



Michigan Agency for Energy Michigan Public Service Commission

Project Quick Stats:

PACE district: Eaton County

Property owner: Saginaw Plaza

Tenant: Michigan Agency for Energy & Michigan Public Service Commission

PACE developer: AMERESCO

PACE lender: Wells Fargo, NA

PACE financing: \$488,000

20 year savings: \$800,000

Energy Conservation Measures:

LED lighting, 20 kW solar system, variable speed pumps for heating and cooling

Overview

The Michigan Public Service Commission (MPSC) and property owner Saginaw Plaza Ltd. teamed up with Levin Energy Partners and Ameresco to complete the first PACE project for a state agency in the United States. The project, which was privately-financed, included the installation of a small solar array, LED lighting and variable speed pumps for heating and cooling. Governor Snyder's new Michigan Agency for Energy has supported the project and became the lead tenant in the building.

"PACE is an innovative way that landlords, tenants and local officials can work together to pursue energy efficiency projects that would not otherwise take place"

- MPSC Chairman John Quackenbush

Partners



Eaton County

Lean & Green Michigan

Lean & Green Michigan™ helps commercial, industrial and multi-family property owners take advantage of PACE to finance energy projects, eliminate waste and save money through long-term financing solutions that make energy projects profitable. Lean & Green Michigan™ is a public-private partnership that works with local government, contractors, property owners, and lenders to invigorate Michigan's PACE statute with a market-based approach to energy finance and economic development.

Contact

For more information on PACE, contact **Lean & Green Michigan™** at info@levinenergypartners.com

PACE Financing

The project at the Michigan Public Service Commission headquarters was made possible by a new method of energy financing, called Property Assessed Clean Energy (PACE). Commercial buildings spend approximately \$200 billion per year on utilities, yet 30% or more of this is often waste. However, the comprehensive energy projects that could make these properties more efficient often require a large amount of up-front capital and take many years to achieve profitability. Commercial loans typically have a tenor of 3-5 years, making the annual repayment much greater than the energy savings. PACE changes all this by allowing property owners to finance energy efficiency and renewable energy projects through a special property tax assessment with the local government. Since the county will enforce this assessment just like any other tax obligation, lenders feel secure in providing fixed-interest loans with terms of up to 20 years. The result is positive cash flow for commercial property owners since the monthly savings generated by the energy project are greater than the PACE loan repayment. In addition, these projects create good jobs and communities get upgrades to their building stock, in many cases increasing the local tax base. Everybody wins.



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