



Nevada Clean Energy Fund (NCEF)

Commercial Property Assessed Clean Energy (C-PACE) Program Guidance

December 20, 2024 Version

1. Program Overview

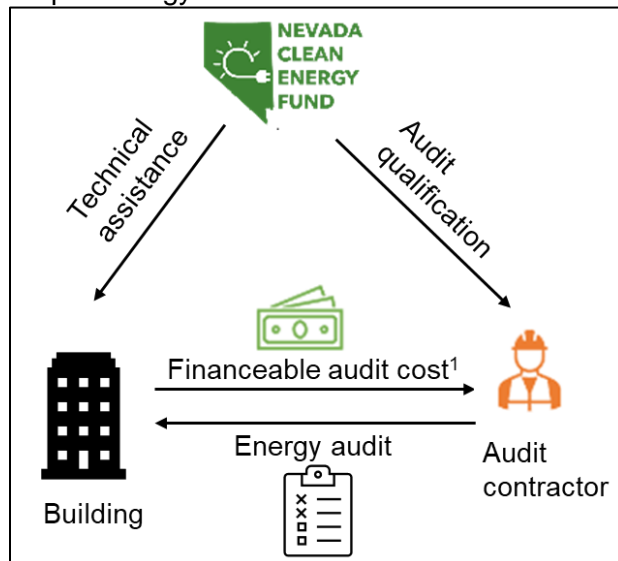
The Nevada Clean Energy Fund (NCEF) is a nonprofit organization dedicated to supporting a thriving, affordable, and accessible clean energy economy by providing financial and technical resources to Nevadans. NCEF works with communities, local businesses, schools, governments, Tribes, utilities, contractors, lenders, and others to increase access to clean energy opportunities such as renewable energy, energy efficiency, electric vehicles, and energy storage.

With a federal subgrant from the Nevada Governor's Office of Energy, NCEF established the Commercial Property Assessed Clean Energy (C-PACE) Loan Program. The Program seeks to enable building owners in Nevada to implement energy efficiency upgrades that reduce energy costs, reduce emissions, and/or improve building comfort.

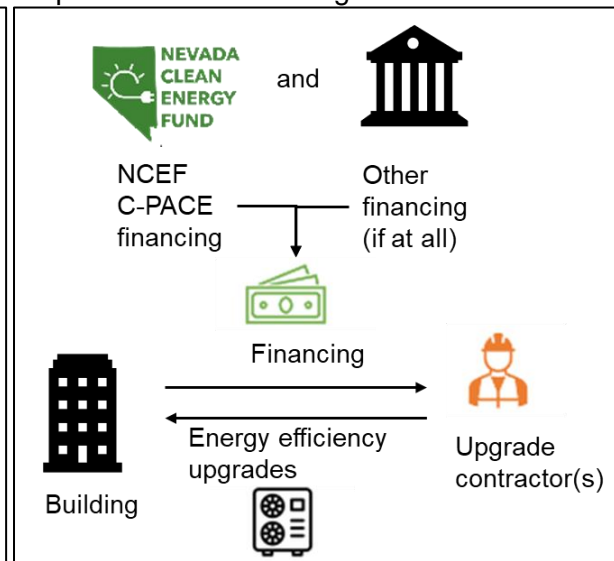
The Program provides commercial building owners with long-term, fixed-rate, non-recourse, transferrable financing for up to 100% of eligible building costs for a retrofit or a new construction. A C-PACE loan is secured through a voluntary and assignable lien recorded against the owner's property and paid back through property taxes. State legislation in 2017 enabled local governments in Nevada to set up C-PACE programs ([NRS 271.6312-6325](#)), and many jurisdictions have since launched C-PACE programs, including, but not limited to, the Cities of Reno, Las Vegas, Sparks, and Fernley and Clark, Washoe, and Pershing Counties. See Figure 1 for an overview of the program.

Figure 1. Energy Efficiency Revolving Loan Fund Program Process Flow

Step 1: Energy audit¹



Step 2: C-PACE financing



2. Program Eligibility

¹ Initial audit cost to be fronted by the building and can be eligible for the C-PACE financing if the building proceeds with energy efficiency upgrades

a. Participant and Project Eligibility

An eligible recipient is a business that satisfies both of the following:

- Conducts a majority of its business in the state of Nevada; and
- Owns or operates one or more commercial buildings or commercial space within a building that serves multiple functions, such as a building for commercial and residential operations

In addition, eligible properties must:

- Be current on real estate taxes;
- Be current on all loans secured by a mortgage or deed of trust (no delinquencies for prior 24 months);
- Not be insolvent or subject to bankruptcy proceedings (for the prior 24 months);
- Not be in dispute of title to the property. See requirements on the next page; and
- Not be subject to any acceleration or extinguishment upon the sale of any property on account of the nonpayment of general taxes.
- Be located within a municipality that has passed a resolution and opted into C-PACE.

The following property types are excluded:

- Government owned buildings which do not pay property tax, including but not limited to municipal buildings and schools;
- Residential dwellings that contain fewer than 5 individual units;
- Residential dwelling that contain 5 or more dwelling units that are not all owned and rented by the same property owner;
- Property financed by a government-guaranteed financing program that prohibits the subordination of the government's interest in the property; and
- Property owned by the U.S. Department of Defense.

NCEF will also abide by any additional property eligibility requirements defined by the relevant jurisdiction's C-PACE program.

The applicant must provide evidence that he or she is the legal owner of such property, and all legal owners of such property agree to participate.

Eligible upgrades (i.e., "Qualified Projects") include technologies as presented in Section 2.b. Any Qualified Project must be owned by the property owner and must be permanently affixed to the subject real property.

Eligible applicants are invited to apply via the online application on the NCEF website at <https://nevadacef.org/building-owners/cpace/>. NCEF accepts applications on a rolling basis and will work with applicants to submit projects to their relevant C-PACE administrator. NCEF will continuously consider applications and work with applicants to provide technical assistance. Key elements that are required during the application process include the eligibility criteria as presented in Section 2, the type of upgrade(s), cost estimates, and anticipated dollar value of the project. NCEF anticipates accepting applications through at least April 2029, or until available funds are expended.

b. Technology Eligibility

Eligible upgrade measures and technologies must:

- Be recommended in the qualifying commercial energy audit (see Section 4.a);
- Be life-cycle cost-effective;
- Improve, with respect to the building or facility of the eligible recipient, at least one of the following:
 - The physical comfort of the building or facility occupants;
 - The energy efficiency of the building or facility;
 - The quality of the air in the building or facility; and
- Lead to at least one of the following outcomes:
 - Reduce the energy intensity of the building or facility of the eligible recipient; or
 - Improve the control and management of energy usage of the building or facility to reduce demand during peak times.

If a loan recipient chooses to do a combination of upgrade or retrofit projects, the projects must collectively satisfy the mandatory criteria set forth above. However, upgrade or retrofits measures must be recommended in the audit, and can encompass (but are not limited to):

- Insulation applied to building structures, ducts, hot water heater tanks, and heating pipes;
- Air sealing applied to building structures and/or ducts;
- Programmable and smart thermostats;
- Energy efficient lighting;
- Upgrading, retrofitting, tuning, repairing, and/or replacing of existing heating, ventilation, and air conditioning (HVAC) equipment, including ground-source heat pump systems;
- Repairing and/or replacing water heating system equipment;
- Energy or water monitoring and control systems, including Building Automation Systems;
- Retrofitting, repairing, and/or replacing of windows and doors, including installation of energy efficient storm windows and energy-saving window attachments;
- Retrofitting or replacing of energy efficient pumps and motors for uses such as wastewater treatment plants, where it would not alter the capacity, use, mission, or operation of an existing facility;
- Installation of combined heat and power systems sized appropriately for the building(s) in which they are located, not to exceed peak electrical production at 300 kW;
- Solar electricity generation / Photovoltaic systems that do not exceed 60 kW capacity²;
- Installing and/or repairing solar thermal systems, including solar thermal hot water systems that are 200,000 BTU/hour or smaller in size²; and
- Installing, repairing, or optimizing use of energy storage systems, including electrochemical and thermal storage systems that do not exceed 400 kWh capacity³.

c. Cost Eligibility

Eligible costs that can be covered by the C-PACE financing include:

- Energy audits, feasibility studies and other written analyses;
- Qualified Project(s), including materials and labor for installation or modification thereof;
- Improvements that are directly related to the installation of Qualified Projects (for example, the cost of a roof replacement to support a roof-mounted solar photovoltaic installation);

² Development, implementation, and installation of onsite renewable energy/energy efficiency technology from renewable resources is eligible, provided that activities are installed in or on an existing structure or within the boundaries of a facility, are appropriately sized, and do not require structural reinforcement or involve tree removal.

³ Projects must be installed in or on an existing structure or within the boundaries of a facility, must be appropriately sized, and must not require structural reinforcement or involve tree removal.

- Commissions, closing fees, inspection fees, financing origination fees, interest, and other C-PACE program costs;
- Permit and inspection fees;
- Program administrative fees;
- Project development, architectural and engineering fees;
- Third-party review fees;
- Capitalized interest under the financing agreement;
- Interest reserves under the financing agreement;
- Escrow for prepaid property taxes and insurance; and
- Any other fees or costs that may be incurred by the applicant incident to the installation, modification, or improvement of an eligible upgrade.

3. Program Benefits

a. Financial Assistance

NCEF can provide direct loans to eligible applicants. Financing terms will be competitive with C-PACE chapters, secured via the property lien, and paid back through property tax payments. See Table 3 for more details.

Table 3. Detailed financing terms⁴

	C-PACE Loan
Activities supported	See Section 2
Interest rates	Up to 8% interest rate
Range of Investment Size	\$100,000 to \$500,000 per project
Loan terms	The shorter of the following: <ul style="list-style-type: none"> • The year in which the upgrades or retrofits carried out using the loan exceed their expected useful life; or • 15 years after the upgrades or retrofits are installed.
Fees	2.5% closing fee
Security and payment	Secured via the property lien and paid back through property tax payments

If the eligible upgrade relates to an existing structure, the financing amount may not exceed twenty-five percent (25%) of the fair market value of the tract assessed as determined by an appraiser. If the Qualified Project relates to gut rehab, the financing amount may not exceed thirty-five percent (35%) of the fair market value of the real property, determined by an appraiser. The outstanding amount owed on all recorded instruments which are liens against the tract, including the financing amount, may not exceed ninety percent (90%) of the estimated fair market value of the tract assessed, as determined by an appraiser.

b. Technical Assistance

In addition to assisting potential applicants evaluate the financial benefits of C-PACE financing and apply for the Program, NCEF will provide technical assistance related to:

- **Incentive stacking:** NCEF will support building hosts access complimentary loans and tax credits such as NV Energy PowerShift program, Section 179D tax deductions, and others.

⁴ Terms shown may change in the future, subject to NCEF's funding sources

- **Local C-PACE applications:** NCEF will also support applicants in the development of application to local C-PACE programs for processing C-PACE loans.
- **Reporting:** NCEF will provide tools or resources to assist projects with federal requirements such as prevailing wage reporting.
- **Contractors:** NCEF will perform due diligence on any project implementation contractor. NCEF may provide a directory of pre-vetted contractors, but projects may apply to NCEF with non-vetted contractors, subject to NCEF's subsequent due diligence. Solar contractors are required to go through the Solar for All contractor vetting process, which can be found here: <https://form.jotform.com/NCEF/ContractorVetting>

4. Other Requirements and Considerations

a. Audit Requirements

NCEF requires an energy audit of the building be conducted by an energy auditor. It is recommended that an energy auditor has at least one of the following certifications: (a) Certified Energy Manager® - CEM® (b) Energy Efficiency Practitioner - EEP™, (c) Certified Practitioner in Energy Management Systems - 50001 CP EnMS (d) Certified Building Commissioning Professional - CBCP®.

In addition to addressing local C-PACE energy audit requirements, an energy audit must:

- Determine the overall consumption of energy of the facility of the eligible recipient;
- Consider baseline utility consumption and cost data, including the most recent 12 months of electricity and fuel utility bills;
- Identify and recommend lifecycle cost-effective opportunities to reduce the energy consumption of the facility of the eligible recipient, including energy conservation measures (ECMs), including manufacturer's equipment data sheets, including the effective useful life (EUL) for each ECM, cost of each ECM, including related costs eligible for C-PACE financing, and applicable utility incentives or rebates; cost of each ECM, including related costs eligible for C-PACE Financing, and applicable utility incentives or rebates; and
- Determine projected annual energy savings for each ECM, expressed in British thermal units, kilowatt- hours, and kilowatts, including supporting documentation, e.g., live spreadsheets, or dynamic building simulation input files/output reports detailing the savings calculation methodology and key assumptions (e.g., annual utility cost escalation and equipment performance degradation factors) commensurate with the project's complexity level
- Identify the period and level of peak energy demand for each building within the facility of the eligible recipient and the sources of energy consumption that are contributing the most to that period of peak energy demand;
- Recommend controls and management systems to reduce or redistribute peak energy consumption;
- Estimate the total energy and cost savings potential for the facility of the eligible recipient if all recommended upgrades and retrofits are implemented, using software approved by the U.S. Department of Energy (DOE), with the following guidance:
 - It is recommended (but not required) to use the DOE audit template software to accomplish ASHRAE Level II or Level III energy audit;
 - Auditors are required to use BuildingSync (a standard software and format for conveying data).⁵

⁵ BuildingSync standardized spreadsheet format: <https://buildingenergyscore.energy.gov/>

b. Contractors

Projects must be implemented by contractors from NCEF's vetted contractor network, who have a record of established projects with demonstrated technical, operational, financial, and managerial capabilities to design and carry out operating cost-savings measures and other similar building improvements. NCEF will provide a list of pre-screened and vetted contractors. Any contractor can apply to join NCEF's vetted contractor network. Further details about contractors can be accessed at nevadacef.org/contractors or at NCEF's [contractor directory](#).

c. Appraisers

An appraisal is necessary to determine the fair market value of the tract. Appraisers must be certified in the State of Nevada. The guidelines by which Appraisers shall calculate fair market value of real property under NRS 271.6325(3) are the Uniform Standards of Professional Appraisal Practice (USPAP) and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

d. Lender Approval

The C-PACE structure places a property lien on the facility. Applicants will need to obtain written approval from their primary mortgage holder in order to subordinate the mortgage holder's security on the property. NCEF can assist in these conversations with the primary lender.

e. Compliance & Reporting

All participating projects must comply with requirements, as applicable, such as:

- **Build America, Buy America (BABA):** all of the iron, steel, manufactured products, and construction materials used in public infrastructure projects must be produced in the United States. "Public infrastructure" is (1) publicly owned; or (2) privately owned but primarily utilized for a public purpose. NCEF will work with borrowers to verify BABA applicability.
- **Davis-Bacon Act:** all laborers and mechanics employed by contractors or subcontractors must be paid wages at rates not less than those prevailing for the same type of work on similar construction in the locality as determined by U.S. Department of Labor.
- **National environmental Policy Act (NEPA):** Projects must fall within NEPA exclusions or further review must be completed to avoid adverse environmental impact
- **National Historic preservation Act (NHPA):** For projects that include properties listed or eligible for listing in the National Register of Historic Places, Section 106 applies
- **Reporting Requirements:** Site hosts must provide regular reporting to NCEF on data such as upgrade implementation and Davis Bacon Act compliance. Reporting requirements will be detailed in the financing agreement.

During application and implementation, NCEF shall provide technical assistance to ensure that contracts comply with applicable funding requirements. Projects receiving financing from the Program must adhere to program requirements and federal and state regulations. Non-compliance may lead to fines/penalties, project delays, loss of funding, project suspension, project termination, or inability to participate in future NCEF programs.