

NEWS



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CONTACTS:

Kelsey Schiller, MassDevelopment
617-694-9695 (cell)
kschiller@massdevelopment.com

Eric Noreen, Mass DOER
617-655-4149 (cell)
Eric.Noreen@mass.gov

MASSACHUSETTS LAUNCHES FINANCING PROGRAM FOR ENERGY IMPROVEMENTS TO COMMERCIAL, INDUSTRIAL, AND MULTIFAMILY BUILDINGS

MassDevelopment and the Massachusetts Department of Energy Resources announced today that financing is now available through Property Assessed Clean Energy (PACE) Massachusetts, a new mechanism to fund energy improvements on commercial and industrial buildings, multifamily properties with five or more units, and buildings owned by nonprofits. Through PACE Massachusetts, property owners can finance energy efficiency upgrades, renewables, and gas line extensions by agreeing to a betterment assessment on their property, which repays the financing



“Together with the Massachusetts Department of Energy Resources, MassDevelopment is pleased to administer PACE Massachusetts, a new low-cost, long-term financing tool for property owners looking to reduce energy consumption through capital improvements,” said MassDevelopment President and CEO Lauren Liss. “We continue to encourage cities and towns to ‘opt in’ and enable property owners across the state to take advantage of this program.”

“PACE allows businesses and non-profits to manage the up-front cost of energy improvements while enjoying net financial savings and reducing energy consumption and emissions over the long term,” said Department of Energy Resources Commissioner Patrick Woodcock. “The Baker-Polito Administration recognizes the countless benefits that commercial energy upgrades deliver, including the meaningful

emissions reductions it can achieve which will contribute towards meeting Governor Baker's ambitious net zero by 2050 goal."

MassDevelopment administers PACE Massachusetts in consultation with the Massachusetts Department of Energy Resources and ensures all property owners applying for the program meet program guidelines, including the requirement that a proposed project must have energy savings that pay for the cost of the improvements. Once a property owner's application is approved, the property owner selects a capital provider, such as a bank, to fund the project. The municipality will levy a betterment assessment and place a lien on the property, and is responsible for billing and collecting the assessments through municipal property tax bills. This approach enables owners to undertake more comprehensive energy upgrades with long financing terms of up to 20 years. At property sale, the assessment stays with the property and is transferred to subsequent property owners. The program guidelines, application, and more information are available at www.massdevelopment.com/pace.

Massachusetts cities and towns are required to opt into PACE Massachusetts by a majority vote of the city or town council or the board of selectmen, as appropriate, in order for a property within that municipality to be eligible for the program. Twenty-one communities have already authorized PACE Massachusetts, including Acton, Agawam, Amesbury, Barnstable, Devens, Erving, Fall River, Fitchburg, Gardner, Greenfield, Lexington, New Bedford, North Adams, Northampton, Orange, Pittsfield, Randolph, Rockland, Wendell, West Springfield, and Yarmouth.

PACE Massachusetts was created by *An Act to Promote Energy Diversity*, which Governor Baker signed into law in August 2016. In addition to Massachusetts, 22 states and Washington, D.C. have active commercial PACE programs.

MassDevelopment, the state's finance and development agency, works with businesses, nonprofits, banks, and communities to stimulate economic growth. During FY2019, MassDevelopment financed or managed 316 projects generating investment of more than \$2 billion in the Massachusetts economy. These projects are estimated to create or support 9,743 jobs and build or preserve 1,992 housing units.

The Massachusetts Department of Energy Resources develops and implements policies and programs aimed at ensuring the adequacy, security, diversity, and cost-effectiveness of the Commonwealth's energy supply to create a clean, affordable and resilient energy future for all residents, businesses, communities, and institutions. For more information, visit <https://www.mass.gov/orgs/massachusetts-department-of-energy-resources>.