



# Albemarle County

## Legislation Text

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**File #:** 22-504, **Version:** 1

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**AGENDA DATE:** 12/7/2022

**TITLE:**

Consider the Adoption of an Ordinance to Create a Commercial Property Assessed Clean Energy (C-PACE) Finance Program

**SUBJECT/PROPOSAL/REQUEST:** Consider Adoption of an Ordinance to Create a C-PACE Financing Program

**ITEM TYPE:** Regular Action Item

**STAFF CONTACT(S):** Richardson, Walker, Rosenberg, Bessette, Birch, Stewart, Harper, Dayley

**PRESENTER (S):** Gabe Dayley, Anthony Bessette, Lance Stewart

**LEGAL REVIEW:** Yes

**REVIEWED BY:** Jeffrey B. Richardson

**BACKGROUND:** In 2015, the Commonwealth of Virginia passed legislation to enable localities to pass ordinances to create Commercial Property Assessed Clean Energy (C-PACE) financing programs. C-PACE financing is a financing tool that provides upfront capital to commercial property owners and developers to invest in energy measures related to energy efficiency, renewable energy, and climate adaptation at a reduced rate of interest. The Board of Supervisors adopted the Climate Action Plan, which includes a recommendation that the County, "Assess financing mechanisms such as the Property Assessed Clean Energy (C-PACE) program...and implement, if appropriate."

**STRATEGIC PLAN:** Natural Resources Stewardship - Thoughtfully protect and manage Albemarle County's ecosystems and natural resources in both the rural and development areas to safeguard the quality of life of current and future generations.

**DISCUSSION:** Since the enabling of C-PACE programs by the Commonwealth in 2015, nine cities and counties in Virginia have adopted ordinances that create local programs. Each locality's ordinance differed from others in substantive ways, hindering the utilization of these programs by owners and developers. In 2022, the Virginia Department of Energy (VDOE) created a formal program to standardize programs across the Commonwealth and to simplify the process of ordinance adoption by localities. The non-profit Virginia PACE Authority was selected by the VDOE to implement the program on behalf of localities, provided that localities adopt ordinances consistent with a model ordinance and that they enter into a program agreement with the Commonwealth. If adopted, Virginia PACE Authority would administer this program for Albemarle County-based commercial property owners and developers, including financing.

A draft ordinance is provided as Attachment A, a draft of the C-PACE Program Agreement is provided as Attachment B, and a draft Virginia Locality Agreement is provided as Attachment C. Finally, Attachment D provides a short description of C-PACE, how it differs from a conventional loan, and how the program operates.

**BUDGET IMPACT:** No budgetary impact is anticipated.

**RECOMMENDATION:**

Staff recommends that the Board adopt the attached proposed ordinance (Attachment A) to create a Commercial Property Assessed Clean Energy (C-PACE) Finance Program for Albemarle County through the statewide C-PACE program.

**ATTACHMENTS:**

- A - Draft C-PACE Ordinance
- B - Draft C-PACE Program Agreement
- C - Draft C-PACE Virginia Energy - Locality Agreement
- D - C-PACE Concept and Description