

BUFFALO BECOMES THE LATEST COMMUNITY CREATING A CLEAN ENERGY FINANCING PROGRAM

Hodgson Russ Renewable Energy and Municipal Law Alert
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The City of Buffalo has taken a major step forward to incentivize renewable energy and energy efficiency in commercial properties. On December 10, 2019, the Buffalo Common Council adopted Local Law No. VI of 2019, creating the Open C-PACE (Commercial Property Assessed Clean Energy) program. A copy of the legislation is available [here](#). Buffalo still needs to execute a municipal agreement with the Energy Improvement Corporation (EIC) for the program to be active, which is expected in the very near future. As a result of the measure, many commercial property owners in Buffalo will now be able to install renewable energy projects and energy efficiency improvements, with lower financing costs and little to no money paid upfront. Owners can use the resulting utility bill savings to make repayments on the C-PACE loan.

Under the program, private capital is made available to finance up to 100% of the costs of installing certain renewable energy and energy efficiency upgrades for commercial buildings. The property owner repays the loan in annual installments over a term not to exceed the expected life of the energy improvement. The repayment is secured through a benefit assessment lien on the property that is subordinate to municipal taxes, but senior to any other lien. If the property is sold, financing will automatically transfer to the new owner.

There are limitations to qualifying, however. For instance, the property cannot be owned by an individual or single proprietor, and cannot be government-owned. Additionally, the owner must be current on mortgage payments and property taxes on the property, and the property owner cannot be in bankruptcy or have building code violations.

A qualifying owner desiring to participate in the program must first submit an application to EIC and, if approved, must sign a financing agreement, which outlines the terms and conditions of the loan and financing of the building upgrades. The installation of the upgrades will later be verified to ensure compliance.

C-PACE is another way for property owners to invest in renewable energy and energy-efficient upgrades, reducing long-term energy costs. Programs like Open C-PACE strengthen New York's commitment to the environment and help achieve the

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goals laid out in the Climate Leadership and Community Protection Act by reducing greenhouse gases and carbon footprints. We anticipate that the program will be successful here in Buffalo and around the State.

If you are interested in learning more about the C-PACE program, and how your business or commercial property can benefit, contact a member of our renewable energy practice.

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