



# Property Assessed Clean Energy (PACE) Massachusetts

Property Assessed Clean Energy (PACE) Massachusetts for commercial buildings is a new mechanism to finance energy improvements, such as energy-efficiency projects, renewables, and gas line extensions, on commercial and industrial properties in Massachusetts. To finance improvements, a property owner agrees to a betterment assessment on their property, which repays the financing. This approach enables owners to undertake more comprehensive energy upgrades with longer payback periods of up to 20 years. At property sale, the lien stays with the property and is transferred to subsequent property owners.

## Background

Commercial Property Assessed Clean Energy was passed as part of the energy legislation signed by Governor Baker in August 2016. MassDevelopment and the Massachusetts Department of Energy Resources (DOER) will administer the PACE program.

## Process and Eligibility

- Individual municipalities may opt into PACE one time by a majority vote of the city or town council or the board of selectmen, as appropriate.
- Properties eligible for financing through PACE include:
  - Commercial buildings
  - Industrial buildings
  - Multi-family buildings with five or more units
- Improvements eligible for financing through PACE must be permanently fixed to the property. Eligible improvements include:
  - Energy efficiency upgrades
  - Renewable energy
  - Extension of existing natural gas distribution to a property



## Benefits

- **Property owners:** Advantageous, non-recourse, upfront, long-term, potentially off balance sheet financing that remains with the property if sold. Capital improvements could reduce operating costs and increase property values.
- **Municipalities:** Job creation, business growth, and environmental benefits associated with reducing energy consumption.
- **Lenders/Mortgage holders:** Improved cash flow and reduced credit risk from lower operating costs via financing that cannot be accelerated. Capital improvements could also increase collateral property value.

**PACE** is an economic development tool for cities and towns across Massachusetts. Energy upgrades create a more competitive environment for attracting and retaining businesses through lower energy costs. Email [pace@massdevelopment.com](mailto:pace@massdevelopment.com) with your questions.

**MassDevelopment** helps cities and towns revitalize, develop, and transform. We offer financing programs and real estate technical assistance services and have the expertise to take on your most challenging projects. Learn more by calling 800-445-8030 or visit [massdevelopment.com](http://massdevelopment.com).

**Main office:**  
99 High Street, Boston, MA 02110

**Regional offices:**  
Devens | Fall River | Quincy | Lawrence | Springfield | Worcester