Portland testified in favor of the legislation and City Staff, including the Sustainability Director and the Assessor, participated in working groups that influenced the language in the bill. With passage, the law instructed Efficiency Maine to create the rules and regulations to implement C-PACE in Maine. After extensive consultation with stakeholders in the building community, lenders, and municipalities, Efficiency Maine staff published the implementation rules in March 2023. The purpose of meeting this evening is to review these documents with you and determine whether you wish City staff to work on a local ordinance authorizing the City to participate in the C-PACE program.

During the meeting, we will review how C-PACE works, the role of the municipality, and how C-PACE helps the owners of commercial properties implement energy efficiency measures and renewable energy projects in their buildings. We will discuss how the program can work for new construction as well as for existing buildings. James Neal of Efficiency Maine will be present to describe the program in detail.

As we have reported frequently, over 60% of Portland's greenhouse gas emissions come from the building sector. The Sustainability Office works closely with building owners through programs such as Energy Benchmarking to help them understand their energy consumption. Our program is more powerful if we can direct them to affordable financial tools to fund energy projects that can reduce that consumption. Given limited municipal resources, it is essential to establish programs that harness and leverage private investment in energy projects that save building owners money and help them reduce greenhouse gas emissions in line with the goals established in One Climate Future.

389 Congress Street, Portland, Maine 04101 | p: 207.756.8362 | thm@portlandmaine.gov

C-PACE Program Guidelines

AN INITIATIVE OF THE EFFICIENCY MAINE GREEN BANK

MARCH 7, 2023

Table of Contents

Article I. INTRODUCTION

In June 2021, the Maine State Legislature enacted L.D. 340 – *An Act to Allow for the Establishment of Commercial Property Assessed Clean Energy Programs*, commonly known as "C-PACE." The C-PACE Act (35-A M.R.S. §§10201 *et seq*.) authorizes the Efficiency Maine Trust ("Efficiency Maine" or "the Trust") to establish a C-PACE Program. Efficiency Maine has added this program to the suite of financing initiatives for energy project investment under the Efficiency Maine Green Bank. A C-PACE program allows owners of commercial property owners to access an attractive type of financing to undertake energy efficiency and clean energy improvements on their buildings and repay the investment over time. Like other project financing, C-PACE relies on borrowed capital from a lender to pay for the upfront costs associated with energy efficiency or renewable energy improvements. Unlike other project financing, the borrowed capital is secured by a property tax assessment with an associated lien on the subject property.

The security provided by the tax assessment can result in several compelling features, including longer terms, lower interest rates, and transferability of the repayment obligations to subsequent owners of the property. In turn, C-PACE strengthens the business case for investment in more extensive building improvements having longer paybacks compared to what may be possible with traditional financing. Under C-PACE, the cost of energy savings improvements – such as energy efficient heating systems, energy storage systems, electric vehicle supply equipment, photovoltaic systems, solar thermal systems, geothermal systems, high-efficiency wood heating systems, and similar clean energy improvements – can be spread over the expected useful life of the improvements. For some equipment, the useful life is as long as 25 years. Another important feature of C-PACE is that in the event of default on a C-PACE obligation, only the payments in arrears come due; the balance of the C-PACE financing assessment is not automatically accelerated. The C-PACE lien remains on the property until the financed amount is fully repaid.

C-PACE legislation has been in place in other states for several years and C-PACE has shown itself to be an effective tool in attracting private capital into the clean energy and energy efficiency marketplace. C-PACE serves a public purpose by reducing energy costs, stimulating the economy, improving property valuation, reducing greenhouse gas emissions, and creating jobs. C-PACE offers multiple benefits to a broad range of stakeholders, including but not limited to: building owners, municipalities, mortgage holders, lenders and energy efficiency/renewable energy contractors.

The purpose of these Program Guidelines is to describe the requirements of the Efficiency Maine C-PACE Program. They provide information about the:

- Statutory and programmatic eligibility requirements for C-PACE properties and projects in Maine; and,
- Process for applying for C-PACE project approval; and,
- Criteria for project review.

These Program Guidelines may be updated, supplemented, amended, or otherwise modified by the Trust from time to time. The version of the Program Guidelines in effect at the time a C-PACE application is submitted shall be the version that governs the application review process performed by Efficiency Maine.

The C-PACE Program is governed by the terms of the C-PACE Act[1] and the administrative rules adopted by the Trust (the "Rules").[2] In the event of a direct conflict between the terms of these Program Guidelines or any Exhibit or Appendix and the C-PACE Act or Rules, the provisions of the C-PACE Act and Rules, in that order, shall control. Nothing in these Program Guidelines is intended to be contrary to the C-PACE Act or Rules and all are intended to be read and interpreted harmoniously.

Capitalized terms not otherwise defined in this document in Article I: Definitions have the definitions found in the C-PACE Act.

[1] 35-A Maine Revised Statutes (MRS) §10201 et seq.
[2] 95-648 Code of Maine Rules (CMR) ch. 5, Commercial Property Assessed Clean Energy (C-PACE) Program Regulations. (Appendix A)

Article II. DEFINITIONS

1. **Commercial PACE ("C-PACE").** Commercial Property Assessed Clean Energy, abbreviated as "C-PACE".

2. **Commercial PACE ("C-PACE") Act.** 35-A M.R.S §§10201 et seq. of the Maine Revised Statutes, as may be amended.

3. **Commercial PACE ("C-PACE") Assessment Agreement.** An agreement that authorizes the creation of a C-PACE Assessment on Qualifying Property and that is approved in writing by all owners of the Qualifying Property at the time of the agreement.

4. **Commercial PACE ("C-PACE") Assessment.** An assessment made against a Qualifying Property, authorized by the C-PACE Act for repayment of the financed amounts for Energy Savings Improvements.

5. **Commercial PACE ("C-PACE") Lien.** A lien secured against a Qualifying Property that is created by a C-PACE Assessment and the recording of a Notice of C-PACE Assessment Agreement in the Registry of Deeds.

6. **Commercial PACE ("C-PACE") Loan.** A loan, payable through a C-PACE Assessment and secured by a C-PACE Lien, made to the owner(s) of a Qualifying Property pursuant to the C-PACE Program to fund Energy Savings Improvements.

7. **Commercial PACE ("C-PACE") Ordinance**. An ordinance adopted by the legislative body of a municipality for the purpose of participating in a C-PACE Program.

8. **Commercial PACE ("C-PACE") Program.** The program established under the C-PACE Act, administered by the Trust or a third party contracted by the Trust, under which commercial property owners may finance Energy Savings Improvements on Qualifying Property.

9. **Commercial PACE ("C-PACE") Program Administrator.** The Trust, a third-party contracted by the Trust or a C-PACE Municipality that has elected to administer one or more of the functions of the C-PACE Program.

10. **Energy Savings Improvement**. An improvement or series of improvements to Qualifying Property that relates to the energy production or energy consumption on the property and that meets the standards established by the Trust in Article III, section 4 of these Program Guidelines.

11. **Estimated Useful Life.** The weighted average effective useful life of the Energy Savings Improvement(s).

12. **Municipal Liens.** Liens of the municipality (for property taxes) or a municipal water, sanitation or sewer district.

13. **Participating Municipality**. A Maine municipality that has adopted a C-PACE Ordinance for the purpose of participating in a C-PACE Program, and has executed a Municipality C-PACE Participation Agreement with the Trust to serve as the C-PACE Program Administrator.

14. **Property.** The real property that is the subject of the C-PACE application.

15. **Property Owner.** All of the owners (except any mortgage holder) of any Qualifying Property.

16. **Property Value.** The value of the property or the as-built value of the property after construction or improvements as determined by the Capital Provider.

17. **Qualifying Property.** Real commercial property that has demonstrated conformity with the criteria for a Qualifying Property as defined in Article III, section 3 of these Program Guidelines.

18. **Qualifying Project.** A project that has demonstrated conformity with the criteria for Qualifying Projects as defined in Article III, section 5 of these Program Guidelines.

19. **Registered Capital Provider.** "Registered Capital Provider" or "Capital Provider" means a lender providing financing for the Energy Savings Improvement(s) through a C-PACE Program and registered with the Trust.

20. **Renewable Energy Installation.** A fixture, product, system, device or interacting group of devices installed behind the meter at a Qualifying Property, or on contiguous property under common ownership, that produces energy or heat from renewable sources, including but not limited to, photovoltaic systems, solar thermal systems, highly efficient wood heating systems, geothermal systems and wind systems that do not on average generate more energy or heat than the average annual load of the property. Average annual load shall be calculated by taking the average of at least three most recent years of energy usage, or, in the case of a planned new load or significant change in the building load, a projection of annual energy load over the next three years.

21. **Savings-to-Investment Ratio ("SIR).** The ratio of savings to costs of an Energy Savings Improvement demonstrating conformity with the requirements defined in Article III, section 9 of these Program Guidelines.

22. **Technical Reviewer.** A qualified entity responsible for reviewing and disclosing projected costs and savings associated with the Energy Savings Improvement(s).

23. **Trust.** "The Trust" or "Efficiency Maine" means The Efficiency Maine Trust established in 35-A M.R.S. §10103.

Article III. PROGRAM REQUIREMENTS

1. Municipality Participation

The C-PACE Act requires that municipalities wishing to participate in the C-PACE Program adopt a C-PACE Ordinance not materially different from the Trust's model C-PACE Ordinance (Appendix B) in their jurisdiction. A municipality must also complete a C-PACE Municipality Participation Agreement (Appendix C) with the Trust that establishes the Trust as the municipality's C-PACE Program Administrator. A Maine municipality that adopts a C-PACE Ordinance not materially different from the Trust's model C-PACE Ordinance and executes a C-PACE Municipality Participation Agreement with the Trust is a "Participating Municipality." A commercial property must be located in a Participating Municipality in order to be eligible for C-PACE financing through the Efficiency Maine C-PACE Program.

2. Establishing a C-PACE Lien

A Property Owner participating in the C-PACE Program will pay the costs of financing of Energy Savings Improvements through an assessment on the Qualifying Property. The finance payments for the C-PACE Assessment shall be collected by the Capital Provider while the remaining tax assessment shall be collected by the Participating Municipality. A C-PACE Lien secures payment for any unpaid C-PACE Assessment and, together with all associated interest and penalties for default and associated attorney's fees and collection costs, takes precedence over all other liens or encumbrances on the property, except for Municipal Liens. The term Municipal Liens, as used in these Program Guidelines, means liens of the municipality (for property taxes) or a municipal water, sanitation or sewer district. A C-PACE Lien remains on the subject property until the amounts due under the terms of the C- PACE Agreement are paid in full.

As described in more detail in these Program Guidelines, a C-PACE Lien cannot be established until every financial institution that has an existing lien on the subject property certifies in writing that it has received notice of the proposed C-PACE Assessment and that it consents to the precedence of the C-PACE Lien.

A Notice of C-PACE Assessment Agreement (Appendix E) filed in the Registry of Deeds must include, at a minimum:

a. The amount of funds disbursed or to be disbursed pursuant to the C-PACE Assessment Agreement; and,

b. The names and addresses of the current owners of the Qualifying Property subject to the C-PACE Assessment; and,

c. A description of the Qualifying Property subject to the C-PACE Assessment, including its tax map and lot number; and,

d. The duration of the C-PACE Assessment Agreement; and,

e. The name and address of the entity filing the notice; and,

f. Written verification of mortgage lender consent, if there is a mortgage on the property.

It is the responsibility of the Capital Provider to ensure that a Notice of C-PACE Assessment Agreement is compliant with the C-PACE Act and filed in the appropriate Registry of Deeds, along with the executed Mortgage Lender Consent to C-PACE Assessment document (Appendix G). It is the responsibility of the Capital Provider to take the steps necessary to secure the lien against the commercial property subject to the C-PACE Assessment until the amounts due under the C-PACE Assessment Agreement are paid in full.

3. Property Eligibility

Only "Qualifying Property" is eligible for C-PACE Financing. "Qualifying Property" means:

a. Real commercial property that:
    i. Is located in a Participating Municipality; and,
    ii. Does not have a residential mortgage; and,
    iii. Is not owned by a "residential customer" or "small commercial customer" (i.e., customers do not pay "demand charges" on their electricity bill) as those terms are defined by electric utilities; and,
    iv. Is not owned by a federal, state or municipal government or public school; and,
    v. Consists of 5 or more rental units if the property is designed for residential use; and,
b. For which the applicant has provided proof of ownership and documentation or attestation, as prescribed by the Trust, that the property:
    i. Is current on
        1) real estate taxes; and,
        2) personal property taxes; and,
        3) municipal sewer, sanitary, and water district charges; and,
c. Has no outstanding and unsatisfied tax or municipal, sewer, sanitary, or water district liens hereinafter referred to as Municipal Liens; and,
d. Is not subject to a mortgage or other lien on which there is a recorded notice of default, foreclosure, or delinquency that has not been cured; and,
e. Has no overdue payments on mortgages secured by the subject property.

4. Energy Savings Improvement

To be eligible for a C-PACE Loan, the purchase and installation of an Energy Savings Improvement must satisfy all of the following, where applicable:

a. Be new and permanently affixed to the Qualifying Property; and,
b. If it involves weatherization, then the insulation materials used must not violate the provisions of 38 MRS § 1613, which restricts the use of hydrofluorocarbons, and the project must result in increased energy efficiency or substantially reduced energy use; and,

c. If it involves appliances and equipment, then each appliance and piece of equipment must comply with relevant provisions of either the federal Appliance and Equipment Standards established in 10 Code of Federal Regulations Part 429 or, where applicable, the Maine Department of Environmental Protection's Appliance Efficiency Standards established at 06-096 Code of Maine Rules Chapter 180, and the project must result in increased energy efficiency or substantially reduced energy use; and,

d. If it involves a Renewable Energy Installation, then it must meet the elements of that term as defined in Article II of these Program Guidelines; and,

e. If it involves electric vehicle supply equipment or any energy storage system, then the equipment must be certified by the Underwriters Laboratories, Inc., or equivalent safety standard, and comply with all National Electrical Code regulations for safety and operation requirements; and,

f. If it involves space heating equipment that is not a Renewable Energy Installation, then Maine law requires that the heating equipment to be financed through a C-PACE program must be of a type that produces the lowest carbon emissions of any heating equipment reasonably available to the Property Owner. For heating systems that would use on-site combustion, the Trust considers the US EPA emissions factors for different fossil fuels and biomass. For heat pump systems that would be powered by electricity from the grid that serves Maine, the Trust applies the marginal emission rate of grid power as reported by the Independent System Operator for New England (ISO-NE) to the electricity use of a heat pump system[3]. Table 1 below indicates the relative carbon emissions of different fuel types, including electricity, that are available to heat commercial buildings in Maine. The table also indicates the source (either the US EPA or the Trust's Technical Reference Manual [TRM]) used by the Trust to arrive at the carbon values recorded in the table. Based on the values recorded in the table, the Trust finds that in any property that is located in Maine and connected to the electric utility distribution system, electric heat pumps are the lowest carbon emission space heating option. Upon a showing of good cause by the Property Owner that electric heat pumps are not reasonably available, the Trust may approve the use of a heating system that uses the next lowest carbon-emitting fuel type in Table 1 that is reasonably available; and,

Table 1: Emissions Factors

Heating Fuel	Source[4]	lbs CO_2/MMBtu
Biomass (American Hardwood)	EPA	207
Heating Oil (#2)	EPA	163
Propane	EPA	139
Natural Gas	EPA	117
Electric Heat Pump[5]	TRM	71 - 103

[3] Table 5-3 Time-Weighted Marginal Emission Rate - All LMUs, Annual Average (All Hours), https://www.iso-ne.com/static-assets/documents/2022/05/2020_air_emissions_report.pdf

[4] **EPA** = US Environmental Protection Agency, Emission Factors for Greenhouse Gas Inventories, April 2022; **TRM** = Efficiency Maine Trust Retail/Residential Technical Reference Manual (TRM), Version 2023.1.

[5] Unlike fossil fuels that generate heat from the combustion of the inherent heat content, heat pumps move heat. Emissions factors for heat pumps are measured against the

g. If it is for the construction of a new building or facility, then it must meet the criteria set forth in Article III, section 8 of these Program Guidelines; and,

h. Meet the Savings-to-Investment Ratio standards set forth in Article III, section 9 of these Program Guidelines.

5. Project Eligibility

To be considered a "Qualifying Project" eligible for C-PACE financing, a C-PACE Project must meet the following requirements:

a. Contain at least one Energy Savings Improvement; and,

b. Certify that the estimated cost savings for the Property Owner from the Energy Savings Improvements over the Estimated Useful Life of such improvements achieves an SIR of not less than 1.0. See Section 8 of Article III, for details about SIR; and,

c. Indicate the Estimated Useful Life of the Energy Savings Improvement(s). EUL is determined by a Technical Reviewer and is subject to review and approval by the Trust; and,

d. The Qualifying Property must have a debt service coverage ratio of not less than 1.0 at the time the C-PACE Assessment Agreement is entered into, calculated as the net operating income divided by total debt service of the property; and,

e. The Qualifying Property must have a loan-to-value ratio of not more than 1.0 at the time the C-PACE Agreement is entered into, calculated as the total amount of debt secured by the property including that of the C- PACE Assessment Agreement divided by the Property Value; and,

f. The Qualifying Property's C-PACE Assessment-to-value ratio must be no greater than 0.35, calculated as the sum of the proposed C-PACE Assessment divided by the Property Value; and,

g. For new construction, a project must meet all the previously stated requirements as well as the requirements in Article III, section 8, below.

6. Capital Provider Participation

If a Capital Provider wishes to participate in the C-PACE Program, it must submit an application to Efficiency Maine that can be found at https://www.efficiencymaine.com/c-pace/. Efficiency Maine will approve Capital Providers that demonstrate their capacity and intention to:

- Capitalize Qualifying Projects; and,
- Perform the underwriting, origination, and loan servicing requirements of the Program; and,
- Manage a Qualifying Project to the point of fulfilling the necessary requirements of a project;

heat moved by the heat pump. The range of emissions reflects differences in efficiency of moving the heat. Electric Heat Pumps include any heating system that uses electric driven heat pump technology.

and,

- Comply with the regulations, procedures, and Program Guidelines of Efficiency Maine's C-PACE Program.

In all cases, a lender under the C-PACE Program must have the ability to fund and service C-PACE Loans, including performing all accounting, reporting, billing and collection required for C-PACE Assessments, whether directly or through the lender's agent.

Registered Capital Providers may include any:

a. federally insured bank; or,

b. savings and loan; or,

c. state or federal credit union; or,

d. registered investment firm authorized to do business in Maine; or,

e. authorized commercial lender; or,

f. financial institution, as defined in 12 U.S.C § 20, as amended; or,

g. Small Business Administration (SBA) small business investment company; or,

h. qualified institutional buyer, as defined in Rule 144A (17 C.F.R. 230.144A) of the federal Securities Act of 1933 (15 U.S.C. § 77a et seq.), as amended; or,

i. accredited investor, as defined in § 501(a)(1), (2), (3) and (7) of Regulation D (17 C.F.R. 230. 501(a)(1), (2), (3) and (7)) promulgated under the federal Securities Act of 1933 (15 U.S.C. § 77a et seq.), as amended; or,

j. insurance company licensed under the laws of any state; or,

k. trustee, custodian or depositary of a trust or a custodial or depositary arrangement, as the case may be, which provides that beneficial ownership of interests in such trust or arrangement shall be restricted to persons described in subsections (g), (h), (i), (j) and (l) of this definition; or,

l. a special purpose entity with respect to which the beneficial owners of equity interests or equity securities issued by such entity shall be restricted to those persons described in subsections (f), (h), (i), (j), and (k) of this definition.

The Capital Provider application specifies the backup documentation required to verify that a Capital Provider satisfies the requirements of this section. It divides the application into three tracks depending on Capital Provider type and background.

Track 1 - Entities in categories a-f in the list above are considered categorically capable and must provide basic documentation confirming their identity.

Track 2 - Entities in categories g-l must provide this same documentation, as well as proof of participation in two other nationally recognized C-PACE programs.

Track 3 - Entities in categories g-l that have not participated in any other nationally recognized C-PACE programs are required to provide more detailed proof of capacity along with references.

When a Capital Provider is approved by Efficiency Maine it is considered a Registered Capital Provider. The Trust maintains a publicly accessible listing of Registered Capital Providers on Efficiency Maine's website at www.efficiencymaine.com/c-pace/. Efficiency Maine maintains sole discretion of Capital Provider approval within the program and will have the ability to withdraw approval from a Capital Provider at any time.

7. Written Notice, Consent and Acknowledgement

Certain written notices, consent and acknowledgements must be conveyed before a project may be approved for a C-PACE Loan. For every financial institution holding a lien, mortgage, security interest or other encumbrance on the property for which a C-PACE Assessment is being sought, the following steps must be completed:

a. The financial institution must be given written notice of the Property Owner's intention to participate in the C-PACE Program (Notice of Proposed C-PACE Assessment – Appendix F);

b. The financial institution must provide in writing to the Property Owner and Participating Municipality:

    i. Acknowledgement that it has received the notice; and,

    ii. Consent for the borrower to participate and enroll the collateral property in the C-PACE Program and,

    iii. Acknowledgement that the financial institution understands:

        1) The C-PACE lien on the property will have priority status and,

        2) Foreclosure on a C-PACE lien does not eliminate the amount of the assessment that has not yet become due, and that the lien may not be accelerated or extinguished until fully repaid and,

        3) The financial institution is not required to, but has voluntarily elected to, consent to the property enrolling in the C-PACE Program and,

c. This written consent (Mortgage Lender Consent to C-PACE Assessment – Appendix G) must be filed in the Registry of Deeds.

The provisions of this section do not apply to liens that occur subsequent to the establishment of a C-PACE lien.

8. New Construction

Pursuant to Section 10203(5) of Maine's C-PACE Act, a C-PACE Assessment may be used to secure financing for Energy Savings Improvements that are installed during the construction of a new building or facility or a major renovation and that exceed the minimum energy requirements of the Maine Uniform Building and Energy Code (MUBEC) consistent with Maine's C-PACE Rule. For avoidance of doubt, reference to MUBEC and its minimum energy requirements means the statewide requirements of Chapters 1-6 of the MUBEC , and not the requirements of a Stretch Code established in the appendix of the MUBEC, regardless of whether that Stretch Code has been adopted in a municipality.

The amount that may be financed for the Energy Savings Improvements installed under this section is limited to:

a. In the case where the building's primary space heating system will employ high-efficiency heat pumps, either the itemized costs of the heat pump system or a default cost assumption of 14%[6] of the cost of the building's construction and,

b. In the case of improvements to the building envelope, the incremental costs of the envelope improvements compared to what it would have cost to meet the minimum energy requirements of the Maine Uniform Building and Energy Code for the building envelope; and,

c. For all other Energy Savings Improvements that are incremental to the minimum energy requirements of the Maine Uniform Building and Energy Code, 100% of costs of Energy Savings Improvements that are itemized and documented sufficiently to distinguish them from other costs of the construction project.

A gut rehab or major renovation will be considered new construction so long as the cost of the project exceeds 50% of the building's current Property Value prior to the renovation.

9. Savings-to-Investment Ratio (SIR) Requirements

The SIR is the ratio of the present value savings to the present value costs of an Energy Savings Improvement that will be experienced by the Property Owner and/or the tenants of the subject property. The numerator of the ratio is the present value (PV) of net savings in energy and non-fuel operation and maintenance (O&M) costs attributable to the proposed Energy Savings Improvement. The denominator of the ratio is the present value of the net increase in investment and replacement costs less salvage value attributable to the proposed Energy Savings Improvement (ESI).

$$\text{SIR} = \frac{PV(net\ savings\ in\ energy + non{-}fuel\ avoided\ O\&M\ costs)}{PV(net\ increase\ in\ investment + replacement\ costs - salvage\ value\ of\ ESI}$$

To be a Qualified Project eligible for a C-PACE Assessment:

a. The Energy Savings Improvements, over the Estimated Useful Life of such improvements, must achieve for the Property Owner an estimated SIR of not less than 1.0; and,

b. The calculation of the SIR must be reviewed by a Technical Reviewer, who must:

   i. Sign an SIR Certification (Appendix H) indicating that they have reviewed the SIR calculation and find that it provides a reasonable estimation of the present value of the project costs and savings; and,

   ii. Indicate whether the SIR calculation being certified was performed in the first instance by the Technical Reviewer or by another party, and in the event it was by another party,

[6] Per a study commissioned by the Trust, data shows that on average high-efficiency electric heating systems constitute 14% of new construction building costs. (CADEO, Inc., NC HVAC Cost Analysis, December, 2022.)

indicate the name, title, employer and place of business of that party; and

iii. Indicate in writing, or by applying their stamp, their name, title, employer, place of business, and professional credentials. The Technical Reviewer must be a licensed Professional Engineer in the State of Maine; and,

c. Prior to executing a C-PACE Assessment Agreement, the calculation of the SIR, together with the SIR Certification, must be provided to the Property Owner and the Capital Provider, in written or electronic form, where the each of following are indicated:

   i. The assumed values for all energy rates, expressed in dollars per unit of energy consumed or saved; and,

   ii. The value of any escalator applied to the energy rates or other costs in the calculation; and,

   iii. The Estimated Useful Life of the improvements; and,

   iv. The discount rate applied to the calculation; and,

   v. For any tax credits, grants or financial incentives, depreciation and related tax benefits, emissions offsets or credits received, or finance savings that were applied to the calculation, an itemization of the individual values applied; and,

   vi. For any operations or maintenance costs or savings associated with the Energy Savings Improvements that were applied to the calculation, an itemization of the costs and/or savings applied; and,

   vii. A formula showing the calculation of the applicable costs and savings of the proposed project, the resulting numerator and denominator, and the resulting SIR; and,

d. In the case of new construction and major renovations, calculation of the SIR shall consider only the incremental costs and savings that are estimated to result from the Energy Saving Improvements compared to what would have been required to meet the minimum energy requirements of the Maine Uniform Building and Energy Code.

For purposes of analyzing baseline energy use and estimated increase in energy efficiency or reduction in energy use, the following standards may be used for reference but are not specifically required:

- Baseline Energy Use: ASTM E2797-15, Building Energy Performance Assessment (BEPA) Standard directed at data collection and baseline calculations for the energy assessment;
- Energy Efficiency and Energy Savings: ASHRAE Level I, Level II and Level III Energy Audit Guidelines;
- Prevailing building energy efficiency codes and any equipment or systems standards contained in such codes; and/or
- Such other technical standards as the Trust may establish or approve from time to time.

The C-PACE Program does not guarantee energy savings. Calculation of a positive SIR is intended to provide information and context for the Property Owner and the Capital Provider to assist them in making financial decisions, but does not constitute a guarantee of performance, increased energy efficiency, or reduced energy use.

Article IV. APPLICATION PROCESS

1. Summary of Application Requirements

a. An applicant may be the Property Owner, Registered Capital Provider, Technical Reviewer, associated improvement contractor, or any dedicated third party coordinating with the Property Owner, Registered Capital Provider, or Technical Reviewer.

b. Before applying for the C-PACE Program, the applicant must ensure that it have a Qualifying Property and a Qualifying Project and has selected a Registered Capital Provider for C-PACE financing.

c. The applicant must submit an application on the online portal at www.efficiencymaine.com/c-pace/.

d. The applicant must upload all application documents listed in the Application Checklist (Article IV, section 7). The Trust reserves the right to request additional information as necessary in the review of any proposed project.

e. Capital Providers are responsible for ensuring that all underwriting requirements stipulated in section 6 of the Rule (Appendix A) are satisfied before closing any C- PACE financing and entering into a C-PACE Assessment Agreement.

f. The applicant must pay a non-refundable application fee of $1,000. This must be submitted in the form of a check made out to “Efficiency Maine Trust” with the “C-PACE, [project property address]” in the memo line. The check should be mailed to 168 Capitol St, Augusta, ME 04330 with attention to the C-PACE Program.

2. Application Review Process

Upon receipt of all required application documents identified in the Application Checklist (Article IV, section 7), Efficiency Maine will review the materials to determine:

a. Whether the application includes a Qualifying Project on a Qualifying Property; and,

b. That an eligible Technical Reviewer has executed the required SIR Certification; and,

c. That a Registered Capital Provider has certified that all required underwriting standards in section 6 of the Rule have been satisfied; and,

d. That a Mortgage Lender Consent to C-PACE Assessment document has been received from all applicable financial institutions; and,

e. That a C-PACE Assessment Agreement has been executed by the Property Owner, the Registered Capital Provider, and the Participating Municipality in a form acceptable to the Trust; and,

f. That all applicable C-PACE Program terms and conditions have been satisfied; and,

g. That all application fee has been received by the Trust.

3. Application Approval

If all C-PACE Act and C-PACE Program requirements are satisfied, the Trust will issue a Notice of Approval. If all C-PACE Act and C-PACE Program requirements are not satisfied, the Trust will issue a Notice of Rejection. After receiving a Notice of Rejection, an applicant will have one subsequent attempt to cure the application to meet the requirements of the Program. If the subsequent attempt still does not meet the requirements of the Program, the applicant will receive another Notice of Rejection. Any further submissions to the program will have to be submitted as an entirely new application including the payment of an additional application fee. Efficiency Maine will in good faith attempt to aid applicants in understanding the reasons an application may be deemed rejected.

4. Scope of Work & Technical Review

Property Owners work with an energy auditor, licensed contractor, or engineer with demonstrated experience to define a scope of work for their proposed project. This scope can range from installation of a single Energy Savings Improvement, to a whole building energy upgrade involving multiple, interactive Energy Savings Improvements.

The C-PACE Program requires that each Property Owner use the services of a Technical Reviewer in reviewing the SIR calculations as required in Article III, section 9 of these Program Guidelines. The Technical Reviewer must be a licensed Professional Engineer in the State of Maine. The Technical Reviewer may be employed by a party involved in the project.

The Technical Reviewer signs an SIR Certification document indicating that they have reviewed the SIR calculation and find that it provides a reasonable estimation of the present value of the project costs and savings. The Technical Reviewer must provide in writing their name, employer, place of business, and credentials or qualifications. This information, along with the SIR Certification document is submitted as part of the application for review by the Trust.

The C-PACE Program does not require that the Property Owner or contractor guarantee energy savings or that the Property Owner secure an energy performance contract. An SIR Certification by a Technical Reviewer does not constitute a guarantee of performance, increased energy efficiency, or reduced energy use. Neither the Technical Reviewer nor the Trust are responsible for project performance or savings.

5. C-PACE Loan Closing and Municipal Assessment

Upon receipt of a Notice of Approval by the Trust, the Property Owner and the Registered Capital Provider will close financing if they have not already. The Participating Municipality will execute the Notice of C-PACE Assessment Agreement and the Registered Capital Provider will be responsible for recording the executed Notice of C-PACE Assessment Agreement in the applicable Registry of Deeds in order to perfect the C-PACE Lien. The Registered Capital Provider must also record any executed Mortgage Lender Consent(s) to C-PACE Assessment in the applicable Registry of Deeds.

The executed C-PACE Assessment Agreement will include the payment schedule for the C-PACE Assessment. Any changes to the payment schedule must be provided by the Registered Capital Provider to the Participating Municipality. The tax collector for the Participating Municipality will place the C-PACE Assessment on the Property tax records. Subsequent property tax bills or other notices of assessment will include a supplementary document confirming that there is a C-PACE Assessment on the Property and detailing remittance instructions on behalf of the Registered Capital Provider. Collection will commence based upon the agreed schedule.

6. Post-Installation Review and Verification

Following completion of the Qualified Project, the Registered Capital Provider must confirm that the Energy Savings Improvements funded through the C-PACE Program were installed completely and are operating as intended. Capital Providers must notify Efficiency Maine within 30 days that a project is installed completely and is operational. Such notification shall be emailed to C-PACE@efficiencymaine.com. Registered Capital Providers must also provide updates to project development and implementation status upon request of Efficiency Maine. Registered Capital Providers may impose additional commissioning and verification requirements on Property Owners as a condition of C- PACE financing.

Efficiency Maine reserves the right to request additional information from the Property Owner and to conduct additional evaluation, measurement and verification of all C-PACE projects as it may deem beneficial for the operation and integrity of the Program. By participating in the C-PACE Program, the Property Owner grants authorization to Efficiency Maine, upon its reasonable advance request, to access facilities and records to collect data as may be needed to measure and verify electricity savings and fuel reductions (this may include but is not limited to utility bills, metering data, facility equipment surveys, information on operational practices, and site occupancy levels).

7. Application Document Checklist

The following is a list of the key documents that C-PACE Program applicants must collect and upload to the application portal at www.efficiencymaine.com/c-pace/. (Note: The Capital Provider may have additional requirements for underwriting and loan approval).

a. **SIR Certification** – Completed and signed by the Technical Reviewer. (Appendix H)

b. **Technical Reviewer Credentials** – Proof that the Technical Reviewer is a licensed Professional Engineer in the State of Maine.

c. **Mortgage Lender Consent to C-PACE Assessment** – Signed by each financial institution holding a lien, mortgage or security interest in or other collateral encumbrance on the Property on which the project is located (if applicable.) (Appendix G)

d. **C-PACE Assessment Agreement** – Signed by the Property Owner, Capital Provider and Participating Municipality. (Appendix D)

e. **Title Report** – A recent (within thirty days) title report of the real property where the Energy Savings Improvement(s) will be located, identifying all Property Owners and all mortgages, liens and other encumbrances of record.

f. **Tax Assessor Statement** – A current tax assessor property card showing tax map and lot number and describing the property on which the Qualifying Project is located, along with any additional documentation confirming that the project is located on a Qualifying Property and that tax payments are current.

Article V. OTHER PROGRAM ELEMENTS

1. Amount Financeable through a C-PACE Loan

Except as provided for a new construction project or a major renovation in Article III, section 8, the C-PACE Loan may cover up to 100% of an Energy Savings Improvement's costs, including the costs of any audits, development and application fees directly associated with the improvement, less any rebate or other financial incentive provided by the Trust to the Property Owner.

2. Term of the C-PACE Assessment Agreement

The term of the C-PACE Assessment Agreement shall not exceed the Estimated Useful Life of the financed Energy Savings Improvements, the duration of which shall be acceptable to and disclosed by the Technical Reviewer.

3. Disbursement of Funds

A Capital Provider may disburse funds prior to project completion.

4. Availability of C-PACE Financing for Previously Complete Qualifying Projects

A C-PACE Loan may be used to finance Energy Savings Improvements at a Qualifying Property provided that the work was completed less than one year prior to the complete submission of all C-PACE application documents necessary for Trust approval of such Qualifying Project.

5. Restrictions on Refinancing through the C-PACE Program

A Qualifying Project that has already closed on a C-PACE financing may restructure, amend, restate or otherwise modify an existing C- PACE financing and assessment by agreement with original C-PACE Lender (or its successors or assigns), so long as any such changes maintain compliance with Program requirements and the Notice of C-PACE Assessment Agreement on record is updated. A Qualifying Project that has already closed on C-PACE financing may refinance based on the following conditions:

a. The refinancing is through the original C-PACE lender (or its successors or assigns)

b. No new C-PACE Assessment is needed for the same Qualifying Project.

6. Billing and Collection

C-PACE Assessments must be billed and collected by the Registered Capital Provider. The Participating Municipality designates the Registered Capital Provider to perform billing and collection for a C-PACE Assessment in the C-PACE Assessment Agreement. Such designation gives the Capital Provider a contractual right to receive C- PACE Assessment payments in repayment of the C-PACE financing. Efficiency Maine and the Participating Municipality serve only as a Program sponsor to facilitate loan repayment and incur no liability for the loan.

7. Delinquency and Default

A C-PACE Assessment delinquency or default may be handled in two distinct ways:

a. If a C-PACE Assessment is delinquent or in default and the borrower or Property Owner is delinquent in any tax debt due to the Participating Municipality in which the property is located, collection may occur only by the recording of liens and by foreclosure under the statutory process provided in Title 36 M.R.S. §942 and §943. Liens will be recorded and released in the same manner as liens for real property taxes.

b. If only a C-PACE Assessment is delinquent, but the borrower is current on payment of all municipal taxes due to the Participating Municipality, then the Capital Provider, as C- PACE lienholder, will be provided an assignment of the C-PACE lien, as provided in the written agreement between the Participating Municipality and the Capital Provider. In accordance with the C-PACE Act, the assignee shall have all the same powers and rights at law as the Participating Municipality and its tax collector with regards to the priority of the C-PACE lien, the accrual of interest and fees, and the costs of collection. The assignee shall have the same rights to enforce the C-PACE lien as any private party or lender holding a lien on real property, including, the right of foreclosure consistent with 14 M.R.S. §6203-A and §6321 and any other action in contract for the enforcement of the C-PACE lien. In accordance with the C-PACE Act, the assignee has the right to recover costs and reasonable attorney's fees incurred as a result of any foreclosure action or other legal proceeding brought to enforce the C-PACE lien.

8. Transfers

A C-PACE Assessment may be transferred to a new property owner. If the Property Owner sells or transfers a property with a C-PACE Lien, the buyer may:

a. pay off the remaining payment obligations and remove the lien; or,

b. take over the payment obligations of the lien.

9. Foreclosures

In the event of a judicial or nonjudicial sale or foreclosure of a property subject to a C-PACE lien by a lienholder that is not a commercial-PACE lienholder, the C-PACE lien must survive the foreclosure or sale to the extent of any unpaid installment, interest, penalties or fees secured by the lien that were not paid from the proceeds of the sale.

10. Limitation of Liability

Pursuant to the C-PACE Act, notwithstanding any provision of law to the contrary, staff or trustees of Efficiency Maine and municipal officers and municipal officials of Participating Municipalities, including, without limitation, tax assessors and tax collectors, are not personally liable to any other person for claims, of whatever kind or nature, under or related to the C-PACE Program, including, without limitation, claims for or related to uncollected C-PACE assessments.

Other than the fulfillment of its obligations specified in a C-PACE Assessment Agreement, neither Efficiency Maine nor a Participating Municipality has any liability to a commercial Property Owner or Capital Provider for or related to Energy Savings Improvements financed under the C-PACE Program or for the repayment of any such financing.

Article VI. APPENDICES

The following Appendices can be found on the Efficiency Maine C-PACE Program webpage at the following link: https://www.efficiencymaine.com/c-pace/

Appendix A: Chapter 5: C-PACE Program Regulations (the Trust's administrative rule)

Appendix B: Model C-PACE Ordinance

Appendix C: C-PACE Municipality Participation Agreement

Appendix D: C-PACE Assessment Agreement

Appendix E: Notice of C-PACE Assessment Agreement

Appendix F: Notice of Proposed C-PACE Assessment

Appendix G: Mortgage Lender Consent to C-PACE Assessment

Appendix H: Savings-to-Investment Ratio (SIR) Certification

95-648 EFFICIENCY MAINE TRUST

CHAPTER 5: COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (C-PACE) PROGRAM REGULATIONS

SUMMARY: The purpose of this rule is to establish elements of a commercial property assessed clean energy (C-PACE) Program in Maine. The rule enumerates underwriting standards, quality assurance provisions, and how the program will be administered, whether administered by Efficiency Maine Trust (or its agent) or by a municipality, as provided by the Commercial Property Assessed Clean Energy Act (35-A M.R.S. §§10201, et. seq.).

SECTION 1. SCOPE

This Chapter applies to all C-PACE Loans issued and C-PACE Agreements entered into pursuant to a C-PACE Program established under the Commercial Property Assessed Clean Energy Act (35-A M.R.S. §§10201, et. seq.), whether the C-PACE Program is administered by the Trust or its agent, or by a municipality.

SECTION 2. DEFINITIONS.

For purposes of this Chapter, the following words have meanings as defined in this section.

1. **Board.** The Efficiency Maine Trust Board established under 35-A M.R.S.A. § 10103 and 5 M.R.S.A. § 12004-G(10-c).

2. **Commercial PACE (“C-PACE”).** Commercial Property Assessed Clean Energy, abbreviated as “C-PACE”.

3. **Commercial PACE (“C-PACE”) Agreement.** An agreement that authorizes the creation of a C-PACE Assessment on qualifying property and that is approved in writing by all owners of the qualifying property at the time of the agreement.

4. **Commercial PACE (“C-PACE”) Assessment.** An assessment made against qualifying property to finance an energy savings improvement.

5. **Commercial PACE (“C-PACE”) District**. The area within which the City/Town establishes a C-PACE Program hereunder, which is all that area within the City/Town boundaries.

6. **Commercial PACE (“C-PACE”) Lien.** A lien secured against a qualifying property that is created by a C-PACE Assessment.

7. **Commercial PACE ("C-PACE") Loan.** A loan, payable through a C-PACE Assessment and secured by a C-PACE Lien, made to the owner(s) of a Qualifying Property pursuant to a C-PACE Program to fund Energy Savings Improvements.

8. **Commercial PACE ("C-PACE") Mortgage**. A mortgage securing a loan made pursuant to a C-PACE Program to fund Energy Savings Improvements on Qualifying Property.

9. **Commercial PACE ("C-PACE") Municipality**. A municipality as defined in Title 1 M.R.S. §72(13) that has adopted a C-PACE ordinance for the purpose of participating in a C-PACE Program.

10. **Commercial PACE ("C-PACE") Ordinance**. An ordinance adopted by the legislative body of a municipality for the purpose of participating in a C-PACE Program.

11. **Commercial PACE ("C-PACE") Program.** A program established under the Commercial Property Assessed Clean Energy Act, administered by the Trust, a third party contracted by the Trust or a municipality, under which commercial property owners may finance Energy Savings Improvements on Qualifying Property.

12. **Commercial PACE ("C-PACE") Program Administrator.** The Trust, a third-party contracted by the Trust or a C-PACE Municipality that has elected to administer one or more of the functions of the C-PACE Program.

13. **Commercial PACE ("C-PACE") Act.** Title 35-A M.R.S. §10201 *et seq*.

14. **Director**. The Executive Director of the Trust.

15. **Energy Savings Improvement**. An improvement or series of improvements to Qualifying Property that relate to the energy production or energy consumption on the property and that meet the standards established by the Trust in Section 5 of this Chapter.

16. **Program Guidelines**. A document prepared by the Program Administrator to specify operational details by which a C-PACE Program will be administered.

17. **Property.** The real property that is the subject of the C-PACE application.

18. **Property Owner.** All of the owners (except any mortgage holder) of any Qualifying Property.

19. **Qualifying Property.** Real commercial property that has demonstrated conformity with the criteria for a Qualifying Property as defined in Section 8 of this rule.

20. **Registered Capital Provider.** "Registered Capital Provider" or "Capital Provider" means a lender providing financing for the Energy Savings Improvement(s) through a C-PACE Program and registered with the Trust.

21. **Renewable Energy Installation.** A fixture, product, system, device or interacting group of devices installed behind the meter at a Qualifying Property, or on contiguous property under common ownership, that produces energy or heat from renewable sources, including but not limited to, photovoltaic systems, solar thermal systems, highly efficient wood heating systems, geothermal systems and wind systems that do not on average generate more energy or heat than the average annual load of the property.

22. **Technical Reviewer.** A qualified entity responsible for reviewing and disclosing projected costs and savings associated with the Energy Savings Improvement(s). The Program Administrator shall publish the minimum qualifications for a Technical Reviewer in the Program Guidelines.

23. **Trust.** The Efficiency Maine Trust established in 35-A M.R.S. §10103.

SECTION 3. PROGRAM ADMINISTRATION

In implementing and administering a C-PACE Program, Property Owners, Capital Providers, Municipalities, and the Program Administrator shall complete and comply with the following provisions.

1. C-PACE Program Administration.

    a. The entity that administers a C-PACE Program is referred to in these rules as a Program Administrator.

    b. A municipality that has adopted a C-PACE ordinance may:

        (i) Enter into a contract with the Trust to serve as the Program Administrator and to administer the functions of the C-PACE Program for the Municipality, or

        (ii) Serve as the Program Administrator itself, to administer the functions of a C-PACE Program, including, but not limited to, entering into C-PACE Agreements with commercial property owners in its jurisdiction and collecting C-PACE Assessments.

2. Model documents; educational materials. The Trust shall develop and provide to Municipalities model C-PACE ordinances, model C-PACE agreements, other model forms and documents and educational materials for use by Municipalities, Property Owners and Registered Capital Providers in the implementation of C- PACE Programs.

3. The Trust may:

    a. enter into a contract with a C-PACE Municipality whereby the Trust will serve as the Program Administrator in the municipality;

   b. collect fees necessary to administer the C-PACE Program; and

   c. subcontract with one or more 3rd-parties to perform part or all of the duties of a Program Administrator on behalf of the Trust.

4. Notwithstanding any provision of law to the contrary, staff or trustees of the Trust, municipal officers and municipal officials, including, without limitation, tax assessors and tax collectors, are not personally liable to the Trust or to any other person for claims, of whatever kind or nature, under or related to a C-PACE Program established under the C-PACE Act and these Rules.

5. Other than the fulfillment of its obligations specified in a C-PACE agreement, neither the Trust nor a Municipality has any liability to a commercial property owner for or related to Energy Savings Improvements financed under a C-PACE Program.

6. Administrative Costs

   a. Responsibility for Administrative Costs. The Program Administrator shall be responsible for the costs of administration of the C-PACE Program. Notwithstanding any provision of law to the contrary, the Program Administrator may use funds from its administrative fund, program funds or fees on C-PACE Assessments to pay reasonable administrative expenses of the Program Administrator or to pay a 3rd party contracted by the Program Administrator for costs incurred to carry out the purposes of this C-PACE Program. Such administrative costs may be included in and paid from the C-PACE Assessments collected on each C-PACE Loan in accordance with a fee schedule agreed to by the Program Administrator and Registered Capital Providers.

   b. Fee Schedule. A C-PACE Municipality that elects to administer loan origination and servicing functions through its employees or a third-party agent shall be entitled to recover these costs from C-PACE Assessments on the same fee schedule as the Trust. Costs to such Municipalities, however, that exceed the fee schedule established by the Trust shall be the responsibility of the Municipality.

SECTION 4. PROGRAM GUIDELINES

This rule authorizes a C-PACE Program Administrator, and said Program Administrator reserves the right, to prepare, adopt and amend a Program Guidelines document to specify operational details of any C-PACE Program that is administered by the said Program Administrator. Such Program Guidelines document shall be made available to the public from the website of the Program Administrator or its agent. For a C-PACE Program administered by the Trust, the Program Guidelines shall be approved, and may be amended from time to time, by the Director or the Director’s designee.

SECTION 5. ENERGY SAVINGS IMPROVEMENTS

1. To be eligible for a C-PACE Loan under this Chapter, an improvement or series of improvements relating to a Qualifying Property's energy production or energy consumption must satisfy the requirements of an "Energy Savings Improvement."

2. The purchase and installation of an Energy Savings Improvement must satisfy all of the following, where applicable:

   a. Be new and permanently affixed to the Qualifying Property;

   b. If it involves weatherization, then the insulation materials used must not violate the provisions of 38 M.R.S.A § 1613, which restricts the use of hydrofluorocarbons, and the project must result in increased energy efficiency or substantially reduced energy use;

   c. If it involves appliances and equipment, then each appliance and piece of equipment must comply with relevant provisions of either the federal Appliance and Equipment Standards established in 10 Code of Federal Regulations Part 429 or, where applicable, the Maine Department of Environmental Protection's Appliance Efficiency Standards established at 06-096 Code of Maine Rules Chapter 180, and the project must result in increased energy efficiency or substantially reduced energy use;

   d. If it involves a Renewable Energy Installation, then it must meet the elements of that term as defined in Section 2, sub-section 21 of this Chapter;

   e. If it involves electric vehicle supply equipment or any energy storage system, then the equipment must be certified by the Underwriters Laboratories, Inc., or equivalent safety standard, and comply with all National Electrical Code regulations for safety and operation requirements;

   f. If it involves space heating equipment that is not a renewable energy installation, then it must produce the lowest carbon emissions of any heating equipment reasonably available to the property owner, provided that:

      (i) The Program Administrator shall rely on the updated US Environmental Protection Agency's "Emission Factors for Greenhouse Gas Inventories" to compare carbon dioxide emissions per million British thermal units (Btu) of fossil fuels and biomass, which shall be published in a table in the Program Guidelines;

      (ii) The Program Administrator shall compare the emission factors of fossil fuels, biomass and electrically powered heat pumps assuming the minimum efficiency standards allowed in the applicable appliance standards and a minimum Heating System Performance Factor of a heat pump system that would be eligible for a rebate from the Trust, and publish the results in a table in the Program Guidelines;

(iii) For any property that is connected to the electric utility distribution system, electric heat pumps are presumed to be the lowest carbon emission space heating option; and,

(iv) Upon a showing of good cause by the Property Owner, the Director may approve the use of the next lowest carbon-emitting heating system that is reasonably available;

g. If it is for the construction of a new building or facility, then it must be established that the improvements significantly exceed the energy standards of the Maine Uniform Building and Energy Code, adopted pursuant to Title 10, M.R.S.A. § 9722, subsection 6, paragraph B. Pathways to establish that a new construction project meets this standard are described in the Program Guidelines; and

h. Achieve a Savings-to-Investment Ratio (SIR) that is not less than 1.0, where the process for calculating the SIR is established in the Program Guidelines.

SECTION 6. UNDERWRITING STANDARDS

1. Except as provided for a new construction project or a major renovation, the C-PACE Loan may cover up to 100% of an Energy Savings Improvement's costs, including the costs of any audits, development and application fees directly associated with the improvement, less any rebate or other financial incentive provided by the Trust to the Property Owner.

2. For a new construction project or a major renovation, the costs that may be borrowed through a C-PACE Loan are limited to:

   a. If the building's primary space heating system will employ high-efficiency heat pumps, either the itemized costs of the heat pump system or a default cost assumption that is proportionate to the heating system's share of the full cost of the building's construction which shall be provided in the Program Guidelines;

   b. In the case of improvements to the building envelope, the incremental costs of the envelope improvements compared to what it would have cost to meet the minimum energy requirements of the Maine Uniform Building and Energy Code for the building envelope; and,

   c. For all other Energy Savings Improvements that are incremental to the minimum energy requirements of the Maine Uniform Building and Energy Code, 100% of costs of Energy Savings Improvements that are itemized and documented sufficiently to distinguish them from other costs of the construction project.

3. The term of the C-PACE Agreement shall not exceed the Estimated Useful Life, of the financed Energy Savings Improvements, the duration of which shall be acceptable to and disclosed by the Technical Reviewer.

4. The estimated cost savings from the Energy Savings Improvements over the useful life of such improvements shall achieve for the Property Owner a savings-to-investment ratio ("SIR") of not less than 1.0.

5. The Qualifying Property shall have a debt service coverage ratio of not less than 1.0 at the time the C-PACE agreement is entered into.

6. The Qualifying Property shall have a loan-to-value ratio of not more than 1.0 at the time the C-PACE agreement is entered into, calculated by dividing the total amount of debt secured by the Property by the Property value.

7. The Qualifying Property's C-PACE Assessment-to-value ratio shall be no greater than 0.35.

8. The Qualifying Property securing a C-PACE Loan must be owned by the Property Owner.

9. The Qualifying Property shall:

   a. Be current on real estate taxes, personal property taxes and municipal sewer, sanitary and water district charges;

   b. Have no outstanding and unsatisfied tax or municipal sewer, sanitary or water district liens; and

   c. Not be subject to a mortgage or other lien on which there is a recorded notice of default, foreclosure or delinquency that has not been cured.

10. The owner or owners of the Qualifying Property must certify that there are no overdue payments on mortgages secured by the Property.

11. A Registered Capital Provider may require escrows for C-PACE Assessment payments when appropriate.

12. A Registered Capital Provider may apply such other additional underwriting standards as it requires for approval of a C-PACE Loan that will be financed by the Registered Capital Provider, consistent with all applicable laws.

SECTION 7. REGISTERED CAPITAL PROVIDERS

1. Capital Provider Registration. If a Capital Provider wishes to participate in the C-PACE Program, it must submit a Capital Provider Application to the Program Administrator. The Program Administrator will approve Capital Providers that demonstrate to the satisfaction of the Program Administrator that the Capital Provider has the capacity and intention to:

   a. Capitalize Qualifying Projects;

   b. Perform the underwriting, origination, and loan servicing requirements of the Program; and

   c. Comply with the regulations, procedures and Program Guidelines of the Program Administrator's C-PACE Program.

2. Registered Capital Providers may include any:

   a. federally insured bank;
   b. savings and loan;
   c. state or federal credit union;
   d. registered investment firm authorized to do business in Maine;
   e. Small Business Administration (SBA) small business investment company;
   f. authorized commercial lender;
   g. qualified institutional buyer, as defined in Rule 144A (17 C.F.R. 230.144A) of the federal Securities Act of 1933 (15 U.S.C. § 77a *et seq*.), as amended;
   h. accredited investor, as defined in § 501(a)(1), (2), (3) and (7) of Regulation D (17 C.F.R. 230. 501(a)(1), (2), (3) and (7)) promulgated under the federal Securities Act of 1933 (15 U.S.C. § 77a *et seq*.), as amended;
   i. financial institution, as defined in 12 U.S.C § 20, as amended;
   j. insurance company licensed under the laws of any state;
   k. trustee, custodian or depositary of a trust or a custodial or depositary arrangement, as the case may be, which provides that beneficial ownership of interests in such trust or arrangement shall be restricted to persons described in subsections (g), (h), (i), (j) and (l) of this definition; and,
   l. a special purpose entity with respect to which the beneficial owners of equity interests or equity securities issued by such entity shall be restricted to those persons described in subsections (g), (h), (i), (j), and (k) of this definition.

3. In all cases, a Registered Capital Provider under the C-PACE Program must have the ability to fund and service C-PACE loans, including performing all accounting, reporting, billing and collection required for C-PACE Assessments, whether directly or through the lender's agent.

4. When a Capital Provider is approved by the Program Administrator it is considered a Registered Capital Provider. The Program Administrator will maintain a publicly accessible listing of Registered Capital Providers on a publicly accessible page on the internet. The Program Administrator maintains sole discretion of Capital Provider approval within the program and will have the ability to withdraw approval from a Capital Provider at any time.

SECTION 8. PREPARING AND APPROVING C-PACE LOAN APPLICATIONS

1. Defining Project and Establishing Compliance with C-PACE Program Requirements.

    a. An applicant for a C-PACE Loan must complete the application process and forms prescribed in the Program Guidelines to demonstrate compliance with the requirements of the C-PACE Program.

    b. Eligibility for a C-PACE Loan is limited to a Qualifying Project sited at a Qualifying Property.

    c. To be considered a "Qualifying Property" eligible for C-PACE financing, a property must be physically located in a C-PACE Municipality and demonstrate that it:

        (i) Does not have a residential mortgage;

        (ii) Consists of five or more rental units if the property is a commercial building designed for residential use;

        (iii) Is not owned by a residential customer or small commercial customer as defined in 35-A M.R.S. §3106(1)(C) and (D), respectively; and,

        (iv) Is not owned by a federal, state or municipal government or public school.

    d. To be considered a "Qualifying Project" eligible for C-PACE financing, a C-PACE Project must:

        (i) Comprise at least one Energy Savings Improvement where the type and quality of the improvement satisfies the minimum requirements of section 5; and

        (ii) Satisfy the underwriting standards in section 6.

2. Registered Capital Provider – The Property Owner shall select a Registered Capital Provider to finance the Qualifying Project. The Registered Capital Provider shall receive and review the information about the project and shall:

a. Verify that the subject property is a Qualifying Property;

b. Verify that the proposed Energy Savings Improvements constitute a Qualifying Project;

c. Verify that the Technical Reviewer has provided the SIR certificate and completed the accompanying disclosures as required by the Program Guidelines;

d. Ensure that each financial institution that holds a lien, mortgage or security interest in or other collateral encumbrance of the property for which a C-PACE assessment is sought has been provided written notice of the Property Owner's intention to participate in the C-PACE Program, and that each such financial institution has acknowledged to the Property Owner and the Municipality that it has received such notice and has provided written consent that the applicant may participate and enroll the Property in the C-PACE Program, in compliance with 35-A M.R.S. § 10205(4); and

e. Record all written consents in the appropriate Registry of Deeds of the county in which the Property is located.

3. Application Completeness and Submittal. A completed C-PACE Program application form shall be submitted, with an application fee, to the Program Administrator. The schedule for the application fee shall be published in the Program Guidelines and shall reasonably reflect the Program Administrator's costs.

4. C-PACE Application Review. The Program Administrator shall review the application to determine:

   a. Whether the application has established that the property and the project meet the eligibility requirements of a Qualifying Property and Qualifying Project;

   b. That the Technical Reviewer has prepared and executed the SIR certificate and completed the disclosures required by the Program Guidelines;

   c. That the Capital Provider has certified that all required underwriting standards have been satisfied;

   d. That the Capital Provider has certified that all required consents from all financial institutions holding a lien, mortgage or security interest in or other collateral encumbrance on the Property have been received; and

   e. That all C-PACE Program terms and conditions have been satisfied.

5. Application Approval. If the Program Administrator determines that the application has met standards (2)(a) through (e) above, the Trust shall issue a written Notice of Approval.

6. Executing Agreements and Installing Energy Savings Improvements.

a. After receiving a Notice of Approval by the Program Administrator, the Property Owner and the Registered Capital Provider may close on the financing of the C-PACE Loan. A C-PACE Loan must be secured by a C-PACE Assessment and C-PACE Lien on Qualifying Property. A C-PACE Lien remains on the Property until the amounts due under the terms of the C-PACE Agreement are paid in full. A notice of C-PACE Agreement shall be prepared which must include, at a minimum:

(i) The amount of funds disbursed or to be disbursed pursuant to the C-PACE Agreement;

(ii) The names and addresses of the current owners of the Qualifying Property subject to the C-PACE Assessment;

(iii) A description of the Qualifying Property subject to the C-PACE Assessment, including its tax map and lot number;

(iv) The duration of the C-PACE Agreement;

(v) The name and address of the entity filing the notice; and

(vi) Written verification of mortgage lender consent, if there is a mortgage on the property.

b. A Notice of C-PACE Agreement must be filed in the appropriate Registry of Deeds by the Registered Capital Provider, the Property Owner, or an agent of either party, along with the executed Mortgage Lender Consent documents. It is the responsibility of the Registered Capital Provider to take the steps necessary to secure the lien against the commercial Property subject to the C-PACE Assessment until the amounts due under the C-PACE Agreement are paid in full.

SECTION 9. PURCHASES, DISBURSEMENTS, AND PROPERTY RIGHTS

1. Purchase of goods and services. A commercial property owner who has entered into a C-PACE Agreement may purchase directly all goods and services for the Energy Savings Improvements described in the C-PACE Agreement, subject to any applicable vendor certification required by the Trust and other requirements of the Trust. Goods and services purchased by a commercial property owner for the Energy Savings Improvements under a C-PACE Agreement are not subject to any public procurement ordinance or statute.

2. A Registered Capital Provider may disburse funds for an approved C-PACE Loan for new construction projects before project completion.

3. Rights. Commercial property owners retain all rights under contract or law against parties other than the Municipality or the Trust with respect to Energy Savings Improvements financed through C-PACE Agreements.

SECTION 10. COLLECTION OF C-PACE ASSESSMENTS, RECORDING OF LIENS

1. Priority of C-PACE Lien. A C-PACE Lien secures payment for any unpaid C- PACE Assessment and, together with all associated interest and penalties for default and associated attorney's fees and collection costs, takes precedence over all other liens or encumbrances except a lien for real property taxes of the Municipality and liens of municipal sewer, sanitary and water districts. From the date of recording, a C-PACE Lien is a priority lien against a property, subject only to liens set out in 35-A M.R.S. §6111-A, 36 M.R.S. §552 and 38 M.R.S. §§1050 and 1208, except that the priority of such a C-PACE Lien over any lien, except a lien for real property taxes of the Municipality or a lien of a municipal sewer, sanitary or water district, that existed prior to the C-PACE Lien is subject to the written consent of such existing lienholder.

2. Collection of C-PACE Assessments. A C-PACE Assessment constitutes a lien on the Qualifying Property until it is paid in full and must be assessed and collected by the Trust, a 3rd-party administrator contracted by the Trust, a municipality or an agent designated by the Trust or a municipality in any manner allowed under the C-PACE Program, consistent with applicable laws. If the Trust or a 3rd-party administrator contracted by the Trust collects C-PACE assessments on behalf of a Municipality, the Trust shall periodically report to the Municipality on the status of the C-PACE assessments in the Municipality and shall notify the Municipality immediately of any delinquent C-PACE Assessments. Upon receiving notification from the Trust of a delinquent C-PACE Assessment, a Municipality shall notify the holder of any mortgage on the property of the delinquent assessment.

3. Collection, default and foreclosure. A C-PACE Assessment for which notice is properly recorded under this section creates a lien on the Qualified Property. The portion of the Assessment that has not yet become due is not eliminated by foreclosure, and the lien may not be accelerated or extinguished until fully repaid.

   A C-PACE Assessment and any interest, fees, penalties and attorney's fees incurred in its collection must be collected in the same manner as the real property taxes of the Municipality in which the Qualified Property is located. If a C-PACE Assessment is delinquent or in default and the Property Owner is delinquent in any tax debt due to the Municipality in which the Property is located, collection may occur only by the recording of liens and by foreclosure under 36 M.R.S. §§ 942 and 943. Liens must be recorded and released in the same manner as liens for real property taxes.

   If only a C-PACE Assessment is delinquent but the Property Owner is current on payment of all municipal taxes due to the participating Municipality, then a C-PACE lienholder shall accept an assignment of the C-PACE Lien, as provided in the written agreement between the participating Municipality and the C-PACE Registered Capital Provider. The assignee shall have and possess all the same powers and rights at law as the participating Municipality and its tax collector with regards to the priority of the C-PACE Lien, the accrual of interest and fees and the costs of collection. The assignee shall have the same rights to enforce the C-PACE Lien as any private party or lender holding a lien on real property, including, but not limited to, the right of foreclosure consistent with 14 M.R.S. §§6203-A and 6321 and any other action in contract or lawsuit for the enforcement of the C-PACE Lien. The assignee shall recover costs and reasonable attorney's fees incurred as a result of any foreclosure action or other legal proceeding brought pursuant to this subsection, which may be collected by the assignee at any time after the assignee has made demand for payment.

4. Judicial or nonjudicial sale or foreclosure. In the event of a judicial or nonjudicial sale or foreclosure of a property subject to a C-PACE Lien by a lienholder that is not a C-PACE lienholder, the C-PACE Lien must survive the foreclosure or sale to the extent of any unpaid installment, interest, penalties or fees secured by the lien that were not paid from the proceeds of the sale. All parties with mortgages or liens on that property, including without limitation C-PACE lienholders, must receive on account of such mortgages or liens sale proceeds in accordance with the priority established in the C-PACE Act and by applicable law. A C-PACE Assessment is not eliminated by foreclosure and cannot be accelerated. Only the portion of a C-PACE Assessment that is in arrears at the time of foreclosure takes precedence over other mortgages or liens; the remainder transfers with the property at resale.

   Unless otherwise agreed upon by the C-PACE lender, all payments on a C-PACE Assessment that become due after the date of transfer by judicial or nonjudicial sale or foreclosure must continue to be secured by a lien on the property and are the responsibility of the transferee.

SECTION 11. QUALITY ASSURANCE SYSTEM

1. Property Owners seeking financing through a C-PACE Loan must use a Registered Capital Provider as a source of capital for the loan. A Registered Capital Provider must be found by the Program Administrator to meet minimum criteria enumerated in Section 7 of this Chapter.

2. All projects seeking financing through a C-PACE Program must meet the minimum underwriting standards of this rule. These standards require that any Energy Savings Improvement that is the subject of a C-PACE Loan achieve an SIR of not less than 1.0. The assumptions and methods used to calculate the SIR, as well as the findings of the SIR analysis, must be reviewed and disclosed by a Technical Reviewer. The estimated useful life of the improvement(s) shall be indicated among these assumptions. The name, title, employer, and credentials of the Technical Reviewer also shall be recorded and disclosed to the Property Owner and the Registered Capital Provider.

3. Following completion of a C-PACE Project, the Registered Capital Provider or its agent,

or such other party as the Program Administrator may authorize through the Program Guidelines, must confirm that the Energy Savings Improvements funded through the C-PACE Program were installed completely and are operating as intended.

4. The Program Administrator will keep a record of Energy Savings Improvements financed through a C-PACE Program. In cases where such improvements also receive a grant, discount or rebate from a program of the Trust other than the C-PACE Program, the Trust or its agents will inspect a sampling of completed Energy Savings Improvements. The sample size will range between five and 10 percent of the rebated improvements within the relevant Trust program. The inspection will review whether the rebated improvements satisfied all relevant procedures and standards of the Trust program providing the rebate.

5. All quality assurance inspections shall be for the Program Administrator's benefit only. No Property Owner, Municipality, nor any other person, may rely on such inspection and such inspection shall not constitute a warranty of any kind by the Program Administrator or by any Municipality.

SECTION 12. WAIVER

Upon a determination of good cause, the Director or the Director's designee may, subject to statutory limitations, waive any provision of this rule. The waiver must be in writing and must be supported by documentation of the pertinent facts and grounds.

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SECTION 13. FISCAL IMPACT NOTE

There is no cost to municipalities or counties for implementing or complying with this rule.

STATUTORY AUTHORITY: 5 M.R.S.A. § 12004-G(10-c); 35-A M.R.S.A. § 10105(5); 35-A M.R.S.A. § 10201, *et seq.*

EFFECTIVE DATE:

This rule was approved as to form and legality by the Attorney General on February 7, 2023. It was filed with the Secretary of State on February 13, 2023 and became effective on February 18, 2023.

COMMERCIAL PROPERTY ASSESED CLEAN ENERGY (C-PACE) ORDINANCE

1. Purpose and authority

A. Purpose. By and through this Ordinance, the City/Town of ________________ declares as its public purpose the establishment of a municipal program to enable its citizens to participate in a Commercial Property Assessed Clean Energy ("C-PACE") program so that owners of qualifying property can access financing for energy savings improvements to their commercial properties located in the City/Town. The City/Town declares its purpose and the provisions of this Ordinance to be in conformity with federal and state laws.

B. Enabling legislation. The City/Town enacts this Ordinance pursuant to Public Law 2021, Chapter 142 of the 130th Maine State Legislature, "An Act to Allow for the Establishment of Commercial Property Assessed Clean Energy Program," also known as "the Commercial Property Assessed Clean Energy Act" or "the Commercial PACE Act" (codified at 35-A M.R.S. §10201 *et seq*.).

2. Title

This Ordinance shall be known and may be cited as "The City/Town of ________'s Commercial Property Assessed Clean Energy ("C-PACE") Ordinance" (this "Ordinance").

3. Definitions

Except as specifically defined below, words and phrases used in this Ordinance shall have their customary meanings. As used in this Ordinance, the following words and phrases shall have the meanings indicated:

City/Town. The City/Town of _______________.

Commercial PACE or ("C-PACE"). Means Commercial Property Assessed Clean Energy.

Commercial PACE Agreement. An agreement that authorizes the creation of a Commercial PACE Assessment on Qualifying Property and that is approved in writing by all owners of the Qualifying Property at the time of the agreement.

Commercial PACE Assessment. An assessment made against Qualifying Property to finance an Energy Savings Improvement.

Commercial PACE District. The area within which the City/Town establishes a Commercial PACE Program hereunder, which is all that area within the City/Town boundaries.

Commercial PACE Lien. A lien, secured against a Qualifying Property that is created by a Commercial PACE Assessment.

Commercial PACE Loan. A loan, payable through a Commercial PACE Assessment and secured by a C-PACE Lien, made to the owner(s) of a qualifying property pursuant to a Commercial PACE Program to fund Energy Savings Improvements.

Commercial PACE Program. A program established under this Ordinance pursuant to the Commercial PACE Act under which commercial property owners can finance Energy Savings Improvements on Qualifying Property.

Energy Savings Improvement. An improvement or series of improvements to Qualifying Property that are new and permanently affixed to Qualifying Property and that:

A. Will result in increased energy efficiency or substantially reduced energy use and:

(1) Meet or exceed applicable United States Environmental Protection Agency and United States Department of Energy "Energy Star" program or similar energy efficiency standards established or approved by the Trust; or

(2) Involve weatherization of commercial or industrial property in a manner approved by the Trust; or

B. Involve a renewable energy installation, an energy storage system as defined in 35-A M.R.S. § 3481(6), an electric thermal storage system, electric vehicle supply equipment or heating equipment that meets or exceeds standards established or approved by the Trust. Heating equipment that is not a Renewable Energy Installation must be heating equipment that produces the lowest carbon emissions of any heating equipment reasonably available to the property owner, as determined by the Trust, and must meet the requirements of 35-A M.R.S. §10204 (1)(B).

Qualifying Property. Real commercial property in the City/Town that:

A. Does not have a residential mortgage;

B. Is not owned by a residential customer or small commercial customer as defined in 35-A M.R.S. §3016(1)(C) and (D), respectively;

C. Consists of 5 or more rental units if the property is a commercial building designed for residential use;

D. Is not owned by a federal, state or municipal government or public school; and

E. Is located in a municipality that participates in a Commercial PACE Program.

Registered Capital Provider or Capital Provider. An approved lender proving financing for the Energy Savings Improvements through a C-PACE Program and registered with Efficiency Maine Trust.

Renewable Energy Installation. A fixture, product, system, device or interacting group of devices installed behind the meter at a Qualifying Property, or on contiguous property under common ownership, that produces energy or heat from renewable sources, including but not limited to, photovoltaic systems, solar thermal systems, highly efficient wood heating systems, geothermal systems and wind systems that do not on average generate more energy or heat than the peak demand of the property.

Trust. The Efficiency Maine Trust established in 35-A M.R.S. §10103 and/or its agents, if any.

4. Program established; Amendments.

A. Establishment. The City/Town hereby establishes a Commercial PACE Program allowing owners of Qualifying Property located in the City/Town who so choose to access financing for Energy Savings Improvements to their Qualifying Property, with such financing to be repaid through a Commercial PACE Assessment and secured by a Commercial PACE Lien.

B. The City/Town may:

(1) Administer the functions of the Commercial PACE Program, including, but not limited to, entering into Commercial PACE Agreements with commercial property owners and collecting Commercial PACE Assessments, or designate an agent to act on behalf of the City/Town for such billing and collection purposes; or
(2) Enter into a contract with the Trust to administer some or all functions of the Commercial PACE Program for the City/Town, including billing and collection of Commercial PACE Assessments, subject to the limitations set forth in Section 10205, subsection 5 of the Commercial PACE Act.

C. Amendment to Commercial PACE Program. The City/Town may from time to time amend this Ordinance to use any funding sources made available to it or appropriated by it for the express purpose of its Commercial PACE Program, and the City/Town shall be responsible for administration of loans made from those funding sources.

5. Financing; Private Lenders; Terms. C-PACE Loans may be provided by any qualified Capital Provider private lender participating in the C-PACE Program and a C-PACE Agreement may contain any terms agreed to by the lender and the property owner, as permitted by law, for the financing of Energy Savings Improvements. Unless the City/Town specifically designates funding sources made available to it or appropriated by it for the express purpose of its Commercial PACE Program and agrees to provide financing for Energy Savings Improvements, the City/Town will not finance or fund any loan under the Commercial PACE Program, and shall serve only as a program sponsor to facilitate loan repayment by including the Commercial PACE Assessment on the property tax bill for the property, and shall incur no liability for the loan.

6. Program Requirements and Administration

A. Agreement Required. All commercial property owners seeking financing for Energy Savings Improvements on Qualifying Property pursuant to the Commercial PACE Program must enter into a Commercial PACE Agreement authorizing the creation of a Commercial PACE Assessment and acknowledging the creation of a Commercial PACE Lien. A notice of the Commercial PACE Agreement will be filed in the registry of deeds, which filing will create a lien until the amounts due under the agreement are paid in full.

B. Underwriting Standards. A Commercial PACE Agreement entered into pursuant to the Commercial PACE Program must satisfy the minimum underwriting requirements of the Commercial PACE Act and such additional requirements established by the Trust.

C. Collection of assessments. A commercial property owner participating in the Commercial PACE Program will repay the financing of Energy Savings Improvements through an assessment on their property similar to a tax bill. A Commercial PACE Assessment constitutes a lien on the Qualifying Property until it is paid in full and must be assessed and collected by the City/Town or its designated agent, the Trust, or a 3rd-party administrator contracted by the Trust, consistent with applicable laws. The City/Town may, by written agreement, designate the applicable third-party Capital Provider as its agents for the billing and collection of Commercial PACE assessment payments in satisfaction of the Commercial PACE Loan. Where Commercial PACE assessment payments are received directly by the City/Town along with other municipal tax payments, such payments received from property owners shall first be applied to City/Town taxes, assessments, and charges. The City/Town shall have no ownership of the Commercial PACE assessments collected except for any administrative costs provided under the Commercial PACE Program. The City/Town shall pay all Commercial PACE assessment payments in any calendar month to the applicable Capital Provider or the Commercial PACE program administrator within 30 days after the end of the month in which such amounts are collected. The City/Town shall have no obligation to make payments to any Capital Provider with respect to any Commercial PACE repayment amounts or loan obligations other than that portion of the Commercial PACE Assessment actually collected from a property owner for the repayment of a Commercial PACE Loan.

If the Trust or a 3rd-party administrator contracted by the Trust or an agent of the City/Town collects Commercial PACE Assessments on behalf of the City/Town, the Trust or agent shall periodically report to the City/Town on the status of the Commercial PACE Assessments in the City/Town and shall notify the City/Town of any delinquent Commercial PACE Assessments. Upon receiving notification from the Trust or agent of a delinquent Commercial PACE Assessment, the City/Town shall notify the holder of any mortgage on the property of the delinquent assessment.

D. Notice; filing. A notice of a Commercial PACE Agreement must be filed in the appropriate registry of deeds. The filing of this notice creates a Commercial PACE Lien against the property subject to the Commercial PACE Assessment until the amounts due under the terms of the Commercial PACE Agreement are paid in full. The notice must include the information required by the Commercial PACE Act.

E. Priority. A Commercial PACE Lien secures payment for any unpaid Commercial PACE Assessment and, together with all associated interest and penalties for default and associated attorney's fees and collection costs, takes precedence over all other liens or encumbrances except a lien for real property taxes of the municipality and liens of municipal sewer, sanitary and water districts. From the date of recording, a Commercial PACE Lien is a priority lien against a property, except that the priority of such a Commercial PACE Lien over any lien, except a lien for real property taxes of the City/Town or a lien of a municipal sewer, sanitary or water district, that existed prior to the Commercial PACE Lien is subject to the written consent of such existing lienholder.

F. Mortgage lender notice and consent. Any financial institution holding a lien, mortgage or security interest in or other collateral encumbrance on the property for which a Commercial PACE Assessment is sought must be provided written notice of the commercial property owner's intention to participate in the Commercial PACE Program and must provide written consent to the commercial property owner and City/Town that the borrower may participate and enroll the collateral property in the Commercial PACE Program. This written consent must be filed in the registry of deeds and must include a written acknowledgement and understanding by the financial institution holding the lien, mortgage or security interest in or other collateral encumbrance on the property as required by the Commercial PACE Act.

7. Collection, default; foreclosure.

A. A Commercial PACE Assessment and any interest, fees, penalties and attorney's fees incurred in its collection must be collected in the same manner as the real property taxes of the City/Town. A Commercial PACE Assessment for which notice is properly recorded under this section creates a lien on the property. The portion of the assessment that has not yet become due is not eliminated by foreclosure, and the lien may not be accelerated or extinguished until fully repaid.

   (1) If a Commercial PACE Assessment is delinquent or in default and the borrower or property owner is delinquent in any tax debt due to the City/Town, collection may occur only by the recording of liens and by foreclosure under 36 M.R.S. §§ 942 and 943. Liens must be recorded and released in the same manner as liens for real property taxes.

   (2) If only a Commercial PACE Assessment is delinquent but the borrower or property owner is current on payment of all municipal taxes due to the City/Town, then a Commercial PACE lienholder shall accept an assignment of the Commercial PACE Lien, as provided in the written agreement between City/Town and the Capital Provider. The assignee shall have and possess all the same powers and rights at law as the City/Town and its tax collector with regards to the priority of the Commercial PACE Lien, the accrual of interest and fees and the costs of collection. The assignee shall have the same rights to enforce the Commercial PACE Lien as any private party or lender holding a lien on real property, including, but not limited to, the right of foreclosure consistent with 14 M.R.S.§§ 6203-A and 6321 and any other action in contract or lawsuit for the enforcement of the Commercial PACE Lien.

B. Judicial or nonjudicial sale or foreclosure. In the event of a judicial or nonjudicial sale or foreclosure of a property subject to a Commercial PACE Lien by a lienholder that is not a Commercial PACE lienholder, the Commercial PACE Lien must survive the foreclosure or sale to the extent of any unpaid installment, interest, penalties or fees secured by the lien that were not paid from the proceeds of the sale. All parties with mortgages or liens on that property, including without limitation Commercial PACE lienholders, must receive on account of such mortgages or liens sale proceeds in accordance with the priority established in this chapter and by applicable law. A Commercial PACE Assessment is not eliminated by foreclosure and cannot be accelerated. Only the portion of a Commercial PACE Assessment that is in arrears at the time of foreclosure takes precedence over other mortgages or liens; the remainder transfers with the property at resale.

C. Unless otherwise agreed upon by the Capital Provider, all payments on a Commercial PACE Assessment that become due after the date of transfer by judicial or nonjudicial sale or foreclosure must continue to be secured by a lien on the property and are the responsibility of the transferee.

D. Release of lien. The City/Town will discharge a Commercial PACE Lien created under the Commercial PACE Act and this Ordinance upon full payment of the amount specified in the Commercial PACE Agreement. A discharge under this subsection must be filed in the appropriate registry of deeds and must include reference to the notice of Commercial PACE Agreement previously recorded pursuant to the Commercial PACE Act and this Ordinance.

8. Liability of municipal officials; liability of City/Town

(1) Notwithstanding any other provision of law to the contrary, City/Town officers and City/Town officials, including without limitation, Tax Assessors and Tax Collectors, are not personally liable to the Trust or to any other person for claims, of whatever kind or nature, under or related to a Commercial PACE Program, including without limitation, claims for or related to uncollected Commercial PACE Assessments under this Ordinance.

(2) Other than the fulfillment of its obligations specified in a Commercial PACE Agreement, the City/Town has no liability to a commercial property owner for or related to Energy Savings Improvements financed under a Commercial PACE Program.

9. Conformity to Changed Standards.

This Ordinance is intended to comply with the Commercial PACE Act and the administrative rules of the Trust issued in connection with the Commercial PACE Act, as the same may be amended. If the Trust or any State or federal agency adopts standards, promulgates rules, or establishes model documents subsequent to the City/Town's adoption of this Ordinance and those standards, rules or model documents substantially conflict with this Ordinance, the City/Town shall take necessary steps to conform this Ordinance and its Commercial PACE Program to those standards, rules or model documents.

C-PACE MUNICIPALITY PARTICIPATION AGREEMENT

This C-PACE Municipality Assessment Agreement ("Agreement"), dated as of {INSERT DATE} is entered into by and between Efficiency Maine Trust, an independent quasi-state agency of the State of Maine with offices located at 168 Capitol Street, Suite 1, Augusta, ME 04330 (the "**Trust**") and {INSERT NAME OF PARTICIPATING MUNICIPALITY}, a municipal corporation existing under the laws of the State of Maine, with offices located at {INSERT MUNICIPALITY ADDRESS} (the "**Municipality**").

WHEREAS, Title 35-A M.R.S. §§10201 et seq., enacted by PL 2021, c.142, "An Act to Allow for the Establishment of Commercial Property Assessed Clean Energy Programs" (the "**C-PACE Act**"), authorizes the Trust and municipalities adopting a Commercial PACE Ordinance (as defined in the C-PACE Act) to establish commercial PACE programs under which commercial property owners may finance Energy Savings Improvements on Qualifying Property (each as defined in the C-PACE Act and the C-PACE Program Regulations (the "**Regulations**")) by utilizing a municipal assessment and collection mechanism to provide security for repayment of the financing pursuant to the terms of the C-PACE Act (a "**C-PACE Program**").

WHEREAS, the Trust has developed a C-PACE Program and the Municipality has adopted a Commercial PACE Ordinance for the purpose of establishing and participating in a C-PACE Program.

WHEREAS, pursuant to the C-PACE Act, the Municipality wishes to enter into a contract with the Trust to administer certain aspects of the C-PACE Program with respect to Property Owners holding Qualified Property within the Municipality.

WHEREAS, the Trust is willing to provide certain C-PACE Program administration services for the Municipality under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Trust and Municipality agree as follows:

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms under the C-PACE Act, the Regulations, and the C-PACE Program Guidelines (the "**Guidelines**").

1. The Trust will provide general marketing services for the C-PACE Program and provide model C-PACE Ordinances, C-PACE Agreements, and forms, documents, and educational materials for use by the Municipality and Property Owners holding Qualifying Property in the Municipality. The Trust will provide general program support for Property Owners holding Qualifying Property in the Municipality who make an application for participation in the C-PACE Program.

2. The Trust agrees to serve as Program Administrator with respect to C-PACE Program applications submitted by Property Owners holding Qualified Property in the Municipality, administering those aspects of the C-PACE Program specified herein.

3. The Trust will review applications of Capital Providers wishing to participate in the C-PACE Program in accordance with the Guidelines and approve such applications that demonstrate the capacity to meet the requirements of the Regulations). The Trust will maintain a list of approved Registered Capital Providers available to Property Owners holding Qualifying Property in the Municipality.

4. The Trust will review applications to the C-PACE Program by or on behalf of Program applicants and shall determine whether the application satisfies the requirements for a Qualifying Property and

Qualifying Project under the Regulations and Guidelines. If the Trust determines that the C-PACE Program application meets the standards and requirements set forth in the Regulations and Guidelines, the Trust will issue a Notice of Approval to the Property Owner and the Capital Provider providing the C-PACE financing.

5. For those Property Owners with a Qualifying Property in the Municipality for which a Notice of Approval is issued, the Municipality shall be required to execute a C-PACE Assessment Agreement with the Property Owner and Capital Provider pursuant to which the Municipality will agree to assess the subject Qualifying Property to facilitate repayment of the C-PACE Loan to the Capital Provider. The Municipality shall undertake such actions as required under the C-PACE Assessment Agreement and C-PACE Act as necessary to establish the C-PACE Lien and facilitate repayment of the C-PACE Loan to the Capital Provider through the assessment process.

6. The Municipality agrees to comply with the terms of the C-PACE Act and the Municipality's Commercial PACE Ordinance, including, without limitation, procedures on collection and foreclosure of C-PACE Assessments where the Property Owner also is delinquent in any tax debt due to the Municipality, and the assignment of the C-PACE Lien to the Capital Provider for collection and foreclosure where the C-PACE Assessment is delinquent but the Property Owner is current on municipal taxes. In accordance with the C-PACE Act, the Municipality agrees to release the C-PACE Lien upon full payment of the C-PACE Loan.

7. The Municipality shall provide written notice to the Trust if any property within the Municipality subject to a C-PACE Lien is delinquent in payment of the C-PACE Assessment and is subject to foreclosure on a lien for any tax debt due to the Municipality or if the Municipality makes an assignment of the C-PACE Lien to the Capital Provider.

8. Notwithstanding any provision of law to the contrary, staff or trustees of the Trust, municipal officers and municipal officials, including, without limitation, tax assessors and tax collectors, are not personally liable to the Trust or to any other person for claims, of whatever kind or nature, under or related to a C-PACE Program established under the C-PACE Act, including, without limitation, claims for or related to uncollected C-PACE Assessments.

9. Pursuant to the C-PACE Act, other than the fulfillment of its obligations specified in a C-PACE Assessment Agreement, neither the Trust nor a Municipality has any liability to a Property Owner for or related to Energy Savings Improvements financed under a C-PACE Program.

10. The services to be provided by the Trust are limited to the services specified herein. The Trust assumes no responsibility, and undertakes no liability, for the filing or recording of any required documents or instruments, the perfection of any C-PACE Liens, the terms, performance, or enforcement of any C-PACE Loan, the collection of any C-PACE Assessments, any C-PACE Loan servicing or recordkeeping, the collection of delinquent accounts, or any other matters between the Property Owner, the Capital Provider, and the Municipality.

11. This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes all previous discussions, understandings and agreements between the parties relating to the subject matter of this Agreement. If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section has not been contained in it.

12. The term of this Agreement shall commence on the date first written above and shall continue until all C-PACE Loans issued in connection with C-PACE Program applications administered by the Trust under this Agreement have been paid in full or deemed no longer outstanding. The Municipality may discontinue participation in the C-PACE Program under this Agreement at any time on sixty (60) days' written notice to the Trust, provided that the obligations of the Municipality under this Agreement shall continue to apply to C-PACE Loans, C-PACE Liens, and C-PACE Assessments in place prior to the termination date.

IN WITNESS WHEREOF, the Municipality and the Trust have each caused this Agreement to be executed and delivered as of the date first written above.

{MUNICIPALITY}

____

By:
Its:

EFFICIENCY MAINE TRUST

____

Michael D. Stoddard
Executive Director

Version: 3/7/2023

C-PACE ASSESSMENT AGREEMENT

THIS C-PACE ASSESSMENT AGREEMENT (the "**Agreement**") is made as of {INSERT DATE}, between **{INSERT NAME}**, a________________organized under the laws of the State of________{IF FOREIGN ENTITY ADD: and authorized to do business in the State of Maine}, whose address is {INSERT ADDRESS} [IF INDIVIDUAL(S), MODIFIY ACCORDINGLY] [NOTE: ALL OWNERS OF THE QUALIFYING PROPERTY MUST BE PARTY AND SIGN] ([collectively,] the "**Property Owner**"), **{CAPITAL PROVIDER NAME AND ADDRESS}** (together with its assigns, nominees and/or designees, the "**Capital Provider**") and the {**CITY/TOWN OF**} {INSERT NAME OF PARTICIPATING MUNICIPALITY}(the "**Municipality**"), a municipal corporation existing under the laws of the State of Maine. Each of Property Owner, Capital Provider and the Municipality is referred to herein as a "**Party**" and, collectively, as the "**Parties**."

RECITALS

A. Title 35-A M.R.S. §§10201 *et seq*. established "An Act to Allow for the Establishment of Commercial Property Assessed Clean Energy Programs" (the "**C-PACE Act**") and authorized Efficiency Maine Trust (the "Trust") and municipalities adopting a Commercial PACE Ordinance (as defined in the C-PACE Act) to establish commercial PACE programs under which commercial property owners may finance Energy Savings Improvements on Qualifying Property (each as defined in the C-PACE Act and the Trust's administrative rules) by utilizing a municipal assessment and collection mechanism to provide security for repayment of the financing pursuant to the terms of the C-PACE Act. (a "**C-PACE Program**").

B. The Trust has developed a C-PACE Program and the Municipality has adopted a Commercial PACE Ordinance for the purpose of establishing and participating in a C-PACE Program.

C. Property Owner has applied for participation in the C-PACE Program with respect to that certain property located within the Municipality as more fully described on *Exhibit A* to this Agreement (the "**Property**") and to obtain C-PACE financing from the Capital Provider for installation of Energy Savings Improvements at the Property (the "**Project**") in an amount up to that detailed on *Exhibit A* hereof, which financing will be secured by a C-PACE assessment lien (the "**C-PACE Lien" or "Assessment Lien**") against the Property pursuant to the terms of the C-PACE Act.

D. The Trust, or its designated agent, has reviewed the Property Owner's application and has determined that the proposed Project will, if installed and operated as represented, satisfy the requirements and standards as set forth in the C-PACE Program Guidelines and applicable administrative rules of the Trust, and the Trust has approved the Property Owner's application for C-PACE financing under the C-PACE Program.

E. The Municipality has determined that the Property Owner's proposed Project is in conformity with its C-PACE Ordinance and has agreed to impose the C-PACE Assessment for repayment of the Property Owner's C-PACE Financing obligation to the Capital Provider.

F. The Capital Provider has determined that the Property Owner and the proposed Project satisfy the minimum underwriting requirements of the C-PACE Act and applicable administrative rules of the Trust and has agreed to provide a loan under the C-PACE Program for the Energy

{P2100297.5}

Savings Improvements to be constructed and installed at the Property (the "**C-PACE Financing**").

G. The Property Owner, being all of the owners of the qualifying Property, wish to enter this Agreement and affirm the imposition of the C-PACE Assessment and grant of the C-PACE Assessment Lien to secure the C-PACE Financing.

H. The Parties wish to confirm the process for assessment, payment, and collection of the C-PACE Financing amounts.

NOW, THEREFORE, in consideration of the foregoing and the covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I - AUTHORIZATION OF C-PACE ASSESSMENT AND LIEN

Section 1.01. C-PACE Financing of Energy Savings Improvements. The Capital Provider has agreed to provide the C-PACE Financing to the Property Owner to finance the construction and installation of the Energy Savings Improvements, and the Property Owner hereby agrees to use the proceeds of such C-PACE Financing solely to acquire, construct, and install the Energy Savings Improvements (and to pay the allowable fees and costs required to be paid in connection therewith, including audits, energy savings improvement development, and application fees) and to cause the C-PACE Financing to be repaid on the terms set forth in the C-PACE Financing documents and the C-PACE Act.

Section 1.02. Terms of Financing. The C-PACE Financing amount, interest rate, repayment schedule, maturity and other material terms of the C-PACE Financing are set forth in *Exhibit A* hereto.

Section 1.03. Security/Collateral for the C-PACE Financing; C-PACE Lien. To secure the C-PACE Financing, the Property Owner hereby agrees to the imposition of a C-PACE Assessment on the Property by the Municipality and hereby grants a C-PACE Lien on the Property for the benefit of and enforceable by the Municipality and Capital Provider, and its successors and assigns, pursuant to the C-PACE Act. The Parties hereby agree to cause a notice of this Agreement in the form attached hereto as *Exhibit B* to be recorded in the appropriate Registry of Deeds thereby perfecting the C-PACE Lien to evidence and secure the C-PACE Financing (the "**Notice of C-PACE Agreement**"). The Property Owner acknowledges and agrees to the imposition of the C-PACE Lien on the Property as a priority lien (junior only to real property taxes and liens of municipal sewer, sanitary, and water districts) to secure the C-PACE Financing, enforceable against the Property as provided in the C-PACE Act until the amounts due under the C-PACE Financing documents are paid in full.

Section 1.04. Recording of Notice of C-PACE Agreement; Project Completion. The recording of a Notice of C-PACE Agreement creates a C-PACE Lien and such notice may only be recorded upon closing of the C-PACE Financing transaction between Property Owner and Capital Provider. The Parties agree to execute the Notice of C-PACE Agreement in connection with closing of the C-PACE Financing transaction and the Capital Provider shall be responsible to record the Notice of C-PACE Agreement in the appropriate Registry of Deeds. The Property Owner shall be required to keep the Capital Provider apprised of Project status and completion. After the Completion Date, as set forth below, the Capital Provider, with cooperation and assistance from the Property Owner as necessary, shall prepare and submit to the Municipality and the Trust a statement certifying that the Project is complete (a "**Completion Certificate**"). The Project shall be deemed completed on the date (such date, the "**Completion Date**") that: (i) the construction on the Project is completed, (ii) the Energy Savings Improvements have been put into service, (iii) all approvals and reports required to be submitted to the Trust pursuant to the C-PACE Act, the C-PACE

Program Guidelines, and administrative rules of the Trust have been submitted, and (iv) all other requirements of the C-PACE Financing documents have been met.

ARTICLE II - C-PACE FINANCING AND ASSESSMENT PAYMENTS

Section 2.01. C-PACE Financing Payments. The following governs the manner and timing of C-PACE Assessment payments:

(a) *Manner of Payments*. Property Owner shall make payments of principal and interest due under the C-PACE Financing documents by way of a C-PACE Assessment to be placed against the Property by the Municipality each year during the term of the C-PACE Financing documents. In accordance with the C-PACE Act, the C-PACE Assessment (and any interest, fees, penalties and attorney's fees incurred in its collection) will be collected in the same manner as the real property taxes of the Municipality.

(b) *Capital Provider Notice.* Capital Provider shall provide the Municipality and Property Owner with written notice on or before July 1 each year specifying the total C-PACE Financing amount (principal and interest) due from the Property Owner and to be assessed against the Property for the subject tax year (the "**Payment Due Notice**").

(c) *Municipal Assessment*. The Municipality shall make a C-PACE Assessment or Assessments against the Property in the total amount of the Payment Due Notice in the same manner and at the same time that the Municipality makes its property tax assessments on the subject Property. The assessed amount will be committed to the Municipal tax collector for inclusion in a property tax bill or other notice of assessment to be issued by the Municipality for the subject Property. . Municipality agrees to make the C-PACE Assessments against the Property for repayment of the C-PACE Financing amounts. A form of Notice of Assessment that may be used by the Municipality for such purpose is attached as *Exhibit C*. Property Owner agrees to pay the C-PACE Assessment amount as directed in the Notice of Assessment and C-PACE Financing Documents.

(d) *Designation of Capital Provider as Agent to Receive C-PACE Assessment Payments*. The C-PACE Assessment shall be due at the same time that the Municipality's property tax payments are due. The C-PACE Assessment amount set forth in the Property Owner's property tax bill or the Notice of Assessment issued by the Municipality shall be remitted by the Property Owner directly to the Capital Provider. The Municipality designates Capital Provider as its agent to receive payment of the C-PACE Assessment amounts, which payments shall be applied by Capital Provider to the Property Owner's repayment obligation under the C-PACE Financing documents. Capital Provider shall periodically report to the Municipality on the status of the C-PACE Assessment payments and shall notify the Municipality promptly of any delinquent C-PACE Assessment payments.

(e) *Remittance of C-PACE Payments by Municipality to Capital Provider*. It is the intent of the Parties that the C-PACE Assessment amounts shall be paid directly by Property Owner to Capital Provider. In accordance with the C-PACE Act, the Capital Provider has a contractual right to receive C-PACE Assessment payments. If the Municipality receives C-PACE Assessment payments from the Property Owner, the Municipality shall remit such payments to the Capital Provider, which payments shall be applied by Capital Provider to the Property Owner's repayment obligation under the C-PACE Financing documents. The Municipality shall remit all C-PACE Assessment payments it receives to Capital Provider within 30 days after receipt of such payments. In no event shall the Municipality be responsible to remit or pay over to Capital Provider any amount in excess of the Assessment payments actually received by the Municipality from the Property Owner. The Municipality has no independent obligation to repay the C-PACE Financing amounts on behalf of the Property Owner. For the avoidance of doubt, pursuant to the C-PACE Act, notwithstanding any provision of law to the contrary, municipal officers and Municipal officials, including, without limitation, tax assessors, tax collectors, and treasurers, and staff or trustees of the Trust, are not personally liable to any other person for claims, of whatever kind or nature, under or related to a C-PACE program established under the C-PACE Act, including, without limitation, claims for or related to uncollected C-PACE Assessments.

(f) *Continuing Payment Obligation; No Prepayment*. The Property Owner acknowledges and agrees that (i) the C-PACE Assessment Lien against the Property shall run with the title to the Property and automatically bind all successor owners of the Property until paid in full, and (ii) the C-PACE Financing may not be prepaid in whole or in part except as set forth in the C-PACE Financing documents.

ARTICLE III - PROPERTY OWNER'S REPRESENTATIONS AND WARRANTIES

The Property Owner represents and warrants to the Municipality and to the Capital Provider as follows, which representations and warranties shall be true and correct as of the date hereof and at all times thereafter until the C-PACE Financing is paid in full, each of which shall be true and binding on any future Property Owner.

Section 3.01. Organization and Authority. The Property Owner is duly organized, validly existing and in good standing in the state of its organization and with authority to do business under the laws of the State of Maine. The Property Owner has all necessary power and authority to own the Property and to conduct its business and enter into the transactions contemplated hereby. The Property Owner has the right to enter into and perform this Agreement, and the execution, delivery and performance of this Agreement and all other documents executed in connection therewith have been duly authorized, executed and delivered and constitute valid and binding obligations of the Property Owner, each enforceable in accordance with its respective terms.

Section 3.02. Title. The Property Owner has good and insurable title to the Property subject only to the permitted encumbrances approved by Capital Provider. The Property Owner shall cause any current mortgagee, as of the execution date of this Agreement, holding a mortgage lien against the Property as of such date, to consent to and subordinate the lien of such mortgage filed against the Property to the Assessment Lien by Mortgage Lender Consent which shall be recorded prior to recordation of notice of this Agreement.

Section 3.03. No Overdue Taxes or Payments. The Property is (i) current on real estate taxes, personal property taxes and municipal sewer, sanitary, and water district charges; (ii) has no outstanding and unsatisfied tax or municipal sewer, sanitary, or water district liens; (iii) is not subject to a mortgage or other lien on which there is a recorded notice of default, foreclosure, or delinquency that has not been cured; and (iv) there are no overdue payments on mortgages secured by the Property.

Section 3.04. No Misrepresentation or Material Nondisclosure. The Property Owner has not made and will not make to the Municipality, the Capital Provider, or the Trust, in this Agreement or otherwise, any untrue statement of a material fact, nor has it omitted and nor will it omit to state a material fact necessary to make any statement made not misleading.

Section 3.05. Commercial Purpose. The Property Owner will use the proceeds of the C-PACE Financing Advance only for the purposes specified in the Recitals to this Agreement. The primary purpose of the C-PACE Financing is for a commercial and business purpose, and the proceeds of the C-PACE Financing will not be used primarily for personal, family or household purposes.

ARTICLE IV - DEFAULT AND FORECLOSURE

Section 4.01. Delinquency, Collection and Foreclosure. If a C-PACE Assessment is delinquent or in default, collection and foreclosure shall proceed as set forth in Section 10205(5) of the C-PACE Act and the statutes referenced therein. The C-PACE Assessment Lien shall take precedence over all other liens or encumbrances as permitted by the C-PACE Act.

(a) The C-PACE Assessment levied pursuant to the C-PACE Act, and payment thereof (together with the interest, fees and any penalties thereon) shall constitute a C-PACE Assessment Lien against the Property until paid in full. Such C-PACE Assessment Lien (and each of the installment payments on the C-PACE Financing) shall be collected in the same manner as the property taxes are collected by the Municipality on real property. Delinquencies shall be subject to the procedures outlined in Section 10205(5) of the C-PACE Act and the statutes referenced therein.

(b) If a C-PACE Assessment is delinquent or in default and the Property Owner is delinquent in any tax debt due to the Municipality, collection shall be instituted by the Municipality and may occur only by the recording of liens and by foreclosure under Title 36, M.R.S. sections 942 and 943. Liens must be recorded and released in the same manner as liens for real property taxes. If the Municipality acquires the Property through tax lien foreclosure or otherwise pursuant to 36 M.R.S. §§942 and 943, then the Municipality shall cause to be paid to the Capital Provider all delinquent amounts payable under the C-PACE Financing at the time of foreclosure (whether from the proceeds of sale or other amounts collected by the Municipality after satisfaction of delinquent taxes) but only to the extent that the Municipality has received such amounts through the foreclosure process and there are funds remaining after satisfaction of delinquent taxes, interest, fees and costs owed to the Municipality, and any unpaid C-PACE Financing installments shall continue as against the Property as an enforceable Assessment Lien with full rights of collection as set forth in the C-PACE Act. For the avoidance of doubt, it is agreed and understood by the Parties that in no event shall the Municipality be obligated to make C-PACE Assessment payments during any period in which it is deemed the owner of the Property acquired through the statutory tax lien foreclosure process. It is agreed and understood that unpaid future C-PACE Assessment payments shall be the obligation of the person or entity that subsequently acquires title to the Property subject to the C-PACE Lien.

(c) If only a C-PACE Assessment is delinquent but the Property Owner is current on payment of all municipal taxes due to the Municipality, then the Municipality shall, and does hereby in such event, assign the C-PACE Assessment Lien to the Capital Provider, and the Capital Provider shall, and does hereby in such event, accept an assignment of the C-PACE Assessment Lien from the Municipality. If only a C-PACE Assessment is delinquent but the Property Owner is current on payment of all municipal taxes due to the Municipality, the Capital Provider then shall have and possess all the same powers and rights at law as the Municipality and its tax collector with regards to the priority of the C-PACE lien, the accrual of interest and fees, and the costs of collection. The Capital Provider shall have the same rights to enforce the C-PACE lien as any private party or lender holding a lien on real property and shall have all such other rights as set forth in the C-PACE Act, including the right of foreclosure consistent with Title 14, sections 6203-A and 6321 and any other action in contract or lawsuit for the enforcement of a C-PACE Lien. The Capital Provider, as assignee, shall recover costs and reasonable attorney's fees incurred as a result of any foreclosure action or other legal proceeding brought pursuant to this subsection, which may be collected by the assignee at any time after the assignee has made demand for payment.

ARTICLE V – MISCELLANEOUS

Section 5.01. No Waiver. No waiver of any default or breach by the Property Owner hereunder shall be implied from any failure by any other Party to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver. Waivers of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition.

Section 5.02. Successors and Assigns. This Agreement is binding upon and made for the benefit of the Property Owner, the Capital Provider, the Municipality and the Trust, their successors and permitted assigns, and no other person or persons shall have any right of action hereunder.

Section 5.03. Notices. Any notice and other communications hereunder shall be in writing and shall be delivered in person or mailed by reputable overnight courier or by registered or certified mail, return receipt requested, postage prepaid, to the other Parties, at the address set forth at the caption of this Agreement. The addresses of any Party may be changed by notice to the other Party given in the same manner as provided above.

Section 5.04. Amendments. No amendment, modification, termination or waiver of any provisions of this Agreement shall be effective unless in writing and signed by all of the parties.

Section 5.05. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Maine.

Section 5.06. No Waiver of Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify any governmental immunity that may be available by law to the Municipality or the Trust and their officials, employees, trustees, or agents, or any other person acting on behalf of the Municipality or the Trust and, in particular, governmental immunity afforded or available pursuant to Maine common law, the Maine Tort Claims Act, and the Constitutions of the State of Maine and United States.

Section 5.07. Third-Party Beneficiary. The Trust is deemed a third-party beneficiary of those provisions in this Agreement that grant or allow the Trust to exercise rights, receive documents and information in connection with the administration of the C-PACE Program, and are otherwise intended for the benefit of the Trust and its agents.

IN WITNESS WHEREOF, the Property Owner, the Municipality, and the Capital Provider have executed this Agreement as of the date first written above by and through their duly authorized representatives.

[MUNICIPALITY]

By____
Name______________________________________
Title ______________________________________

{CAPITAL PROVIDER}

{P2100297.5}

By____
Name______________________________________
Title ______________________________________

NOTE: ALL OWNERS OF THE QUALIFYING PROPERTY MUST AGREE AND EXECUTE; SEE 35-A MRS 10202(2)]

{INSERT NAME OF PROPERTY OWNER(S)}

By____
Name______________________________________
Title ______________________________________

{P2100297.5}

Exhibit A

Property Owner: _________________________

Property Location:
Street Address: _____________________________________
Municipality: _______________________________________
Tax Map and Lot No.: ________________________________
Registry of Deeds Book and Page: ______________________

Capital Provider: ____

Capital Provider Address and Contact Information:_____________________________
____

C-PACE Financing Amount: __________________________________

Term of C-PACE Loan: ______________________________________

Interest Rate: ____

Payment Schedule [consistent with Municipal property tax collection schedule]
____

{P2100297.5}

Exhibit B

NOTICE OF C-PACE ASSESSMENT AGREEMENT

Notice is hereby given that the parties identified below have entered into a C-PACE Assessment and Financing Agreement ("Agreement") relative to the Property identified below pursuant to the terms of Title 35-A M.R.S. §§10201 *et seq*., "An Act to Allow for the Establishment of Commercial Property Assessed Clean Energy Programs" (the "C-PACE Act"). The amounts financed under the Agreement are secured by a C-PACE assessment on the Property and, pursuant to 35-A M.R.S. §10205(2), the filing of this Notice creates a C-PACE lien against the Property subject to the C-PACE assessment until the amounts due under the Agreement are paid in full. Pursuant to 35-A M.R.S. §10205(2), notice is hereby given of the following:

DATE OF C-PACE AGREEMENT: __________________________

C-PACE FINANCING AMOUNT: __________________________
(Total Amounts to be Disbursed)
INTEREST RATE: __________________________

PROPERTY OWNER(S): ____
(Names and Addresses)
____

____

PROPERTY SUBJECT TO
C-PACE ASSESSMENT: A certain property located in the City/Town of ___________, County of _________, and State of Maine with a street address of:
____
____
Tax Map: ________, Lot No. __________
Registry of Deeds Book and Page: ______________
(As more particularly described in **Exhibit A** hereto).

DURATION OF C-PACE AGREEMENT: ____

MUNICIPALITY: ____

C-PACE LENDER FILING NOTICE: ____
(Name and Address)
____

VERIFICATION OF MORTGAGE
LENDER CONSENT: Verification is hereby made that any financial institution(s) holding a lien, mortgage or security interest in or other collateral encumbrance on the property subject to the C-PACE assessment has provided consent to the Property Owner(s) and Municipality pursuant to 35-A M.R.S. §10205(4) that the borrower(s) may participate and enroll the subject property in the C-PACE Program. A copy of such consent(s) is/are attached as **Exhibit B** hereto.

{P2100297.5}

Executed as a sealed instrument as of this ____ day of __________, 20__.

WITNESS:

____

C-PACE LENDER:

____

By:_____________________________
Name:___________________________
Its:_____________________________

STATE OF ______________
County of ____________________, SS

______________, 20__

Then personally appeared the above-named _____________________, in his/her capacity as _____________ of __________________ and acknowledged the foregoing instrument to be his/her free act and deed in his/her said capacity and the free act and deed of said _________________________.

Before me,

____
Notary Public/Maine Attorney-at-Law
Printed Name:____________________
My Commission Expires:____________________

{P2100297.5}

PROPERTY OWNER:

____

_____________________________ By:______________________________

Its: _______________

STATE OF ______________

County of ____________________, SS ______________, 20__

Then personally appeared the above-named ________________, in his/her capacity as __________ of _________________ and acknowledged the foregoing instrument to be his/her free act and deed in his/her said capacity and the free act and deed of said _______________________.

Before me,

____

Notary Public/Maine Attorney-at-Law

Printed Name:__________________________

My Commission Expires:____________________

{P2100297.5}

[MUNICIPALITY]

By______________________________________
Name____________________________________
Title ____________________________________

STATE OF ______________
County of ____________________, SS   ______________, 20__

Then personally appeared the above-named ____________________, in his/her capacity as _____________ of _________________ and acknowledged the foregoing instrument to be his/her free act and deed in his/her said capacity and the free act and deed of said _________________________.

Before me,

____
Notary Public/Maine Attorney-at-Law
Printed Name:____________________
My Commission Expires:___________________

{P2100297.5}

<u>EXHIBIT A to NOTICE OF C-PACE AGREEMENT</u>

(Description of Premises)

{P2100297.5}

EXHIBIT B to NOTICE OF C-PACE AGREEMENT

(Copy of Executed Mortgage Lender Consent)

{P2100297.5}

Exhibit C

FORM OF NOTICE OF ASSESSMENT

TOWN OF ___________________________
____

_____________________, ME _______

202___ C-PACE ASSESSMENT BILL	
CURRENT BILLING INFORMATION	
Annual Assessment	$_________________
TOTAL DUE:	$___________________

Borrower Name_______________________________
Address_____________________________________
____

Account Number:__________________
Location:________________________ Map/Lot:_________
Book/Page:_____________________

First Half Due: 09/30/202___ $______________
Second Half Due: 03/31/202___ $______________

INFORMATION

FISCAL YEAR 7/1/202___ TO 6/30/202___
The 1st installment payment is due 09/30/202___
The 2nd installment payment is due 3/31/202___
YOU WILL NOT RECEIVE ANOTHER BILL FOR THE 03/31/202__ PAYMENT! (SECOND HALF)

The C-PACE Assessment is issued pursuant to the Maine C-PACE Act and the C-PACE Financing Agreement you have with your Capital Provider. C-PACE Assessment payments must be remitted directly to the Capital Provider. Interest on all unpaid balances per the terms of your C-PACE Financing Agreement with the Capital Provider.

REMITTANCE INSTRUCTIONS	
Please make checks or money orders payable to your Capital Provider and remit payments directly to the Capital Provider.	[Capital Provider name and address]:

[CAPITAL PROVIDER NAME AND ADDRESS]

202__ C-PACE ASSESSMENT BILL			
Account #:________________________	**DUE DATE**	**AMOUNT DUE**	**AMOUNT PAID**
Name:___________________________	03/31/202__	$_____________	$___________
Map/Lot__________________________			
Location_________________________		**Second Payment**	
PLEASE REMIT THIS PORTION WITH YOUR PAYMENT			

[CAPITAL PROVIDER NAME AND ADDRESS]

{P2100297.5}

<table>
<tr><td>202__ C-PACE ASSESSMENT BILL

Account:________________
Name:___________________________
Map/Lot__________________________
Location_________________________</td><td>

<u>DUE DATE</u> <u>AMOUNT DUE</u> <u>AMOUNT PAID</u>
09/30/202__ $____________ $___________

First Payment</td></tr>
<tr><td colspan="2">PLEASE REMIT THIS PORTION WITH YOUR PAYMENT</td></tr>
</table>

{P2100297.5}

NOTICE OF C-PACE ASSESSMENT AGREEMENT

Notice is hereby given that the parties identified below have entered into a C-PACE Assessment Agreement ("Agreement") relative to the Property identified below pursuant to the terms of Title 35-A M.R.S. §§10201 *et seq*., "An Act to Allow for the Establishment of Commercial Property Assessed Clean Energy Programs" (the "C-PACE Act"). The amounts financed under the Agreement are secured by a C-PACE assessment on the Property and, pursuant to 35-A M.R.S. §10205(2), the filing of this Notice creates a C-PACE lien against the Property subject to the C-PACE assessment until the amounts due under the Agreement are paid in full. Pursuant to 35-A M.R.S. §10205(2), notice is hereby given of the following:

DATE OF C-PACE AGREEMENT:	_________________________
C-PACE FINANCING AMOUNT: (Total Amounts to be Disbursed)	_________________________
INTEREST RATE:	_________________________
PROPERTY OWNER(S): (Names and Addresses)	____ ____ ____
PROPERTY SUBJECT TO C-PACE ASSESSMENT:	A certain property located in the City/Town of ___________, County of _________, and State of Maine with a street address of: ____ ____ Tax Map: ________, Lot No. __________ Registry of Deeds Book and Page: ______________ (As more particularly described in **Exhibit A** hereto).
DURATION OF C-PACE AGREEMENT:	____
MUNICIPALITY:	____
C-PACE LENDER FILING NOTICE: (Name and Address)	____ ____
VERIFICATION OF MORTGAGE LENDER CONSENT:	Verification is hereby made that any financial institution(s) holding a lien, mortgage or security interest in or other collateral encumbrance on the property subject to the C-PACE assessment has provided consent to the Property Owner(s) and Municipality pursuant to 35-A M.R.S. §10205(4) that the borrower(s) may participate and enroll the subject property in the C-PACE Program. A copy of such consent(s) is/are attached as **Exhibit B** hereto.

Executed as a sealed instrument as of this ____ day of __________, 20__.

WITNESS:

____

C-PACE LENDER:

____

By:______________________________
Name:____________________________
Its:_______________________________

STATE OF ______________
County of ____________________, SS ______________, 20__

Then personally appeared the above-named _____________________, in his/her capacity as _____________ of _________________ and acknowledged the foregoing instrument to be his/her free act and deed in his/her said capacity and the free act and deed of said _________________________.

Before me,

____
Notary Public/Maine Attorney-at-Law
Printed Name:____________________
My Commission Expires:____________________

PROPERTY OWNER:

____

_____________________________ By:_____________________________

Its: _______________

STATE OF ______________

County of ____________________, SS ______________, 20__

Then personally appeared the above-named ________________, in his/her capacity as __________ of _________________ and acknowledged the foregoing instrument to be his/her free act and deed in his/her said capacity and the free act and deed of said _______________________.

Before me,

____

Notary Public/Maine Attorney-at-Law

Printed Name:__________________________

My Commission Expires:____________________

Version: 3/7/2023

[MUNICIPALITY]

By_______________________________________
Name_____________________________________
Title ____________________________________

STATE OF ______________
County of ____________________, SS ______________, 20__

Then personally appeared the above-named ____________________, in his/her capacity as _____________ of _________________ and acknowledged the foregoing instrument to be his/her free act and deed in his/her said capacity and the free act and deed of said _________________________.

Before me,

____
Notary Public/Maine Attorney-at-Law
Printed Name:____________________
My Commission Expires:____________________

Version: 3/7/2023

EXHIBIT A to NOTICE OF C-PACE AGREEMENT

(Description of Premises)

EXHIBIT B to NOTICE OF C-PACE AGREEMENT

(Copy of Executed Mortgage Lender Consent)

Exhibit C

FORM OF NOTICE OF ASSESSMENT

TOWN OF ___________________________
____

_____________________, ME _______

202___ C-PACE ASSESSMENT BILL	
CURRENT BILLING INFORMATION	
Annual Assessment	$_________________
TOTAL DUE:	$___________________

Borrower Name________________________________
Address______________________________________
____

Account Number:__________________
Location:________________________ Map/Lot:_________
Book/Page:_____________________

First Half Due: 09/30/202___ $______________
Second Half Due: 03/31/202___ $______________

INFORMATION

FISCAL YEAR 7/1/202___ TO 6/30/202___
The 1st installment payment is due 09/30/202___
The 2nd installment payment is due 3/31/202___
YOU WILL NOT RECEIVE ANOTHER BILL FOR THE 03/31/202__ PAYMENT! (SECOND HALF)

The C-PACE Assessment is issued pursuant to the Maine C-PACE Act and the C-PACE Financing Agreement you have with your Capital Provider. C-PACE Assessment payments must be remitted directly to the Capital Provider. Interest on all unpaid balances per the terms of your C-PACE Financing Agreement with the Capital Provider.

REMITTANCE INSTRUCTIONS	
Please make checks or money orders payable to your Capital Provider and remit payments directly to the Capital Provider.	[Capital Provider name and address]:

[CAPITAL PROVIDER NAME AND ADDRESS]

202__ C-PACE ASSESSMENT BILL			
Account #:_______________________	**DUE DATE**	**AMOUNT DUE**	**AMOUNT PAID**
Name:__________________________	03/31/202__	$_____________	$____________
Map/Lot_________________________			
Location_________________________		**Second Payment**	
PLEASE REMIT THIS PORTION WITH YOUR PAYMENT			

[CAPITAL PROVIDER NAME AND ADDRESS]

Version: 3/7/2023

202__ C-PACE ASSESSMENT BILL Account:________________ Name:___________________________ Map/Lot__________________________ Location_________________________	**<u>DUE DATE</u>** 09/30/202__	**<u>AMOUNT DUE</u>** $____________ **First Payment**	**<u>AMOUNT PAID</u>** $___________
PLEASE REMIT THIS PORTION WITH YOUR PAYMENT			

Version: 3/7/2023

MAINE COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (C-PACE) PROGRAM
NOTICE OF PROPOSED C-PACE ASSESSMENT

Notice Date:

Mortgage Lender name:

Address:

Property Owner/Borrower Name:

Property Location:

Address:

Tax Map/Lot No.

Municipality:

Notice to Financial Institution

You are the holder of a lien, mortgage or security interest on the property identified above. The Property Owner(s) intend to install certain energy savings improvements at the property and wish to participate in the Maine Commercial Property Assessed Clean Energy (C-PACE) Program to finance the improvements. The financing would be secured by a C-PACE assessment lien. As a financial institution holding a lien, mortgage, or security interest in or other collateral encumbrance on the property for which a C-PACE assessment is sought, the Property Owner must receive your consent to participate in the C-PACE Program and allow the placement of a senior C-PACE assessment lien on the subject property.

Background on the Maine C-PACE Program

In 2021, the Maine Legislature passed and the Governor approved "An Act to Allow for the Establishment of Commercial Property Assessed Clean Energy Programs," commonly known as "C-PACE" (35-A M.R.S. §§10201 *et seq*.). C-PACE is a financing program that allows owners of qualifying commercial property in participating municipalities to access financing for certain energy savings improvements. C-PACE allows qualifying commercial real property owners to repay the investment through an assessment on the property similar to a property tax. Projects financed through C-PACE are secured by a C-PACE assessment lien on the improved real property, which lien is repaid over time. C-PACE is a non-accelerating, senior lien secured by the property. In the event of default, only the payments in arrears come due and the future assessments are not accelerated. The C-PACE assessment lien remains and is not extinguished until the assessment is fully repaid. The repayment obligation transfers automatically to the next owner if the property is sold. This arrangement spreads the cost of energy savings improvements – such as energy efficient heating systems, energy storage systems, electric vehicle supply equipment, photovoltaic systems, solar thermal systems, geothermal systems, high-efficiency wood heating systems, and similar clean energy improvements – over the expected life of the efficiency measure.

Maine's C-PACE program is designed to address the needs and concerns of the property owners, existing mortgage lenders, and C-PACE finance lenders. In order to be a qualifying property and qualifying project under the C-PACE program, certain criteria must be satisfied:

- The property must be located in a municipality that has adopted a C-PACE ordinance allowing participation in the program;
- The property must be commercial property, may not have a residential mortgage, and may not be owned by a "residential customer" or "small commercial customer" as defined for utility rate class purposes;
- If the property is a commercial building designed for residential use, it must consist of at least 5 rental units;
- The project must include approved energy savings improvements that will result in increased energy efficiency or substantially reduced energy use;
- The estimated cost savings from the energy savings improvements over the useful life of the improvements should achieve for the property owner a savings-to-investment ratio of not less than 1.0;
- The property must have a debt service coverage ratio of not less than 1.0 at the time the C-PACE financing agreement is entered into;
- The property must have a loan-to-value ratio of not more than 1.0 at the time the C-PACE financing agreement is entered into is entered into, calculated by dividing the total amount of debt secured by the property by the property value;
- The property's C-PACE assessment-to-value ratio must be no greater than 0.35.;
- The property must be current on all taxes and utility charges, must not have any recorded notice of default or foreclosure, and must be current on mortgage payments; and
- **The property owner must receive the consent of the current mortgage holder(s) before a C-PACE assessment can be approved.**

An initial determination has been made that the property is eligible and that the proposed project satisfies the underwriting requirements. Your consent is required for the project to proceed.

The C-PACE Assessment

A C-PACE lien secures payment for any unpaid C-PACE assessment and, together with all associated interest and penalties for default and associated attorney's fees and collection costs, takes precedence over all other liens or encumbrances except a lien for real property taxes of the municipality and liens of municipal sewer, sanitary and water districts. From the date of recording, a C-PACE lien is a priority lien over any other lien that existed prior to the C-PACE lien.

The C-PACE assessment, and the lien created thereby, require the written consent of existing lienholders at the time of recording the assessment lien. The financial institution holding the pre-existing lien, mortgage, security interest, or other encumbrance is not required to provide consent to the enrollment of the subject property in the C-PACE program. Consent is voluntary.

The C-PACE statute provides that if a C-PACE assessment is delinquent or in default and the property owner is also delinquent in any tax due to the municipality, foreclosure would occur through the municipality in the same manner as for municipal property taxes by the recording of liens and statutory foreclosure process. If just the C-PACE assessment is delinquent, and not any property tax, the C-PACE lender would take an assignment of the lien from the municipality and have the same rights to enforce the C-PACE lien as any private party or lender holding a lien on real property, including statutory rights of foreclosure. The portion of the assessment that has not yet become due is not eliminated by foreclosure, and the lien may not be accelerated or extinguished until fully repaid.

Why should you provide consent?

1. Measures financed through C-PACE should reduce building operating costs. Under the C-PACE program, a proposed project must have a Savings-to-Investment Ratio (SIR) greater than one, meaning that projected lifetime savings from the energy measures must exceed the total investment, inclusive of financing costs over the full term of the C-PACE assessment, over the useful life of the energy savings measures. For example, if the total eligible project investment cost is $1.5 million and the project's expected useful life is 15 years, the energy savings must be greater than $100,000 per year, on average. This allows for repayment with savings.

2. C-PACE assessments do not accelerate. In the event the mortgage holder forecloses on the property for any reason, only the amount of the C-PACE surcharge currently due and/or in arrears, a relatively small proportion of the C-PACE assessment, would come due. It is important to note that in the event a C-PACE assessment is in arrears, the assessment, like a tax lien, will have a lien status senior to a private lender's mortgage. In the event of a property sale, C-PACE surcharges transfer to the new property owner and are not due on sale.

3. Measures financed through PACE improve properties and often reduce maintenance and repair costs. In addition, energy measures improve the efficiency, health, and comfort of a building, making it more attractive to tenants and future owners.

What should you know?

The Property Owner has indicated its intention to apply for C-PACE financing for certain energy savings improvements on the property listed above. The C-PACE assessment is to be levied on the property pursuant to an agreement between the Property Owner, the municipality, and the capital provider for the C-PACE improvements. The related payment terms are proposed to consist of the following:

Estimated total cost of improvements:
Estimated Efficiency Maine rebates/incentives:
Estimated total C-PACE financing requested:
Interest rate not to exceed:
Term of repayment period:
Estimated total annual installment:
Payments per year:

Estimated Benefits of the Energy Savings Improvements:

Based on energy assessment information prepared for this property, the following estimated cost savings are expected to accrue to the property as a result of installation and utilization of the approved energy savings improvements over the term:

Electric and Fuel Bill Savings (Annual):
Other Savings (specify):
TOTAL:

<u>NOTE: The savings noted above represent estimates based on the energy audit assumptions. Actual results are likely to be different and may be greater or less than estimated.</u>

<u>Purpose of this Notice</u>

The C-PACE statute requires that existing mortgage lenders be provided notice of the Property Owner's intent to participate in the C-PACE program, which will result in an assessment on the subject property. The C-PACE statute provides:

"35-A M.R.S. §10205(4). **Mortgage lender notice and consent**. Any financial institution holding a lien, mortgage or security interest in or other collateral encumbrance on the property for which a commercial PACE assessment is sought must be provided written notice of the commercial property owner's intention to participate in the commercial PACE program and must acknowledge in writing to the commercial property owner and municipality that the financial institution has received such notice. A commercial PACE assessment may not be approved until the financial institution holding the lien, mortgage or security interest in or other collateral encumbrance on the property has provided written consent to the commercial property owner and municipality that the borrower may participate and enroll the collateral property in the commercial PACE program. This written consent must be filed in the registry of deeds and must include a written acknowledgement and understanding by the financial institution holding the lien, mortgage or security interest in or other collateral encumbrance on the property:

a. Of the priority status provided to commercial PACE liens pursuant to 35-A M.R.S. §10205(3);

b. Of the foreclosure process applicable to properties subject to commercial PACE liens under 35-A M.R.S. §10205(5); and

c. That the financial institution is not required to but has voluntarily elected to consent to the enrollment of the property in the commercial PACE program."

<u>Execution and Return of Consent</u>. The Property Owner and municipality would appreciate you executing the attached Lender Consent to Proposed C-PACE Assessment and returning it to the undersigned at your earliest convenience.

Very truly yours,

BY: (signature):___________________________________

PROPERTY OWNER NAME:________________________

MAILING ADDRESS (if different than Property address):

____

MORTGAGE LENDER CONSENT TO C-PACE ASSESSMENT

Mortgage Lender Name:

Address:

Property Owner Name:

Property Location:

Address:

Municipality:

Tax Map/Lot No.

This Mortgage Lender Consent to C-PACE Assessment ("Consent") is given by the undersigned entity (the "Lender") with respect to the above-referenced property (the "Property") and property owner ("Property Owner").

WHEREAS, Lender made a loan evidenced by a promissory note in the original amount of $______ (the "Loan") to Property Owner, which Loan is secured by a lien, mortgage or security interest in or other collateral encumbrance on the Property identified above, which lien is recorded at Book ___, Page ___ of the ________ County Registry of Deeds (together with any other document executed by Property Owner in favor of Lender and securing the Loan, the "Loan Documents," which term includes any and all extensions, consolidations, amendments, modifications and supplements to such documents);

WHEREAS, Lender is in receipt of written notice (the "Notice") from or on behalf of the Property Owner that Property Owner intends to finance the acquisition installation of certain energy efficiency and/or renewable energy improvements that will be affixed to the Property (the "Energy Savings Improvements") by participating in the Maine Commercial Property Assessed Clean Energy Program ("C-PACE") established under 35-A M.R.S. §§10201 et seq. (the "C-PACE Act");

WHERES, the Municipality in which the Property is located has elected to participate in the C-PACE program and has adopted a C-PACE ordinance;

WHEREAS, Property Owner intends to select a capital provider approved for participation in connection with the C-PACE Program (the "Qualified Capital Provider"), to fund amounts approved for the funding of the Energy Savings Improvements (the "Financing") under the terms of a C-PACE Assessment and Financing Agreement (the "C-PACE Agreement") executed by the Municipality, the Property Owner and the Qualified Capital Provider, a notice of which is to be recorded in the Registry of Deeds;

WHEREAS, the C-PACE Financing will be repaid by the Property Owner in periodic installments through an assessment made against the Property by the Municipality identified above, pursuant to the

Municipality's C-PACE ordinance and the C-PACE Act, which payments will be remitted to the Qualified Capital Provider;

WHEREAS, pursuant to Section 10205 of the C-PACE Act, a C-PACE assessment constitutes a lien on the Property until it is paid in full, which lien is a priority lien that takes precedence over all other liens or encumbrances on the Property, except a lien for real property taxes of the municipality and liens of municipal sewer, sanitary and water districts;

WHEREAS, pursuant to Section 10205(4) of the C-PACE Act, a C-PACE assessment may not be approved until the financial institution holding a prior lien, mortgage or security interest in or other collateral encumbrance on the Property has provided written consent to the Property Owner and Municipality that the borrower may participate and enroll the collateral Property in the C-PACE program;

WHEREAS, Section 10205(5) of the C-PACE Act provides that if a C-PACE assessment is delinquent or in default and the Property Owner is also delinquent in any tax due to the Municipality, foreclosure would occur through the Municipality in the same manner as for municipal property taxes by the recording of liens and the statutory property tax lien foreclosure process, and if just the C-PACE assessment is delinquent, but not any property tax, the Qualified Capital Provider would take an assignment of the lien from the Municipality, have the same powers and rights at law as the Municipality and its tax collector with regards to priority of the C-PACE lien, and have the same rights to enforce the C-PACE lien as any private party or lender holding a lien on real property, including statutory rights of foreclosure of real property mortgages;

WHEREAS, pursuant to Section 10205(6) of the C-PACE Act, a C-PACE assessment is not eliminated by foreclosure and cannot be accelerated;

WHEREAS, pursuant to the C-PACE Act, Lender's consent to allow the collateral Property to be enrolled in the C-PACE program is not required, but rather is voluntary.

NOW, THEREFORE, in reference to the above recitals which are incorporated as a material portion of this document, the Lender hereby consents to the enrollment of the Property in the C-PACE program by the Property Owner and consents to the C-PACE assessment and lien on the Property by the Municipality to secure payment for any unpaid C-PACE assessment as provided under the C-PACE Act, and further acknowledges and confirms its understanding as follow:

1. Lender acknowledges that it has received notice of the Property Owner's intent to participate in the C-PACE Program and to enroll the Property in the C-PACE Program pursuant to the Municipal ordinance and C-PACE Act;

2. Lender acknowledges that the Loan Documents will be subordinate to the C-PACE assessment and lien and understands the priority status provided to C-PACE liens under Section 10205(3) of the C-PACE Act.

3. Lender acknowledges and understands the foreclosure process applicable to properties subject to a C-PACE lien under Section 10205(5) of the C-PACE Act.

4. Lender acknowledges and understands that it is not required to, but has voluntarily, elected to consent to the enrollment of the Property in the C-PACE Program.

5. Lender agrees that the Property Owner's execution of a C-PACE Agreement and other documents necessary or appropriate to confirm and implement the Property Owner's participation in the C-PACE program and the imposition of the C-PACE assessment and lien with respect to the Property will not constitute a default under Lender's Loan Documents.

6. Lender acknowledges that the Property Owner, Municipality, and Qualified Capital Provider will rely on this consent and the acknowledgements contained herein and that this Consent will be recorded in the Registry of Deeds.

[LENDER NAME]

____

By:

Its:

Date:

STATE OF MAINE

________________, SS.

Then personally appeared before me this ______ day of ________________, 20__, the above-named___________________ as ____________________ of [LENDER] and acknowledged the foregoing instrument to be his /her free act and deed in said capacity and the free act and deed of said entity.

____

Notary Public/Maine Attorney-at-Law

Print/type name: ___________________________

My commission expires: _____________________

MORTGAGE LENDER CONSENT TO C-PACE ASSESSMENT

Mortgage Lender Name:

Address:

Property Owner Name:

Property Location:

Address:

Municipality:

Tax Map/Lot No.

This Mortgage Lender Consent to C-PACE Assessment ("Consent") is given by the undersigned entity (the "Lender") with respect to the above-referenced property (the "Property") and property owner ("Property Owner").

WHEREAS, Lender made a loan evidenced by a promissory note in the original amount of $______ (the "Loan") to Property Owner, which Loan is secured by a lien, mortgage or security interest in or other collateral encumbrance on the Property identified above, which lien is recorded at Book ___, Page ___ of the ________ County Registry of Deeds (together with any other document executed by Property Owner in favor of Lender and securing the Loan, the "Loan Documents," which term includes any and all extensions, consolidations, amendments, modifications and supplements to such documents);

WHEREAS, Lender is in receipt of written notice (the "Notice") from or on behalf of the Property Owner that Property Owner intends to finance the acquisition installation of certain energy efficiency and/or renewable energy improvements that will be affixed to the Property (the "Energy Savings Improvements") by participating in the Maine Commercial Property Assessed Clean Energy Program ("C-PACE") established under 35-A M.R.S. §§10201 et seq. (the "C-PACE Act");

WHERES, the Municipality in which the Property is located has elected to participate in the C-PACE program and has adopted a C-PACE ordinance;

WHEREAS, Property Owner intends to select a capital provider approved for participation in connection with the C-PACE Program (the "Qualified Capital Provider"), to fund amounts approved for the funding of the Energy Savings Improvements (the "Financing") under the terms of a C-PACE Assessment and Financing Agreement (the "C-PACE Agreement") executed by the Municipality, the Property Owner and the Qualified Capital Provider, a notice of which is to be recorded in the Registry of Deeds;

WHEREAS, the C-PACE Financing will be repaid by the Property Owner in periodic installments through an assessment made against the Property by the Municipality identified above, pursuant to the Municipality's C-PACE ordinance and the C-PACE Act, which payments will be remitted to the Qualified Capital Provider;

WHEREAS, pursuant to Section 10205 of the C-PACE Act, a C-PACE assessment constitutes a lien on the Property until it is paid in full, which lien is a priority lien that takes precedence over all other liens or encumbrances on the Property, except a lien for real property taxes of the municipality and liens of municipal sewer, sanitary and water districts;

WHEREAS, pursuant to Section 10205(4) of the C-PACE Act, a C-PACE assessment may not be approved until the financial institution holding a prior lien, mortgage or security interest in or other collateral encumbrance on the Property has provided written consent to the Property Owner and Municipality that the borrower may participate and enroll the collateral Property in the C-PACE program;

WHEREAS, Section 10205(5) of the C-PACE Act provides that if a C-PACE assessment is delinquent or in default and the Property Owner is also delinquent in any tax due to the Municipality, foreclosure would occur through the Municipality in the same manner as for municipal property taxes by the recording of liens and the statutory property tax lien foreclosure process, and if just the C-PACE assessment is delinquent, but not any property tax, the Qualified Capital Provider would take an assignment of the lien from the Municipality, have the same powers and rights at law as the Municipality and its tax collector with regards to priority of the C-PACE lien, and have the same rights to enforce the C-PACE lien as any private party or lender holding a lien on real property, including statutory rights of foreclosure of real property mortgages;

WHEREAS, pursuant to Section 10205(6) of the C-PACE Act, a C-PACE assessment is not eliminated by foreclosure and cannot be accelerated;

WHEREAS, pursuant to the C-PACE Act, Lender's consent to allow the collateral Property to be enrolled in the C-PACE program is not required, but rather is voluntary.

NOW, THEREFORE, in reference to the above recitals which are incorporated as a material portion of this document, the Lender hereby consents to the enrollment of the Property in the C-PACE program by the Property Owner and consents to the C-PACE assessment and lien on the Property by the Municipality to secure payment for any unpaid C-PACE assessment as provided under the C-PACE Act, and further acknowledges and confirms its understanding as follow:

1. Lender acknowledges that it has received notice of the Property Owner's intent to participate in the C-PACE Program and to enroll the Property in the C-PACE Program pursuant to the Municipal ordinance and C-PACE Act;

2. Lender acknowledges that the Loan Documents will be subordinate to the C-PACE assessment and lien and understands the priority status provided to C-PACE liens under Section 10205(3) of the C-PACE Act.

3. Lender acknowledges and understands the foreclosure process applicable to properties subject to a C-PACE lien under Section 10205(5) of the C-PACE Act.

4. Lender acknowledges and understands that it is not required to, but has voluntarily, elected to consent to the enrollment of the Property in the C-PACE Program.

5. Lender agrees that the Property Owner's execution of a C-PACE Agreement and other documents necessary or appropriate to confirm and implement the Property Owner's participation in the C-PACE program and the imposition of the C-PACE assessment and lien with respect to the Property will not constitute a default under Lender's Loan Documents.

6. Lender acknowledges that the Property Owner, Municipality, and Qualified Capital Provider will rely on this consent and the acknowledgements contained herein and that this Consent will be recorded in the Registry of Deeds.

[LENDER NAME]

____

By:

Its:

Date:

STATE OF MAINE

_________________, SS.

Then personally appeared before me this ______ day of ________________, 20__, the above-named___________________ as ____________________ of [LENDER] and acknowledged the foregoing instrument to be his /her free act and deed in said capacity and the free act and deed of said entity.

____

Notary Public/Maine Attorney-at-Law

Print/type name: ___________________________

My commission expires: _____________________

Efficiency Maine C-PACE Program

SAVINGS-TO-INVESTMENT RATIO (SIR) CERTIFICATION

Technical Reviewer Information:

Individual Name:____

Title/Role: ____

Employer/Company Name:____

Business Address: ____

Office Phone: ________________________

Email: ____

Project Information:

Property Owner: ____

Address: ____

Description of Energy Savings Improvement: _______________________________

Estimated Useful Life: _________________________

Total Lifetime Savings: $_______________________

Project Cost: $_______________________________

SIR: ____

Attestations:

By signing below, the Technical Reviewer understands and attests to the following:

1. The Technical Reviewer is a licensed Professional Engineer in the State of Maine, with registration number ____________________. Their stamp or proof of credentials as a licensed engineer will be submitted with the application to the Efficiency Maine C-PACE Program.

2. The SIR calculation for the Project was performed by
   - ❑ The Technical Reviewer listed above; or,
   - ❑ The following third party
     i. Individual Name: ______________________________________
     ii. Title/Role: ______________________________________
     iii. Employer/Company Name: ______________________________________

iv. Business Address: ____
v. Relevant professional credentials: ____________________________________
vi. Relationship to the project: ____

3. If the SIR calculation was performed by a third party, the Technical Reviewer has reviewed that entity's work. The stamp or proof of credentials of the third party will be submitted with the application to the Efficiency Maine C-PACE Program.

4. The SIR Calculation provides a reasonable estimation of the present value of the Project costs and savings consistent with the criteria set forth in Article III Section 9 of the C-PACE Program Guidelines.

5. The Project has an SIR of not less than 1.0.

6. The Property Owner has been provided the following information related to the SIR calculation for the Project:
   a. the assumed values for all energy rates, expressed in dollars per unit of energy consumed or saved;
   b. the value of any escalator applied to the energy rates or other costs in the calculation;
   c. the estimated useful life of the improvements;
   d. the discount rate applied to the calculation;
   e. for any tax credits, grants or financial incentives, depreciation and related tax benefits, emissions offsets or credits received, or finance savings that were applied to the calculation, an itemization of the individual values applied;
   f. for any operations or maintenance costs or savings associated with the Energy Savings Improvements that were applied to the calculation, an itemization of the costs and/or savings applied; and,
   g. a formula showing the calculation of the applicable costs and savings of the proposed project, the resulting numerator and denominator, and the resulting SIR.

7. The Efficiency Maine Trust (the Trust) reserves the right to retroactively collect any documentation used in calculating the SIR for an application or approved C-PACE project; and,

8. The Trust reserves the right to reject a C-PACE application based on the merits of the professional credentials of the Technical Reviewer at its sole discretion.

Technical Reviewer Signature: ______________________________________ Date: _______________

Sustainability Office
Troy Moon
Sustainability Director
May 19, 2023

City of portland

To: Councilor Zarro and Members of the Sustainability and Transportation Committee
From: Troy Moon, Sustainability Director
Re: Burlington, VT Carbon Impact Fee

Introduction:
Councilor Zarro requested that staff brief the Sustainability and Transportation Committee about the Carbon Pollution Impact Fee adopted by the City of Burlington, Vermont earlier this year to prompt Committee discussion about whether such a policy, or a similar policy, could help the City of Portland reduce emissions 80% by 2050, as directed by Resolve 9-17/18 and further emphasized by the adoption of One Climate Future. In compliance with that request, we are providing information about Burlington's initiative as well as information about policy recommendations in One Climate Future that relate to transitioning Portland's buildings to renewable energy.

Burlington's Carbon Pollution Impact Fee:
In March, 2023 residents in Burlington, Vermont voted to establish a carbon pollution impact fee of $150 per ton that would apply to new commercial and industrial buildings of more than 50,000 square feet in size that use fossil fuel infrastructure for heating . Proceeds from the fee will be used to mitigate the effects of carbon emissions from these buildings by funding initiatives such as electrifying the City of Burlington's municipal vehicles and helping low income residents adopt clean heating technologies such as heat pumps. The fee will be applied at the time of construction and be based on the calculated lifetime emissions of the fossil fuel equipment. Building developers who install systems that use renewable energy are not subject to the fee. By Burlington's definition, renewable energy includes geothermal heat pumps, air and water source heat pumps, advanced wood heating, and conventional systems using renewable gas, biodiesel, and renewable hydrogen.

Burlington Mayor Miro Weinberger and the City Council placed the initiative on the municipal ballot for voter approval. The measure passed with more than 67% support. Burlington city staff are currently working on ordinance language to implement the program. In the back up material we have included the resolution passed by the Burlington City Council that includes the language passed by the voters. and a report conducted by Burlington City prior to that ballot initiative that informed the Burlington City Council's decision to move forward.

One Climate Future policy recommendations:
As noted in One Climate Future:

> The Buildings and Energy strategies focus on transitioning to renewable sources of electricity, increasing the energy efficiency of new and existing buildings, and transitioning building systems to electric heating and cooling. Collectively, *the actions in this section account for 71% of our cumulative greenhouse gas emissions savings between now and 2050.* (p. 57)

Because emissions reductions in the building sector are so critical to meeting the City's climate goals, the Buildings and Energy section identifies a broad range of policy recommendations to promote energy efficiency and renewable energy and to discourage adoption of additional fossil fuel infrastructure. These include:

- BE 3.4: Renewable Heating and Cooling - adopt measures to promote building electrification including incentive programs
- BE 5.6: Natural Gas Phase Out - this includes exploring actions the City Council can take to limit new and expanded natural gas connections.
- BE 5.7: Carbon Pricing – OCF notes that carbon pricing is essential to the transition to a low carbon future in order to capture the externalized costs of carbon pollution.

See https://www.oneclimatefuture.org/reports/ for the full text of these policy recommendations. Staff is prepared to answer questions and to participate in discussion about these recommendations during the meeting.

Conclusion:
We look forward to discussing this topic with the Committee. Associate Counsel Rachel Millette will be present to participate in the meeting.

Resolution Relating to

IMPLEMENTATION OF A CARBON POLLUTION IMPACT FEE FOR NEW CONSTRUCTION AND LARGE EXISTING COMMERCIAL AND INDUSTRIAL BUILDINGS 50,000 SQUARE FEET OR LARGER

RESOLUTION_______

Sponsor(s): Transportation, Energy & Utilities Committee
Introduced: ____________________
Referred to: ____________________
____
Action: ________________________
Date: __________________________
Signed by Mayor: ________________

CITY OF BURLINGTON

In the year Two Thousand Twenty-Three …………………………………………………………………

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, The City of Burlington has declared a climate emergency exists, and on September 5th, 2019 the City and Burlington Electric Department issued the Net Zero Energy Roadmap (“the Roadmap”) to guide progress in reducing greenhouse gas emissions in buildings and ground transportation; and

WHEREAS, the Roadmap identified emissions from buildings as the second largest source of greenhouse gas emissions in the city; and

WHEREAS, the City enacted new ordinances in 2021 to address rental weatherization standards, and require primary renewable heating systems in new construction; and

WHEREAS in 2022 Burlington’s neighboring community, the City of South Burlington, adopted a similar primary renewable heating system ordinance and also include requirements for renewable domestic water heating as well, aligning the two cities in both requiring the use of renewable systems and fuels for new construction; and

WHEREAS, on March 2, 2021, Burlington voters approved a proposed change to the City charter that would allow the City to create policies to regulate greenhouse gas emissions in buildings, and an advisory ballot question focused on providing equity in the development of such policies; and

WHEREAS, on April 20, 2022, the Governor signed the charter change into law after it was approved by the Vermont Legislature; and

WHEREAS, on May 9th, 2022, the City Council passed a Resolution seeking policy recommendations under the charter change from Burlington Electric Department and the Department of Permitting and Inspections; and

WHEREAS, The Burlington Electric Department and Department of Permitting and Inspections issued an interim report July 18th, 2022, and final report December 5, 2022 to the City Council; and

WHEREAS, the Departments recommended proposed requirements to reduce fossil fuel use and greenhouse gas emissions in buildings, including starting in 2024 for new construction to use renewable energy systems or renewable fuels for all thermal energy uses (with the exception of using 2026 as a start date for larger multi-family buildings for domestic water heating), and for large existing buildings and City buildings to install renewable energy systems or conventional systems with renewable fuels when seeking a permit to replace a space conditioning system or domestic water heating system; and

WHEREAS, the Departments proposed the use of an upfront carbon pollution impact fee that would account for the environmental, health and societal impacts from greenhouse gas emissions from fossil fuel-based systems, as a means of alternative compliance for new construction buildings and large existing commercial and industrial buildings with 50,000 square feet or more of space conditioned area as one option to meet the proposed policy requirements when the building chooses to use fossil fuel systems; and

WHEREAS the charter change approved by voters in March of 2021 and subsequently approved by the Legislature and signed by the Governor requires the City to seek additional voter approval when it proposes to utilize a carbon impact or alternative compliance fee;

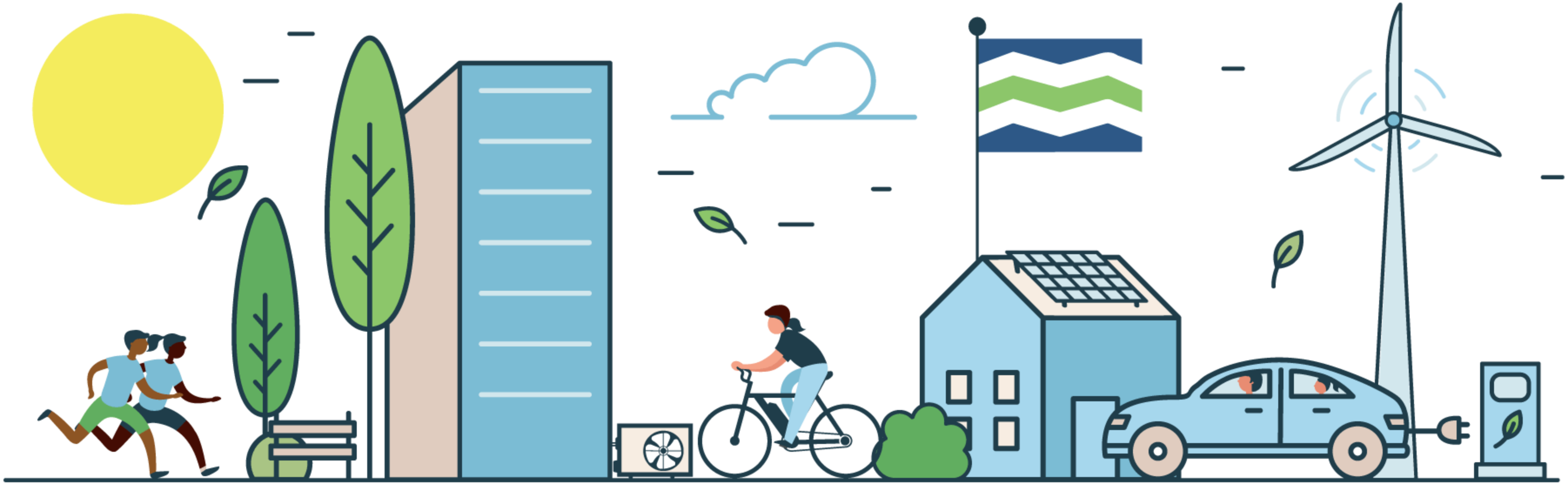
NOW, THEREFORE, BE IT RESOLVED that the City Council hereby requests, pursuant to the City Charter Section 48(66), that the following question be placed before the voters on the ballot of the Annual City Meeting to be held on March 7, 2023:

"Shall the City Council, in order to reduce greenhouse gas emissions in the City, be authorized starting January 1, 2024, to implement a carbon pollution impact fee in the permitting process, with the fee to be set by resolution starting at up to $150 per ton and rising annually at the rate of regional inflation but capped at no more than a 5 percent annual increase, for:

- **new construction buildings that install fossil fuel thermal energy systems instead of using renewable energy systems or renewable fuels, with the exception that the fee would not be implemented until January 1, 2026 for domestic water heating systems in new construction multi-family residential buildings with more than 4 units; and**
- **for existing commercial and industrial buildings 50,000 square feet or larger when the building is installing fossil fuel thermal energy space conditioning or domestic water heating systems instead of using renewable systems or renewable fuels?"**

The fee proceeds could support one or more of the following: capital investments in converting the City's vehicle fleet to electric vehicles; a new City fund to support clean heating technology installations for low-income Burlington households and renters; and/or in the case of existing building payors, greenhouse gas emissions reductions projects at their building or facilities in Burlington.

KS/Resolutions 2022/**BED Ballot Request For Carbon Impact Fee**
1/5/23



NET ZERO ENERGY

BURLINGTON VERMONT

Timeline and Context for Thermal Energy Policy Development in Burlington:

- 2019 Net Zero Energy Roadmap presented by Mayor Weinberger and Burlington Electric
- October 2020 Mayor's Building Emissions Reduction Proposal
- Town Meeting Day Ballot Questions Charter Change March 2021
- Rental Weatherization Standards Adopted May 2021
- Renewable Heating Ordinance Adopted Summer/Fall 2021
- Charter Change Enacted by Legislature/Governor Spring 2022
- Council Resolution May 2022 for Decarbonization
- BED/DPI Interim Report July 2022
- BED/DPI Final Report December 2022

Process Since July 2022 Interim Report:

- The BED and DPI teams held two group stakeholder meetings with building owners on August 30, and October 25, as well as some individual meetings with stakeholders.

- BED participated in a 2030 District webinar with building owners and building design professionals.

- BED has worked intensively with the Building Electrification Institute (BEI) to analyze policy proposals and draw on their expertise working with cities around the nation.

- BED attended NPA meetings to share possible approaches and seek feedback from the community (Wards 1/8 Nov. 9; Wards 2/3 Nov. 10; Ward 5 Nov. 17; Wards 4/7 Nov. 30; Ward 6 Dec. 1).

NET ZERO ENERGY
BURLINGTON VERMONT

Buildings Covered Under Proposed Policy:

- New Construction
- Large Existing Commercial/Industrial Buildings over 50,000 Square Feet
- Municipal/City Buildings

Buildings Not Covered Under Proposed Policy:

- ALL Existing Residential Buildings (including single-family, multi-family, rental, condo, and affordable housing buildings)
- ALL Existing Small Business Buildings
- ALL Existing Commercial/Industrial Buildings under 50,000 square feet

Policy Recommendations for New Construction:

- **100% Renewable -** Require, starting in 2024 and subject to voter approval, new construction to be 100 percent renewable for thermal energy, including heating, water heating, cooking, appliances, and other systems.

- **Broad definition of renewable** - including geothermal heat pumps, air source and water source heat pumps, heat pump VRF, advanced wood heating, and conventional systems with renewable fuel supply (such as renewable gas, biodiesel, renewable hydrogen, or renewable district energy).

- **Alternative Compliance Carbon Pollution Impact Fee –** If a building does not use a renewable fuel or technology, assess at time of permit a carbon pollution impact fee accounting for the lifetime emissions of the fossil fuel system.

NET ZERO ENERGY
BURLINGTON VERMONT

Policy Recommendations for Large Existing Buildings and City Buildings:

- **Requirement -** Require, starting in 2024, 100 percent renewable technology or fuels for replacement heating or water heating systems at time of permit. If using fossil fuel system, carbon pollution impact fee applies for large existing buildings (with cap of 75% of installed cost of conventional system).

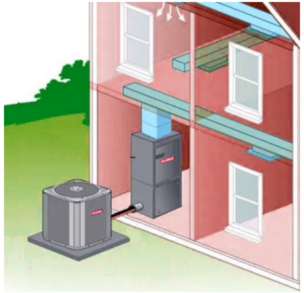
- **Definition of large existing building**- Over 50,000 square feet of space conditioned area. Approximately 80 buildings in the City. Exempts all residential/multi-family/affordable housing, as well as small businesses. Exemption process for historic buildings.

- **Credit for Emissions Reduction –** A building owner taking action to reduce emissions outside the scope of the policy, including purchasing renewable fuel or replacing other systems (cooking, appliances, etc.) with renewable, gets credit against future compliance.

Policy Recommendations for Use of Carbon Pollution Impact Fee Proceeds:

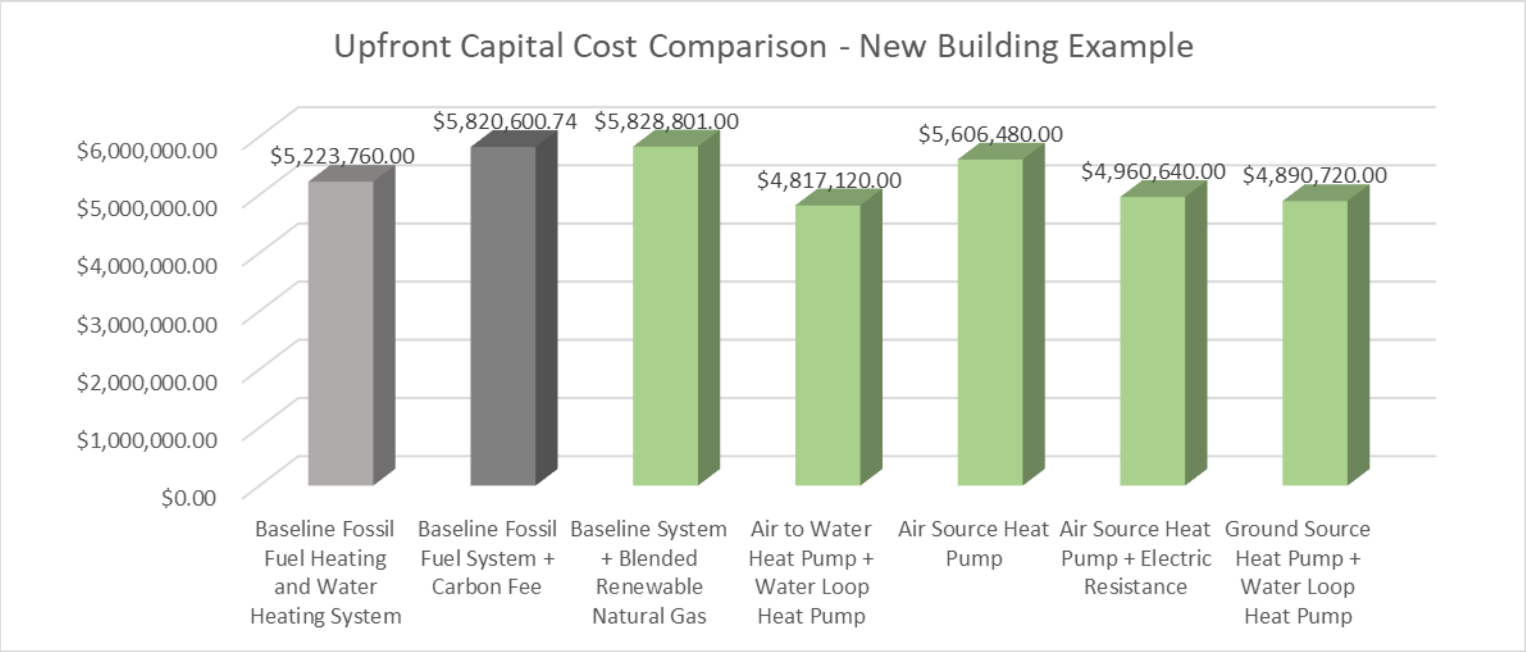
- **City Fleet –** Support capital needs to electrify City vehicles and fleet.

- **Clean Heating Technologies for Low-Income Burlingtonians –** Create new city fund to support installation of clean heating technologies for low-income households and renters, consistent with Advisory Question 7 from Town Meeting Day 2021.

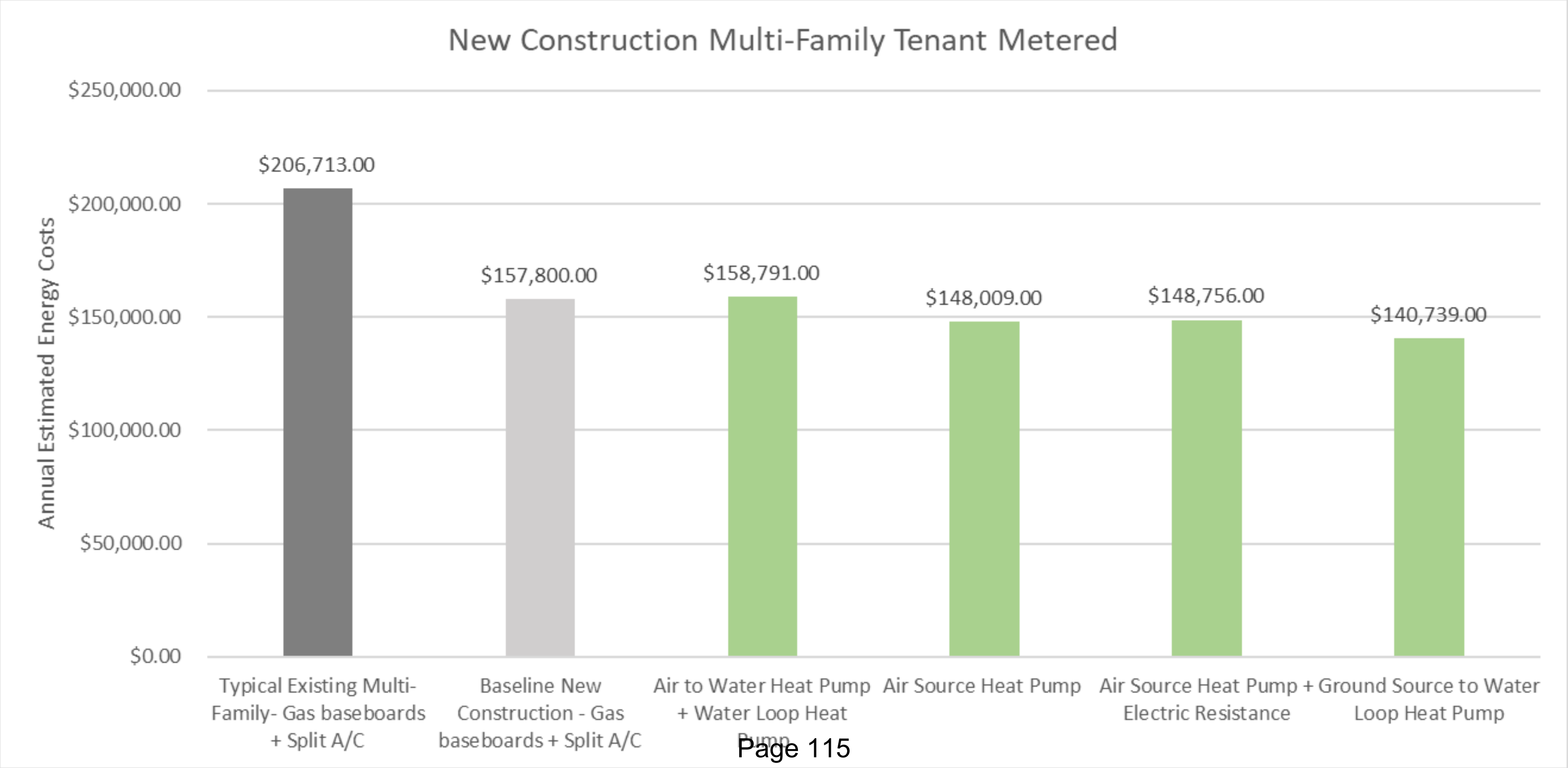


- **For Existing Building Payors –** For fee payors in existing buildings, provide a substantial portion available back to the payor if submit a plan to reduce emissions at their building or facility, including electrification (building systems, vehicles, lawn care) or energy efficiency work.

Analysis, New Multi-Family Building Example ~ 150,000 sq ft Upfront Capital Cost



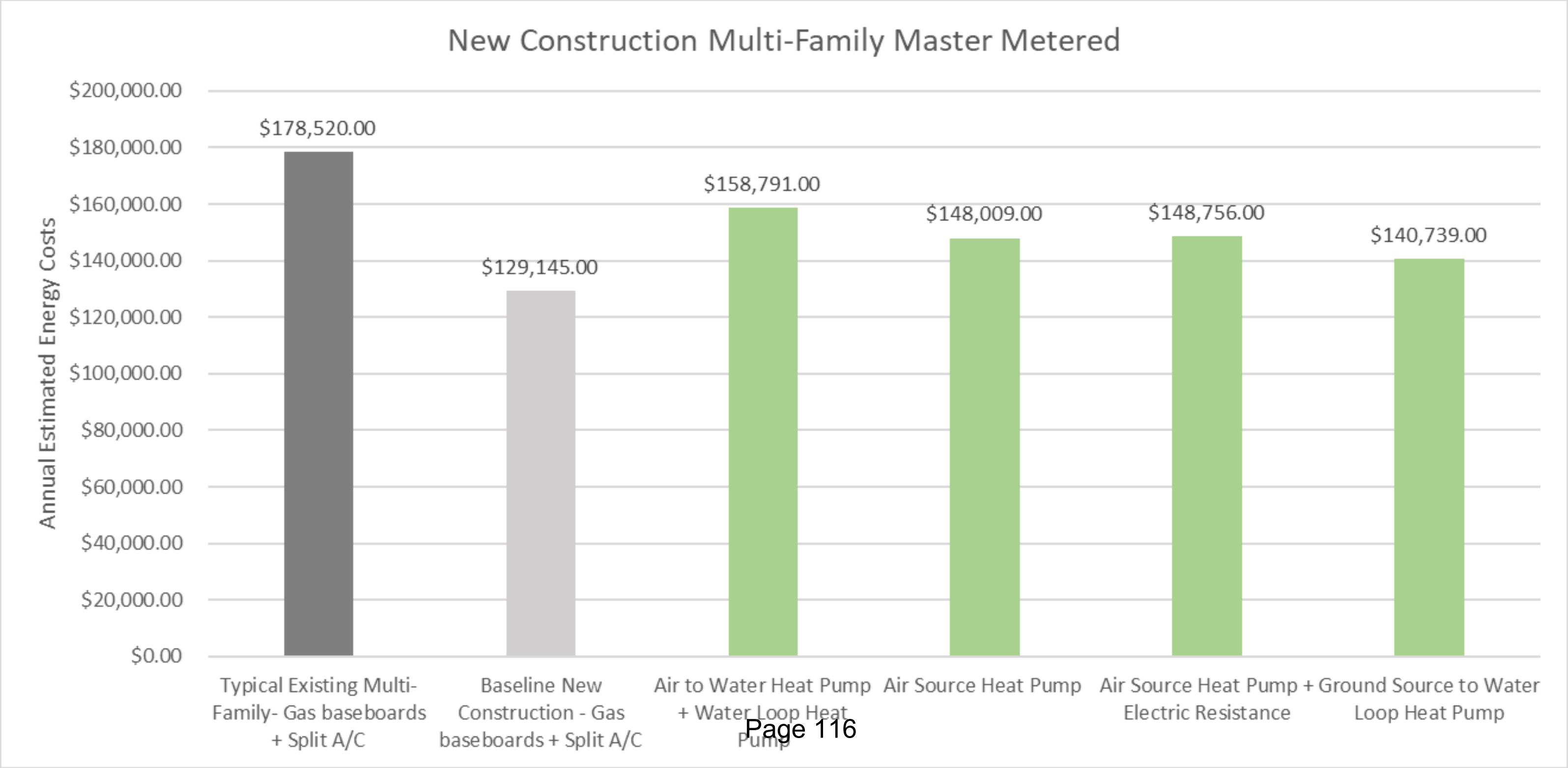
Analysis, New Multi-Family Building Example: Energy Operating Cost Estimates Tenant Metered



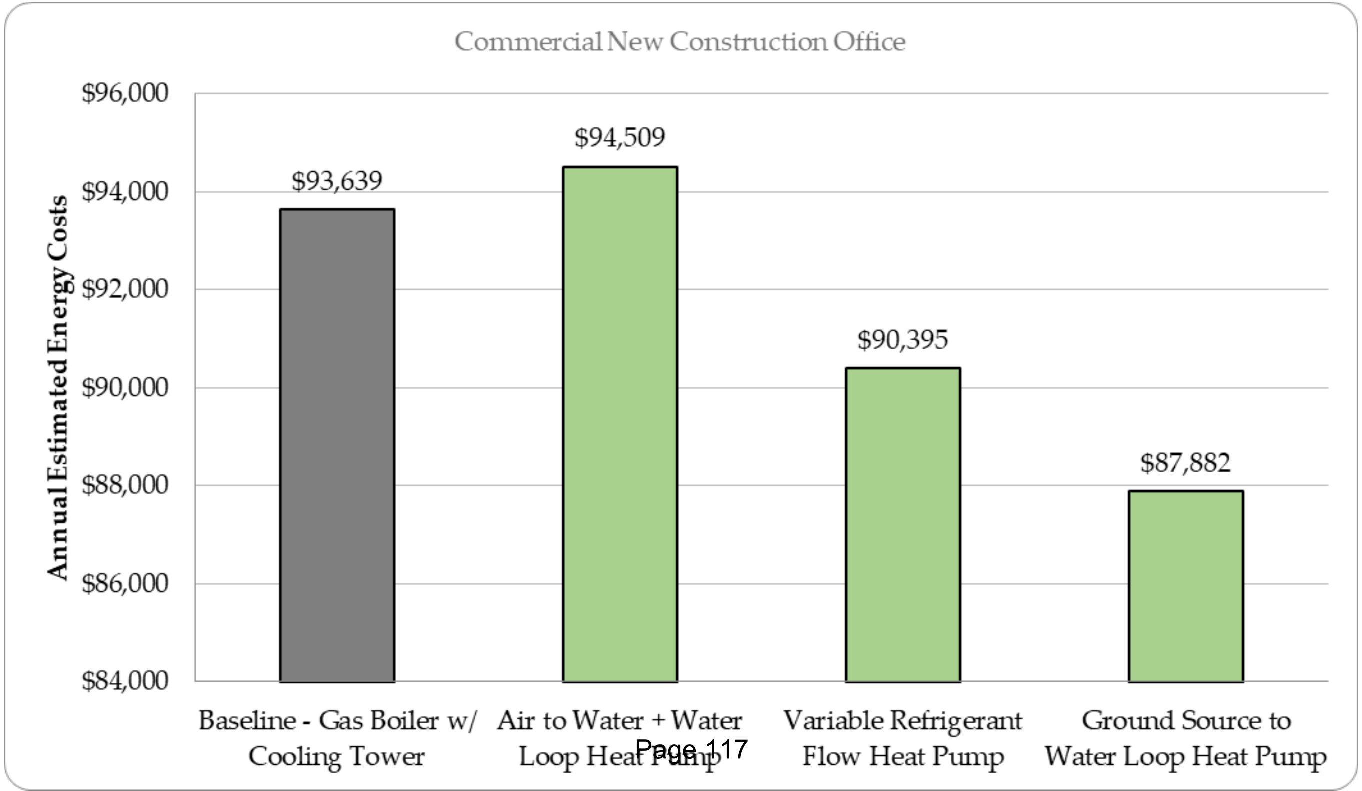
NET ZERO ENERGY
BURLINGTON VERMONT

BURLINGTON Electric DEPARTMENT

Analysis, New Multi-Family Building Example: Energy Operating Cost Estimates Master Metered



Analysis, New Building ~ 60,000 sq ft Office Example: Energy Operating Cost Estimates



Analysis, Existing Building Example ~ 50,000 sq ft: