



# PACE Wisconsin

## PROGRAM MANUAL

A PACE Program Offered by the  
Wisconsin PACE Commission

*Version 4.1*

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## 1.0 Introduction

Pursuant to Wisconsin Statutes § 66.0627(8) (see [Appendix A: State of Wisconsin PACE Statute](#)), Wisconsin municipalities and counties are authorized to partner with private sector capital providers to provide financing to property owners for qualified PACE projects secured by a special charge imposed on the real property. Certain Member Communities joined together under a Joint Powers Authority (JPA) to form the PACE Commission, a Wisconsin joint powers commission formed under Wisconsin Statutes § 66.0301. The PACE Commission is pleased to offer its PACE program, entitled PACE Wisconsin.

PACE Wisconsin is a low-cost PACE program that offers an open-market solution for building owners and promotes economic development in Wisconsin communities. The benefits of this program are available to building owners located in Member Communities. Any Wisconsin local unit of government may elect to become a member of the PACE Commission pursuant to the terms of the JPA. Communities interested in participation should contact the Program Administrator at [info@pacewi.org](mailto:info@pacewi.org).

PACE Wisconsin is an innovative program that enables commercial and industrial property owners to obtain low-cost, long-term financing for energy-efficiency, renewable energy, resiliency, stormwater control measures, energy reliability improvements and water conservation improvements, as well as EV Infrastructure Improvement and brownfield revitalization projects. PACE Financings help property owners overcome financial barriers that to new and existing buildings. Improvements financed using PACE can be completed with no up-front, out-of-pocket cost to property owners and can generate positive cash flow upon completion. The term of a PACE Financing may extend up to the useful life of the improvement, which may be as high as 30 years and can result in cost savings that exceed the amount of the PACE Financing. The result may include improved business profitability, an increase in the property value and improved sustainability of the real estate asset.

PACE Financing is secured through a voluntary PACE Special Charge, repayment of which can be collected on the property tax bill or directly by the PACE Wisconsin Program Administrator. Like property taxes, PACE Financings may be transferred to the next property owner if the property is sold. The remaining balance of the PACE Financing is repaid by the subsequent owner, who continues to receive the benefits of the improvements from the PACE Project. PACE Financing is available for property owners of commercial, industrial, agricultural, institutional, and multifamily buildings with five or more units. PACE Financing for residential properties with four or fewer units is not offered by PACE Wisconsin at this time.

To utilize PACE Wisconsin, property owners develop qualifying projects with contractors of their choice. Building owners have the choice to arrange project financing with a qualified financial institution of their choice. The property owner and PACE Capital Provider then apply to PACE Wisconsin via [pacewi.org](http://pacewi.org) to qualify their project for PACE Financing according to the criteria in this Program Manual. If the PACE Project is approved, the PACE Commission, property owner, and PACE Capital Provider enter into a PACE Special Charge and Financing Agreement that governs the terms of the PACE Special Charge.

PACE Wisconsin relies on private financial institutions to provide capital to fund PACE Financings. PACE Wisconsin is open to any capital provider interested in participation. Interested financial institutions may apply to the Program Administrator to become a qualified PACE Capital Provider via [pacewi.org](http://pacewi.org).

This Program Manual was in part developed with the support of the City of Milwaukee’s Me2 program, which has offered a commercial PACE program to property owners within the City of Milwaukee since 2011. Milwaukee’s PACE program is one of the original “open market” PACE programs in the country and was developed in partnership with the Milwaukee Office of Environmental Sustainability, the U.S. Department of Energy, the Wisconsin Office of Energy Innovation and Wisconsin Energy Conservation Corporation.

The Wisconsin Green Tier Legacy Communities (GTLC), the Wisconsin Counties Association (WCA), the League of Wisconsin Municipalities (LWM) and the Wisconsin State Office of Energy Innovation work collectively to continually seek new and innovative ways to improve Wisconsin communities. This partnership identified the PACE Commission as an opportunity to create a competitive advantage for Wisconsin communities to stimulate investment. Wisconsin local governments, businesses and property owners are invited to participate in this exciting opportunity to make Wisconsin’s built environment and communities more economically and environmentally sustainable.

The effective date for this version 4.1 of the PACE Wisconsin Program Guidelines is July 1, 2022. If requested by the property owner, Pre-Applications, supported by PACE term sheets, received prior to the effective date may be reviewed based on the requirements stated in the previous version of the Program Guidelines. All Pre-Applications received on, or after, July 1, 2022, as well as Pre-Applications received prior to the effective date that are not supported by PACE term sheets, will be reviewed for compliance based on version 4.1 of the Program Guidelines.

## 2.0 Definitions

This section establishes definitions of terms used in this Program Manual.

**Adaptive Reuse** – Installing upgrades to an existing building that will result in a substantially different building use. An example is the renovation of a factory to convert the building to multifamily housing.

**Agroforestry** - Agroforestry is the intentional integration of trees and shrubs into crop and animal farming systems to create environmental, economic, and social benefits.

**Annual Installment** – The portion of the PACE Financing that is due and payable for a particular year according to the PACE Special Charge and Financing Agreement, referred to as a “supplemental agreement” in [Appendix B “PACE Financing Ordinance.”](#)

**Applicant** – Any property owner or their authorized agent that submits an application to the Program Administrator with the intent to utilize PACE Financing to fund a PACE Project.

**Annual Fee** – This fee is collected annually with the PACE Special Charge installment payment over the term of the PACE Financing. (See [Section 7.0 Program Fees](#) for further details.)

**Brownfield** – Abandoned, idle or underused industrial or commercial facilities or sites, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.

**Brownfield Revitalization Project** - Any of the following actions when taken upon commercial or industrial premises that are located on, or that constitute, brownfields, as defined in Wisconsin State Statutes s. 238.13 (1) (a):

1. Site assessment.
2. Remediation.

3. Lead or asbestos abatement.
4. Demolition.
5. Standard site preparation actions not included in subds. 1. to 4.

**Completion Verification Report** – A certification by the Property Owner and the Energy Assessment provider or installation contractor that confirms the installation of the Eligible Measures funded with the PACE Financing. (See Section 8.1.8 Project Completion)

**Delinquent Installment Administration Fee** – A Fee due the Program Administrator in the event an Annual Installment (or portion thereof) becomes delinquent and must be placed on the applicable tax rolls. (See [Section 7.0 Program Fees](#) for further details.)

**Direct Costs** - All ECM and NRI direct costs necessary to complete the installation of a PACE Project, such as the installation/construction contract amount (materials and labor) and any required ancillary cost incurred in order to complete the installation of an Eligible Measure.

**Eligible Property Owner** – A property owner (including a person who will be a property owner immediately following the closing of a PACE Financing, subject to documentation reasonably satisfactory to the Program Administrator) located in a Member Community that meets the eligibility requirements set forth in this Program Manual.

**Eligible Property** – Any property located in a Member Community that is utilized for general commercial purposes such as retail, industrial, office, agricultural, and hospitality uses, as well as certain multifamily property with five or more units.

**Energy Assessment** – An assessment of the energy efficiency, water conservation or renewable energy measures proposed for the PACE Project conducted by the project contractor or professional engineer in compliance with [Section 4.3 Energy Assessment Requirements](#).

**Energy Conservation Measure (ECM)** – An Energy Efficiency Improvement, Water Efficiency Improvement, or Renewable Energy Improvement, installed at an Eligible Property. The types of projects implemented vary, but usually are designed to reduce utility costs: water, electricity and gas being the main three for industrial and commercial enterprises. The aim of an ECM should be to achieve a savings, reducing the amount of energy or water used by a particular process, technology, or facility. (Alternatively referenced as “Eligible Measures” when referring to both ECMs and NRIs)

**Energy Efficiency Improvement** - An improvement to a residential (must have five or more residential units), commercial, or industrial premises (subject to Eligible Property guidelines), that reduces the usage of energy, or increases the efficiency of energy usage, at the premises.

**Energy Reliability Improvement** - An improvement to a premises that increases the reliability of energy usage, at the premises, including energy storage or backup power generation improvements or improvements that facilitate participation in a microgrid. Some, or all, energy supplied to an Energy Reliability Improvements is produced by an on-site Renewable Energy Improvement

**Energy Use Intensity (EUI)** – The amount of energy (measured in kBtu) that a building uses in one year divided by the total square feet of floor area in the building. More information on calculating EUI is available through the U.S. Environmental Protection Agency’s ENERGY STAR Portfolio Manager site.

**Engineering Commissioning and Verification** - A process completed during the final stages of construction of a PACE Project (but before final completion) to test and verify that the Energy Conservation Measures have been designed and installed as set forth in the Final Application and perform as required by the Savings Guarantee.

**EV Infrastructure Improvement** - The installation or upgrade of electrical wiring, outlets, or charging stations to charge a motor vehicle that is fully or partially powered by electricity.

**Expected Useful Life** – The length of time that an Energy Conservation Measure or Non Resource Improvement is expected to remain in effective service, as determined by the Energy Assessment provider or Project Analysis provider (as applicable), according to a published standard industry guide, such as the [Wisconsin Focus on Energy Technical Reference Manual](#). The Expected Useful Life is the period of time that the improvement is expected to remain in service and does not concern the lifetime of the related building systems that are not ELIGIBLE MEASURES.

**Final Application** – The application to participate in PACE Wisconsin and receive a PACE Financing that is approved by the Program Administrator and that confirms the Applicant has met all the requirements set forth in this Program Manual. Approval of the Final Application by the Program Administrator is condition precedent to closing a PACE Financing.

**Greenhouse Gas Emissions** – Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and certain other gases identified by the International Panel on Climate Change (IPCC) as contributing to climate change. Calculation of Greenhouse Gas Emissions shall align with protocols established by the IPCC and the United States Environmental Protection Agency (EPA).

**High Performance PACE Project** – A PACE Project that meets certain criteria which demonstrate the comprehensive nature and/or achievement of deep energy and/or water savings. High Performance PACE Projects are further detailed in Section 4.2 Eligible PACE Projects and can access extended loan terms and lower program fees.

**JPA** – That certain Joint Exercise of Powers Agreement, entered into pursuant to Wisconsin Statutes § 66.0301, by and among Member Communities to form the PACE Commission and operate a single, uniform PACE program.

**Member Community** – A Wisconsin county, city, village or town that has voluntarily joined the PACE Commission according to the terms of the JPA.

**Microgrid** – A group of interconnected electrical loads and distributed energy resources that acts as a single controllable entity with respect to the grid. A Microgrid can connect and disconnect from the grid to operate in grid-connected or island mode.

**Mortgage Lender Consent** – The written consent of the existing holder(s) of a mortgage or other real property lien on the Eligible Property of an Applicant, which must be obtained by an Applicant prior to closing on a PACE Financing. (See [Section 9.0 Mortgage Lender Consent](#) for further details.)

**Nonconforming Building (for floodplain purposes)** – [NONCONFORMING STRUCTURE](#) – An existing lawful structure or building which is not in conformity with the dimensional or structural requirements of this ordinance for the area of the floodplain which it occupies. (For example, an existing residential structure in the floodfringe district is a conforming use. However, if the lowest floor is lower than the flood protection elevation, the structure is nonconforming.)

**Non-Resource Improvement (NRI)** – A Brownfield Revitalization Project, EV Infrastructure Improvement, Resiliency Improvement, Energy Reliability Improvement, or Stormwater Control Measures. The types of projects create public benefits but may not result in energy or water savings for an Eligible Property. (Alternatively referenced as “Eligible Measures” when referring to both ECMs and NRIs)

**Notice of PACE Wisconsin Approval** – This is a notice provided to the Applicant by the Program Administrator that signifies that the Final Application is complete and has been approved by the Program Administrator. Following receipt of this notice the Applicant may close their PACE Financing.

**PACE** – The acronym for Property Assessed Clean Energy.

**PACE Capital Provider** – Any financial institution that meets the participation requirements set forth in the Request for Qualifications from Interested PACE Capital Providers and that makes a PACE Financing. See also the defined term “PACE lender” in Appendix B “PACE Financing Ordinance”.

**PACE Commission** – The Wisconsin PACE Commission established by the JPA.

**PACE Financing** – A fixed-rate loan that is executed through a PACE Special Charge and Financing Agreement made by a PACE Capital Provider to an Eligible Property Owner for a PACE Project, also defined in Appendix B “PACE Financing Ordinance” as a “PACE loan.”

**PACE Project** – One or more Energy Conservation Measures installed on real property that meet the requirements set forth in this Program Manual.

**PACE Property Owner** – The Eligible Property Owner that completes a Final Application and receives a Notice of PACE Wisconsin Approval to receive the proceeds of a PACE Financing to fund a PACE Project. See also the defined term “Borrower” in [Appendix B “PACE Financing Ordinance.”](#)

**PACE Special Charge** – A special charge authorized by the PACE Statute imposed by the PACE Commission against the Eligible Property of an Eligible Property Owner pursuant to powers delegated to the PACE Commission in the JPA by a Member Community.

**PACE Special Charge and Financing Agreement** – A written agreement between an Eligible Property Owner, a PACE Capital Provider and the PACE Commission (on behalf of Member Community where the PACE Project is located), that is recorded in the appropriate jurisdiction’s property records, and setting forth the terms of the PACE Financing. The form of the PACE Special Charge and Financing Agreement is attached hereto as [Appendix D.](#)

**PACE Statute** – Wis. Stat. § 66.0627(8).

**PACE Wisconsin** – The PACE program offered by the PACE Commission and administered by the Program Administrator pursuant to the terms of this Program Manual.

**Pre-Application** – The initial application completed by an Applicant by which the Program Administrator can determine whether the proposed project is located on an Eligible Property and that the Applicant is aware of the program requirements. Approval of a Pre-Application is a requirement prior to the Final Application step. (See [Section 8.1 Application Process Overview](#))



**Program Administrator** – Slipstream Group Inc., (“Slipstream”) a Wisconsin Non-stock Corporation.

**Program Fee** – A one-time administration processing and Program Fee paid to the Program Administrator at or prior to the PACE Financing closing date. (See [Section 7.0 Program Fees](#) for further details.)

**Program Manual** – This document setting forth the PACE Commission’s guidelines and processes for which Applicants seeking to complete a PACE Project may be approved to utilize PACE Financing.

**Project Analysis** – An assessment of the costs and benefits of a PACE Non Resource Improvement Project that includes improvements that do not directly generate energy or water cost savings, including Brownfield Revitalization Projects, EV Charging Infrastructure, Resiliency Improvements, Reliability Improvements, or Stormwater Control Measures and is prepared by a qualified professional, in compliance with Section 4.4 Project Analysis Requirements for Non Resource Improvements.

**Project Center** – a web portal containing all documents, applications, and instructions required to be approved for PACE financing through PACE Wisconsin

**Renewable Energy Feasibility Study** – A study that provides technology and financing recommendations for the installation of a Renewable Energy Improvement. The feasibility study must be performed by a renewable energy expert with detailed knowledge of the renewable energy improvements under consideration in compliance with [Section 4.3 Energy Assessment Requirements](#)

**Renewable Energy Improvement** – A building or site improvement that generates renewable energy that is available for use by building or facility occupants. An energy storage system that is connected to the renewable energy source may also be included as part of a Renewable Energy Improvement. Includes an improvement to a premise that allows for the small scale derivation of electricity from a renewable resource listed under Wisconsin statutes s. 196.378 (1) (h) and a manure digestion or other biomass system that produces natural gas.

**Resiliency improvement**-An improvement to a premises intended to increase resilience or improve the durability of infrastructure, including an improvement intended to improve storm and wind durability or wind resistance or to assist in fire suppression or mitigation of damage from flooding.

**Silvopasture** - The deliberate integration of trees and grazing livestock operations on the same land. These systems are intensively managed for both forest products and forage, providing both short- and long-term income sources.

**Site Energy Use**– The aggregate amount of primary energy (ex. natural gas) and secondary energy (ex. electricity) consumed at a property. Site Energy Use is measured in kBTU.

**Source Energy Use** – Source Energy Use represents the total amount of raw fuel that is required to operate a building. It incorporates all transmission, delivery, and production losses.<sup>1</sup>

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<sup>1</sup> [https://www.energystar.gov/buildings/benchmark/understand\\_metrics/source\\_site\\_difference](https://www.energystar.gov/buildings/benchmark/understand_metrics/source_site_difference)

**Storm Water Control Measure** - An improvement to a premises that uses structural or nonstructural measures, practices, techniques, or devices designed to mitigate the negative impacts of storm water runoff or other surface runoff to the premises, including an infiltration system, wet detention pond, constructed wetland, grassed swale, or vegetative roofing system. “Storm water control measure” does not include a rain barrel or cistern designed for temporary storage of precipitation.

**Water Efficiency Improvement** - An improvement to a premises that reduces the usage of water, or increases the efficiency of water usage, at the premises.

## 3.0 Program Information

### 3.1 PACE Commission, Joint Powers Authority

Wisconsin counties and municipalities utilized their joint exercise of powers authority under Wisconsin Statute § 66.0301, to form the PACE Commission. Under the terms of a Joint Exercise of Powers Agreement (the “JPA”), Counties that are Member Communities of the PACE Commission adopted a form of the Model PACE Ordinance (see Appendix B), and agreed to delegate to the PACE Commission the ability to impose PACE Special Charges according to a single, uniform statewide PACE program within the County members’ jurisdictions. Municipal members (cities, villages, and towns) join the PACE Commission, participate in its governance, and agree to support PACE Wisconsin.

Each Member Community delegated to the PACE Commission the power to administer PACE Wisconsin in their jurisdictions. PACE Wisconsin is administered by the Program Administrator, which is responsible for handling day-to-day administration of the program including PACE Financing application reviews and approvals (subject to final approval by the Board of Directors of the PACE Commission as described in Section 8.1.4 below), as well as payment collections in certain Member Communities on behalf of the PACE Commission.

### 3.2 Program Administrator

The Program Administrator for the PACE Commission is Slipstream, as an agent of the PACE Commission.

#### Slipstream Contact Information

Website- [pacewi.org](http://pacewi.org)

Email- [info@pacewi.org](mailto:info@pacewi.org)

Phone- 800-522-3014

Address PACE Wisconsin  
431 Charmany Drive  
Madison, WI 53719

Slipstream offers the State of Wisconsin a single point of access for property owners, Member Communities, contractors, and lenders to qualify projects for PACE Financing. The Program Administrator ensures that PACE-financed projects are eligible for PACE financing under the PACE Statute, the PACE Ordinance, and this Program Manual.

Slipstream Group, Inc. is a non-profit organization with the mission to accelerate climate solutions. For everyone. Slipstream was formed through a merger of two Wisconsin-based non-profit organizations that were industry leaders in clean energy programs and research: Wisconsin Energy Conservation Corporation (WECC) and Seventhwave. Slipstream continues to offer innovative clean energy programs, such as PACE Wisconsin.

## 4.0 Eligibility Requirements

### 4.1 Eligible Properties

PACE Wisconsin is currently available to commercial properties (office, retail, multifamily, warehouse, hospitality, agricultural and industrial) located within a Member Community. This includes for-profit businesses and non-governmental, tax-exempt properties such as privately-operated community centers and hospitals. The property may also be a multifamily building with five or more dwelling units. The commercial portion of a mixed-use commercial/residential property is eligible if at least 25

percent of the total square footage of the Property is commercial, and the Property is currently classified as commercial per the local building code, or if the residential portion of the building includes at least five living units. Nursing homes, and other care facilities are eligible. Condominium or residential cooperatives must meet the conditions outlined in “Multiple Parcel IDs” (below).

### **Eligible Property Location**

To be eligible, the Property must be (or must be eligible to be placed) on the property tax rolls of a County or municipality within a Member Community and has a property tax identification number.

### **Ineligible Property Types**

Residential single family (1 – 4 units), Property owned by a local, state or federal government, as well as property that is owned by a homeowners association or by a condominium association is not eligible.

### **Multiple Parcel IDs**

Buildings with multiple Parcel ID/Parcel Number/tax keys may require additional documentation and underwriting. For PACE Projects that encompass multiple Parcel IDs/tax keys, the Assessment will include 1) a description of the method of spreading the Annual Installment between the parcels; 2) a list of lots, blocks, tracts, and parcels of land in the PACE Area; and 3) the amount assessed on each parcel. However, Program Administrator reserves the right to deny buildings with multiple Parcel ID/tax keys if any one Parcel ID/tax key cannot support the PACE Project.

## **4.2 Eligible PACE Projects**

**PACE Wisconsin supports the redevelopment of existing Eligible Properties with Energy Conservation Measures, Resiliency Improvements, EV Infrastructure Improvements, Stormwater Control Measures, Brownfield Revitalization Projects, and Energy Reliability Improvements (collectively referred to as “PACE Projects”). New construction PACE Projects and Retroactive PACE Projects are also eligible, but require additional verification and documentation (see additional details in Section 4.3.2 New Construction and Section**

All eligible PACE Projects must meet the following criteria:

- The PACE Financing plus the outstanding principal amount of all mortgage liens secured by the property shall not exceed 95% of the property value, unless otherwise approved by the Program Administrator. For example, a commercial building with an assessed or appraised value of \$1,000,000 that requests a \$300,000 PACE Financing must have total outstanding mortgage loan balance(s) as of closing of the PACE Financing that are not greater than \$650,000. *PACE Capital Providers may have additional limits based on their underwriting criteria.*

Property value will be determined by the assessed value from the appropriate assessor’s office or alternatively Eligible Property Owners may supply an appraisal or real estate evaluation completed within 12 months of the submission of Final Application and prepared by an independent real estate appraisal firm. Eligible Property Owners may alternatively provide a copy of a current certificate of property insurance as property value verification.

The Program Administrator may accept alternative appraisal methods, such as automated valuation methodology, property insurance valuation or an appraisal that was completed

more than 12 months ago so long as such appraisal is accompanied by a written acceptance by the PACE Capital Provider who is funding the PACE Project.

- PACE Financing terms shall not exceed the expected life of the proposed Energy Conservation Measure as described in the Energy Assessment. For projects that include multiple Energy Conservation Measures, the term of a PACE Financing may not be greater than the Energy Conservation Measure with the longest expected useful life. An ECM (or savings-weighted average of multiple ECMs) must generate a minimum of 10 percent of the project’s total energy and water cost savings in order to be used in determining the maximum allowable loan term, or as authorized by the Program Administrator. In all cases, the term of a PACE loan may not exceed 30 years.
- 4.2.1 High Performance PACE Projects Resiliency Projects must comply with the local Floodplain zoning ordinance applies unless all of the following apply:
  - If the premises is a nonconforming building, as defined in Section s. 87.30 (1d) (a) 1. of the Wisconsin State Statutes, the building would be permanently repaired, reconstructed, or improved so as to comply with all applicable requirements of the floodplain zoning ordinance for the area of the floodplain that it occupies after completion of the Resiliency Improvement.
  - If the political subdivision participates in the national flood insurance program, the owner or lessee of the premises agrees to maintain any flood insurance policy required under the program for the premises.
- An ECM that uses a different fuel source than the equipment that it will replace is eligible if it either reduces 1) total annual site kBTU consumption for the property; or 2) results in reduced annual Greenhouse Gas Emissions (see definition in Section 2.0) from energy consumption for the property. If the property is vacant or underutilized at project inception, the energy savings of new equipment can be compared to the energy use of existing equipment using modeling simulations under a new building use or higher occupancy rates.
- PACE Project Energy Conservation Measure(s) must be permanently affixed to the real property for the term of the PACE Special Charge and Financing Agreement, and the Property Owner must leave the improvements with, affixed or attached to the property upon sale or transfer of title throughout the term of the PACE Special Charge and Financing Agreement. Fencing and living system improvements that are Stormwater Control Improvements, as well as battery systems that are Energy Reliability Improvements are eligible to be funded with PACE financing if Property Owner provides assurance through execution of the PACE Special Charge and Financing Agreement that all financed improvements will remain with the property upon sale or transfer of the property during the term of the financing.
- Examples of eligible Energy Conservation Measure(s) are listed in [Appendix C](#)
- Ineligible installation projects include but are not limited to:
  - Compact fluorescent and LED, screw-in lamps.
  - Plug load devices.
  - Measures that are not permanently installed and can be easily removed.
  - Measures that save energy solely due to operational or behavioral changes
  - Power factor correction, power conditioning.

- Any measure that does not result in energy, water savings or renewable energy production.
- Any measure that cannot be explained in terms of industry-standard engineering or scientific principles.
- Refrigerant charge (AC/Split Systems/Heat Pumps)
- Rain barrel or cistern designed for temporary storage of precipitation

PACE Projects may also qualify for, and receive, additional rebates and incentives from *Focus on Energy* and other sources. Applicants are encouraged to obtain all applicable government, utility provider or manufacturer rebates, and other upfront cost.

#### 4.2.1 High Performance PACE Projects

Property Owners who complete High Performance PACE Projects benefit from a **reduced Program Fee**, as described in Section 7.1 Program Fee.

A High Performance PACE Project is defined as a property that meets one of the criteria listed below.

1. Include a Renewable Energy Improvement and at least three Energy Efficiency Improvements and/or Water Efficiency Improvements. The Renewable Energy Improvement, as well as the Energy Efficiency Improvement(s) and/or Water Efficiency Improvement(s) must be significant ECMs, as determined by the Program Administrator. This requirement may be applied to new construction projects and to existing buildings.
2. Reduce Source Energy Use Intensity (EUI) to the EUI target identified in ASHRAE 100 – 2018, for the applicable building type. This requirement may be applied to existing buildings.
3. Achieve modeled energy consumption for the property that meets the requirements of ASHRAE 90.1 – 2019
4. New Building Institute CIRRUS Low Carbon Program Compliance
5. Reduce estimated energy usage by at least 20 percent below the amount of energy that would be consumed in a comparable code-minimum building.
6. Achieve LEED BD+C v4.0 (or later) Silver or Gold compliance and receive a minimum of four points on the Energy Optimization credit.

The Commission may also designate projects that do not meet the requirements listed above as High Performance PACE Projects if the Commission finds, in its sole discretion, that the project generates exceptional environmental sustainability benefits.

#### 4.3 Energy Assessment Requirements

Projects that include at least one Energy Efficiency Improvement can demonstrate that the proposed measures qualify as ECMs in one of two ways.

**Option 1** applies to ECMs that meet energy performance requirements specified in the *Focus on Energy* incentive catalog corresponding to the property type and applicable measure type. Property Owners who install ECMs that meet corresponding *Focus on Energy* requirements may finance those ECMs and are not required to obtain a third-party Energy Assessment to demonstrate the qualification of those measures. *Focus on Energy* incentive catalogs may be accessed at <https://www.focusonenergy.com/business/catalogs>.

Property Owners who use Option 1 shall provide certain information to the Program Administrator, in place of an Energy Assessment, to support the Final Application.

- Design documentation and or specifications indicating measure efficiency. [Note 100% for-construction documentation must be provided for final application approval.]
- Verification of cost of each measure, including applicable material and labor expenses. [Acceptable documentation includes signed contracts for work. Alternative cost documentation may be considered by the Program Administrator.]
- Energy Project Summary (see Appendix J: Energy Project Summary)

PACE WI or *Focus on Energy* can provide guidance to Property Owners on top priority measures for their facility. Property Owners who document energy savings through Option 1 are not required to also participate in *Focus on Energy* but are encouraged to do so. A Property Owner for a PACE Project that receives incentives or assistance through *Focus on Energy* may provide evidence of receipt of *Focus on Energy* incentives and confirmation of the installed measures for which the *Focus on Energy* incentives were received in place of submitting a Completion Verification Report.

**Option 2.** If some, or all, ECMs in a PACE Project do not meet the energy performance requirements specified in the *Focus on Energy* incentive catalog, the Property Owner must engage a qualified Energy Assessment provider to complete an Energy Assessment to evaluate the energy savings, water savings, and cost savings to be generated by the PACE Project. The Energy Assessment must assess the existing water and/or energy use of relevant systems, or code baseline usage in the case of new construction and include a modeling of expected monetary savings to be achieved by the PACE Project. The Energy Assessment must show a minimum total energy and water savings of a minimum of 10 (10%) percent better than the applicable baseline. The cost of the Energy Assessment, as well as the cost of any other third-party review of the assessment may be included in the PACE Financing amount.

Savings target is subject to change when/if Wisconsin changes the statewide Energy Building Code.

The Energy Assessment must be developed based on “for construction” documents and must include the information listed below. If “for construction” documents are not applicable for a project (ex. an equipment replacement on an existing building), the Energy Assessment may be prepared based on alternative documentation that provides a comparable level of certainty and detail about the improvements that will be installed (ex. purchase order). An Applicant may submit a Final Application supported by a preliminary Energy Assessment developed using design documents; however the Applicant will be required to provide the final Energy Assessment prior to closing on the PACE Financing. The Energy Assessment shall include the following information:

- The name, firm name and credentials of the energy engineer who prepared the Energy Assessment.
- Written description of the proposed PACE Project.
- Energy analysis procedure followed
- Individual measure EUL and cumulative lifetime energy savings of the ECMs
- Detailed description of proposed measure performance parameters used in the analysis
- Expected annual energy savings (kWh or therms), electrical demand reduction (kW), water savings (gallons or ccf), renewable energy capacity (kW), renewable electrical production (kWh) and operational cost (\$) savings.
- Estimate of the useful life of each ECM, including a reference to the basis for the estimate of the EUL (such as the Wisconsin [Focus on Energy Technical Reference Manual](#)). The EUL shall be the expected lifetime of the subject equipment or building

component and shall be determined independently of the expected lifetimes of related building systems.

- The total project capital cost required for each ECM or for packages of ECMs if interactive effects between ECMs make itemized costs impractical.
- Projected annual energy and water bill savings and operating cost assumptions. These shall include projected annual energy and water bill savings and operating cost assumptions (in \$ dollars)
- Provide the baseline and proposed building site and source energy use intensity (EUI) in total kBtu/ft<sup>2</sup> of energy consumption. These values should be compared against the [Energy Star Target Finder Calculator](#) to ensure applicable baseline and schedules are representative of actual building energy consumption.
- Provide clear and logical documentation of assumptions for energy, water, and operational cost savings calculations, as well as for projected tax and financial benefits.
  - Document assumptions and inputs to calculations (e.g., hours of operation, equipment efficiencies, lighting power, controls, load factors, power factor, motor efficiencies, water fixture daily use and flow rates, etc.) and use consistently throughout any calculations (as appropriate).
  - Key numbers should be easily identifiable (circled, bold, highlighted, etc.) with correct units shown.
  - Detail baseline building system or equipment description to match applicable analysis pathway
  - Where necessary, provide step-by-step calculations detailing the estimated annual energy savings, peak electrical demand reduction, and/or water usage. Must be detailed and orderly enough that one can follow the calculation assumptions without prior knowledge of the project, specialized software or specific technical knowledge.
- A copy of proposed relevant equipment specs, data sheets, etc.
- A description of the document set that was used to develop the energy assessment, including the effective dates of the design information.
- For energy assessments, supporting for-construction design documentation must be provided aligning with proposed assumptions.
- Name of the energy modeling standard or software that was used to estimate the energy and water savings
- Key assumptions on building usage, such as schedules of hours of operation, and plumbing fixture use-rates
- Where renewable energy measures are under consideration, please refer to Section 4.3.4 Renewable Energy Improvements
- Additional information, as applicable for purposes of demonstrating that the PACE Project is a High Performance PACE Project,
  - A statement of compliance of the building with ASHRAE 90.1 – 2019
  - Calculation of the baseline and as-designed Site and Source EUI for the property.
  - Evidence of LEED compliance LEED version used, and points earned. Demonstrated compliance is required. Certification is not required.

A qualified energy engineer will use generally acceptable engineering calculations or a building energy model in a U.S. Department of Energy (DOE)-approved energy modeling software to determine savings attributable to the proposed ECMs.

**Energy Efficiency Improvement Energy Assessment Guidelines:**



For projects that include ECMs that are Energy Efficiency Improvements, the Energy Assessment can follow:

- ASHRAE Energy Audit standards as defined by ANSI/ASHRAE/ACCA Standard 211-2018
- Pacific Northwest National Laboratory, a Guide to Energy Audits, PNNL-20956.
- Investor Ready Energy Efficiency (IREE) Certification. An IREE certification is an acceptable alternative to an Energy Survey.
- ASHRAE Standard 100
- ASHRAE Standard 90.1 Appendix G
- Other methodologies may be considered at the discretion of the PACE program administrator

The Program Administrator will review the Energy Assessment submitted with the application materials and will submit any follow-up questions to the Applicant's project team.

#### **Qualified Energy Engineering Professionals:**

All Energy Assessments must be prepared and submitted by an energy engineer or by a team including an energy engineer. An energy engineer is defined as a professional holding one, or more of the following certifications:

- Professional Engineer (P.E.) licensed in the state of Wisconsin
- Architect licensed in the state of Wisconsin
- Certified Building Energy Assessment Professional (BEAP) (offered by ASHRAE)
- Certified Energy Auditor (CEA) (offered by Association of Energy Engineers [AEE])
- Certified Energy Manager (CEM) (offered by AEE)
- Certified High-Performance Building Design Professional (HBDP) (offered by ASHRAE)
- Certified Measurement and Verification Professional (CMVP) (offered by AEE and Efficiency Valuation Organization)
- Investor Confidence Project (ICP) Quality Assurance Assessor
- Investor Confidence Project (ICP) Project Developer

PACE Wisconsin recognizes that developers and installers of Renewable Energy Systems may be able to provide a qualifying Renewable Energy Feasibility Study to an Eligible Property Owner without engaging an Energy Engineer, as described above. A Registered Contractor with relevant demonstrated experience may also be approved by the Program Administrator to conduct Energy Assessments. A Registered Contractor may request approval to conduct Energy Assessments from the Program Administrator. Written Program Administrator approval of the Registered Contractor's authorization to prepare Energy Assessments must be granted prior to approval of any Final Application.

#### **4.3.1 Efficiency Improvements to Existing Buildings**

The existing conditions of a building shall be used to establish the baseline level of energy and water usage against which the performance of the ECMs will be measured. Existing conditions may be determined based on nameplate efficiency ratings of currently installed equipment. Alternatively, the energy engineer may use modeled energy performance of the building or other professionally accepted methods of establishing energy and water efficiency performance of the existing building. The Energy Assessment must demonstrate a minimum of 10% energy savings above the existing conditions of the building.

Improvements to manufacturing processing, such as new equipment, must demonstrate an energy savings of 10% or more. An ECM that uses a different fuel source than the equipment that it will

replace is eligible if it either reduces 1) total annual site kBTU consumption for the property; or 2) results in reduced annual Greenhouse Gas Emissions (see definition in Section 2.0) from energy consumption for the property. If the property is vacant or underutilized at project inception, the energy savings of new equipment can be compared to the energy use of existing equipment using modeling simulations under a new building use or higher occupancy rates.

### 4.3.2 New Construction

PACE Financing is available for the construction of new buildings as well as the substantial (gut) renovation OR adaptive reuse of vacant buildings. New construction projects, unlike existing-building retrofits, do not benefit from a history of pre-improvement energy consumption data from which baseline energy consumption can be formulated. Without the benefit of this baseline building performance data, additional Energy Assessment requirements are necessary.

The baseline for new construction projects is the minimum level of equipment efficiency or building energy performance required by the current applicable building energy code or applicable ASHRAE 90.1 standard. For any new construction PACE Project that follows the Option 1 performance path the Applicant must demonstrate that the PACE project exceeds the applicable IECC or equivalent ASHRAE 90.1 standard established in the state of Wisconsin building code by 10%. The state of Wisconsin publishes the Wisconsin Building Code and Energy Conservation Code, plus any amendments here:

<https://dsps.wi.gov/pages/Programs/CommercialBuildings/Default.aspx>

NOTE: Wisconsin State Law prohibits localities from establishing local energy codes that differ from the State of Wisconsin energy code.

The date the building permit is issued for the subject new construction PACE Project, and the Energy Conservation Code that is in place at that time, will determine the appropriate effective date and corresponding minimum new construction baseline that will apply to the Energy Assessment for the new construction PACE Project.

A Property Owner for a new construction project may demonstrate expected energy or water savings over this baseline in one of three ways:

1. If the building's energy code compliance follows the prescriptive pathway, energy savings may be demonstrated using a measure-by-measure savings analysis. Under this option, the measure-by-measure savings must be calculated using an appropriate methodology such as the *Focus on Energy* Wisconsin Technical Reference Manual or other widely accepted approach adjusting for interactive savings effects between measures. For example, lighting energy savings should adjust for impacts on heating energy. Under this pathway, HVAC baseline systems must be like-for-like systems with code compliant efficiencies. A Property Owner may use this option by either obtaining a qualifying Energy Assessment for the PACE Project or by documenting that the proposed measures meet the energy performance requirements stated in the [Focus on Energy business catalog](#), as described in Section 4.3 Energy Assessment Requirements.
2. For projects that do not comply with Wisconsin Energy Conservation Code through the prescriptive pathway, one of the following whole building energy modeling procedures must be used: IECC Total Building Performance, ASHRAE 90.1 Appendix G Performance Rating Method, or ASHRAE 90.1 Energy Cost Budget Method. Under this pathway, HVAC system baseline systems must follow the applicable baseline table within the energy code.

3. A whole building energy model may also be used for projects that would comply with Wisconsin Energy Conservation Code through a prescriptive review following the criteria under number two.

To assess the lifetime savings of a mix of measures a savings weighted EUL shall be calculated. Within the energy assessment, measures should be incrementally added to the analysis starting with envelope ECMs then lighting, equipment and controls, HVAC, and DHW. The sum of the line-by-line savings for each measure must equate to the total savings of the comprehensive proposed model. The lifetime savings is calculated by summing the products of the measure's EUL and savings then dividing by the total whole building savings.

Water reduction calculations should use an appropriate baseline and methodology such as those established in the Wisconsin *Focus on Energy* Technical Reference manual or other documented practice.

An Energy Assessment for a new construction project shall include the following additional information:

- Code compliance pathway applied to the Energy Assessment
- Detailed description of baseline equipment used in comparative energy analysis
- Clear impact of building components which are known by the Energy Assessment provider to not meet prescriptive code, where applicable, such as window-to-wall ratios above the performance baseline

#### **4.3.3 Adaptive Reuse and Vacant Building Baseline:**

PACE Wisconsin recognizes the potential economic development and environmental benefits of adaptively reusing existing buildings and supports the use of PACE Financing to prepare existing buildings for new uses.

For an Adaptive Reuse project or a substantial (gut) renovation of a vacant or underutilized building, certain existing components of the building, such as ventilation equipment, may no longer be relevant to the new intended use type. However, other aspects of the building, such as the building envelope, may be transferable to the new use type.

The Energy Assessment for an Adaptive Reuse or substantial renovation project should apply one of the following baselines upon which to calculate energy savings:

1. Current Wisconsin Energy Conservation Code minimum level of energy performance, as would be used for a new construction PACE project.
2. A mixed baseline that identifies 1) building components that could be reused in the new use type for the property and 2) building components in the existing structure that are no longer applicable within the new use type. The mixed baseline shall use existing condition in the building as the baseline for the first category of building components and Wisconsin's Energy Conservation Code as the baseline for the second category of building components.

Energy Assessment of Adaptive Reuse projects should include a clear explanation of the baseline, including operability, remaining useful life, engineering applicability, and performance information for each of the existing systems considered. The information to be included in the Energy Assessment for an Adaptive Reuse Project shall be the same as that information required for an Energy Assessment for a New Construction PACE Project.

#### 4.3.4 Renewable Energy Improvements

For all PACE Projects that include a Renewable Energy Improvement, the Eligible Property Owner must submit a Renewable Energy Feasibility Study, or similar document. The Renewable Energy Feasibility Study must, at a minimum, include the following components:

- Description of current site and building conditions that are relevant to the installation and/or performance of the Renewable Energy Improvement
- Specific location for the Renewable Energy Improvement at the Eligible Property
- Type, or source, of renewable energy that will be generated and nameplate capacity and efficiency rating of the Renewable Energy Improvement
- Description of the proposed Renewable Energy Improvement
- Statement of the use of the energy produced by the Renewable Energy Improvement (ex. offsetting on-site energy demand, exporting to the electric grid, selling renewable natural gas, etc.) for which the Renewable Energy Feasibility Study's economic analysis was prepared.
- Utility consumption profile of the site, including the site's historic energy use and cost. For new construction or adaptive reuse projects, in place of historic energy use, the Renewable Energy Feasibility Study shall include the modeled projected energy use of the building
- Projected annual energy production
- Projected total energy production during the estimated lifetime of the Renewable Energy Improvement
- Projected energy and financial cost savings to be generated by the Renewable Energy Improvement, including assumptions affecting the cost savings:
  - Weighted cost of energy saved and generated by the project
  - Cost savings (if any) to be realized from time-of-use and demand charge reductions
  - Utility tariff to be applied to the site and/or system following installation
  - Utility escalation rate assumptions
  - Tax benefits and other incentives
  - Expected Useful Life of the Renewable Energy Improvement
  - Estimated maintenance expenses
- Amount of total project capital cost of the Renewable Energy Improvement.
- Utility tariff under which the Renewable Energy Improvement will be interconnected with the electric grid (if applicable), as well as any anticipated grid interconnections issues.
- Description of utility tariff, if any, to be applied to system production that exceeds consumption.
- If energy production may periodically exceed electricity demand for the applicable electric meter, an analysis of impacts of surplus energy generation by the Renewable Energy Improvement
- Appropriate requirements to maintain optimized system performance for monitoring the system functionality and performance.

The Renewable Energy Feasibility Study should be prepared based on the Eligible Property Owner's intended use of the Renewable Energy Improvement. Allowable uses of a Renewable Energy Improvement include generation of electricity to supply the on-site demand of the facility or export of

electricity to a utility provider, or a combination of the two options. Renewable Energy Improvements that produce clean heat or power by use of a renewable energy source such as biomass or biogas, and which comply with the requirements defined in the Program Guidelines shall be considered eligible PACE Project types.

At its sole discretion, the Program Administrator may waive one or more required components of the Renewable Energy Feasibility Study.

#### **Baseline:**

The energy generation baseline for all Renewable Energy Improvements is assumed to be zero energy generation. However, if a Renewable Energy System is a replacement of an existing renewable energy system, the Energy Assessment provider shall establish the baseline using performance and/or nameplate ratings of the existing system.

### **4.4 Project Analysis Requirements for Non Resource Improvements**

If a PACE Project includes one, or more, NRIs, an Eligible Property Owner must obtain a Project Analysis for the PACE Project. The Project Analysis describes the Eligible Improvements and confirms that the improvements comply with the applicable definition of each type of NRI, as defined by Wisconsin statutes and by the Program Manual. The Project Analysis also assesses the benefits each NRI will create for the Property, as well as relevant risks that the NRI may pose. Lastly, the Project Analysis documents the applicable direct and indirect costs required to install each NRI.

All Project Analyses shall include the following information:

- The name, firm name and credentials of the qualified professional who prepared the Project Analysis.
- Written description of the proposed PACE Project.
- Description of the baseline conditions against which benefits and risks were evaluated.
- Estimate of the useful life of each NRI, including a reference to the basis of the selected EUL.
- The total project capital cost required for the purchase and installation of each NRI.
- A description of the document set that was used to develop the Project Analysis, including the effective dates of the design information.
- Certification by the professional preparing the Project Analysis that the NRI(s) comply with the definitions of the applicable improvement type(s) stated in the Program Manual and explanation of the professional's reasoning for certifying compliance with these definitions.

Specific information required to be included in the Project Analysis for each type of NRI is described in subsequent sections. The Program Administrator will review the Project Analysis submitted with the application materials and will submit any follow-up questions to the Applicant's project team.

#### **4.4.1 Resiliency Projects**

A Project Analysis for a Resiliency Improvement shall describe the baseline conditions against which resiliency benefits of the proposed improvement are assessed. The baseline for Resiliency Improvements to existing buildings is the existing conditions of the building(s) and site. The baseline for new construction projects is the minimum requirements stated in the building code, as well as any applicable zoning regulations, for building components in relation to the ability of the building to withstand damage from wind, precipitation, flooding, and fire.

A Project Analysis for a Resiliency Improvement shall be prepared by a Professional Engineer (P.E.) or Architect licensed in the State of Wisconsin. Program Administrator recognizes that certain individuals and firms that do not meet these licensing requirements may also be qualified to complete a Project Analysis for a Resiliency Improvement. Program Administrator will consider requests on a case-by-case basis from qualified professionals who are not licensed engineers or architects to provide a Project Analysis. If a firm or individual who does not meet the licensing requirement will prepare the Project Analysis, Property Owner shall obtain written approval of the provider by Program Administrator prior to submitting a PACE Wisconsin Final Application for the project.

In addition to the components of a Project Analysis described in Section 4.4 Project Analysis Requirements, a Project Analysis for a Resiliency Improvement shall include:

- Certification of whether the property is subject to a floodplain zoning ordinance and, if so, whether the Property is a Nonconforming Building, as defined in s. 87.30 (1d)(a) 1 of the Wisconsin State Statutes. If Property is a Nonconforming Building, the Project Analysis shall certify:
  - That after completion of the Resiliency Improvement(s) the building will be permanently repaired, reconstructed, or improved so as to comply with all applicable requirements of the floodplain zoning ordinance for the area of the floodplain that it occupies.
  - Whether the political subdivision in which the property is located participates in the National Flood Insurance program.
- Description of baseline resiliency performance required by building codes, zoning ordinances, and other applicable regulations, or (for existing buildings) existing conditions of the Property relevant to resiliency to wind, precipitation, flooding, and fire.
- Description of improved performance of Resiliency Improvements above baseline requirements
- Incremental benefits to be offered by each Resiliency Improvement (ex. Resistance to 80 mph winds vs. baseline of resistance to 50 mph winds.)
- Indication of building resiliency modeling software (if any) used in preparing the Project Analysis
- Current climate prediction data and projected impacts of climate change on the benefits provided by the proposed measures.

#### **4.4.2 Stormwater Control Measures**

A Stormwater Control Measure is an improvement to a building and/or the surrounding property intended to mitigate the negative impacts of stormwater runoff on the premises, including an infiltration system, water detention pond, constructed wetland, vegetated swale, or vegetative roofing system. In agricultural and forestry settings, eligible measures build soil health, increase water infiltration and reduce nutrient losses and flooding. Eligible measures could include planting of certain perennials, as well as equipment that enables adaptive land use, such as Agroforestry or Silvapasture, that accomplishes one or more of the stormwater control outcomes listed below.

Rain barrels and cisterns designed for temporary storage of precipitation, manure ponds, and improvements to manure ponds may not be financed as Stormwater Control Measures.

A Stormwater Control Measure must meet one, or more, of the following criteria:

1. Reduces flooding
2. Reduces water flow and/or water speed into waterways or the local stormwater system during and/or following precipitation and snowmelt.

3. Reduces total suspended solids, nutrient, or other polluting runoff into natural or manmade waterways
4. Reduces topsoil loss or erosion caused by wind, rain, or snow.

Stormwater Control Measures are evaluated based on the extent to which they enable one or more of the preceding benefits, when compared to baseline conditions. For new construction projects, baseline conditions are the minimum requirements of building code, zoning ordinances, environmental regulations, sewerage district requirements, and other applicable regulations related to impermeable surface area and stormwater interventions. For all other projects, the baseline is the existing conditions of the building and land.

A Project Analysis for a Stormwater Control Measure must be prepared by an individual, or a team that includes a person who meets one of the following requirements:

- Professional Engineer (P.E.) licensed in the state of Wisconsin
- Civil Engineer licensed in the state of Wisconsin
- Landscape Architect licensed in the state of Wisconsin
- Representative of County Land and Water Conservation Department or United States Department of Agriculture Natural Resources Conservation Services (USDA-NRCS)-certified Technical Service Provider.

PACE Wisconsin will consider requests from Property Owners and their representatives to accept Project Analyses prepared by individuals who do not hold one of these credentials. Written Program Administrator approval of the individual’s authorization to prepare Project Analysis must be granted prior to approval of any Final Application.

In addition to all components of a Project Analysis described in Section 4.4 Project Analysis Requirements [Note: EUL for Agricultural and Forestry Stormwater Control Measures should be based on USDA-NRCS Practice Lifespans, where applicable], A Project Analysis for a Stormwater Control Measure shall include:

- Qualitative explanation of how the financed measures will, individually or collectively, reduce damage caused by stormwater and align with the four stormwater control benefits described in this section.
- For non-agricultural/forestry projects, indication of stormwater management modeling tool used in estimating the stormwater control benefits of the measures
- For agricultural and forestry systems, statement of compliance with relevant USDA-NRCS conservation practice standards. Relevant Practice Standards include, but are not limited to, Code 102 (Comprehensive Nutrient Management Plan), Code 110 (Grazing Management Plan), Code 311 (Alley Cropping), Code 331 (Contour Orchard and Other Perennial Crops), Code 379 (Multi-Story Cropping), Code 381 (Silvopasture Establishment), Code 382 (Fence), Code 391 (Riparian Forest Buffers), Code 528 (Prescribed Grazing), Code 550 (Range Planting), Code 590 (Nutrient Management), and Code 650 (Windbreak Renovation).
- Discussion of relevant current climate prediction data and projected impacts of climate change on the benefits offered by the Stormwater Control Measure.

#### **4.4.3 Brownfield Revitalization Project Assessment Requirements**

The PACE Wisconsin Program Administrator will review a Phase 2 Environmental Site Assessment (or comparable study, as determined by a qualified professional) as the Project Analysis for each Brownfield Revitalization Project based on the considerations established under the applicable

statute (WI Statute 238.13(3)), and as may be amended. The Project Analysis for a Brownfield Revitalization Project shall include:

- (a) The estimated cost for each remediation action for the Brownfield Revitalization Project, including Environmental Site Assessment (ESA) Phase 1 review costs and Phase 2 ESA investigation costs, such as soil sampling.
- (b) The extent and degree of soil and groundwater contamination at the project site.
- (c) The adequacy and completeness of the site investigation and remediation plan.
- (d) Any other factors considered by the Program Administrator or the Property Owner to be relevant to assessing the viability and feasibility of the project

For purposes of determining the maximum loan term for a PACE Financing that includes a Brownfield Revitalization Project, the Brownfield Revitalization Project shall be assumed to have an EUL of 30 years.

#### 4.4.4 EV Infrastructure Improvement

PACE Wisconsin recommends that the Project Analysis for a PACE Project that includes an EV Infrastructure Improvement be prepared by an independent third-party with expertise in the technical and economic aspects of EV charging systems. However, the Program Administrator will also consider for approval Project Analyses for these projects that have been developed collaboratively by the Property Owner, installation contractor and the project developer. In all cases, the Project Analysis shall include the following information:

- Description of the proposed Electric Vehicle Charging System
- Indication of utility tariff through which electricity used by the EV Infrastructure Improvement will be purchased, as well as a statement of any anticipated interconnection issues.
- A summary of the estimated implementation costs for the measure, the simple payback period in years, and the simple return on investment of the project.
- Assumptions affecting the analysis, including, but not limited to:
  - Utility and fuel cost escalation rate assumptions
  - Tax benefits
  - Estimated Useful Life of the EV Infrastructure Improvement

#### **Baseline:**

Unless an EV Infrastructure Improvement Charging System is already installed at the Property, the baseline for installation of EV Infrastructure Improvement is business-as-usual ongoing use of internal-combustion-engine vehicles. If an EV Infrastructure Improvement is already installed at the Property, ongoing use of that system shall be incorporated into the baseline.

#### 4.4.5 Energy Reliability Improvement

A Project Analysis for an Energy Reliability Improvement must be prepared by an individual, or a team that includes an individual, who holds one of the qualifications listed below. Program Administrator recognizes that certain individuals and firms that do not meet these licensing requirements may also be qualified to complete a Project Analysis for an Energy Reliability Improvement. Program Administrator will consider requests on a case-by-case basis from qualified professionals who do not hold one of the listed credentials to provide a Project Analysis. If a firm or individual who does not meet the credential requirement will prepare the Project Analysis, Property Owner shall obtain written approval of the provider by Program Administrator prior to submitting a PACE Wisconsin Final Application for the project.



- Professional Engineer (P.E.) licensed in the state of Wisconsin
- Certified Energy Manager
- Certified High-Performance Building Design Professional

In addition to the components of a Project Analysis described in Section 4.4 Project Analysis Requirements, a Project Analysis for an Energy Reliability Improvement shall include:

- Description of the energy storage system or Microgrid, and of all components that will supply energy to, store energy within, or control the transmission of energy within the Energy Reliability Improvement.
- Nameplate energy storage capacity of each energy storage system
- Baseline energy consumption of the Property. [See Section 4.3 Energy Assessment Requirements to determine the applicable energy baseline consumption to be used for the Project Analysis.]
- Estimated reduction in electricity demand and consumption charges to be enabled by the Energy Reliability Improvement
- Description of end uses and systems that are included in the expected critical load to be supported by the Energy Reliability Improvement
- Description of end uses and systems that are included in the business-as-usual load to be supported by the Energy Reliability Improvement
- Quantified energy reliability benefits of the improvement, including estimated hours of operation that the Energy Reliability Improvement will enable for critical loads only and for a business-as-usual load.
- Description of applicable utility interconnection and islanding requirements.
- For Microgrid projects, discussion of any uncertainties introduced by the project due to gaps in applicable industry standards for Microgrid interconnection and energy controls.
- Qualitative discussion of non-energy benefits that the Energy Reliability Improvement is expected to produce.

If a Property has existing energy storage or reliability systems that it will use PACE Financing to upgrade, and/or has on-site renewable energy systems with grid-connections that are capable of islanding from the electrical grid, a Project Analysis for an Energy Reliability Improvement shall apply a baseline of the existing conditions of the Property. In all other cases, a Project Analysis for an Energy Reliability Improvement shall apply a baseline of 100 percent grid-supplied electricity.

## 4.5 Retroactive Projects

Completed installations of Eligible Measures are eligible for retroactive PACE Financing. Retroactive PACE Financings close financing after the Applicant completes the installation of the Eligible Measures. New construction projects which begin with a short-term construction phase financed by a construction loan, followed by long-term permanent loan that refinances the construction loan may be reviewed as Retroactive PACE Financings if the Eligible Property Owner chooses to access PACE Financing after stabilization of the property. (Eligible Property Owners of new building projects that access PACE Financing earlier in the construction or conversion process may be reviewed under the guidelines for New Construction.)

Applicants with retroactive PACE Projects may apply to PACE Wisconsin to be approved for PACE Financing. Retroactive PACE Projects are subject to the following additional requirements:

- 1) All such retroactive PACE Financings must occur within **thirty months** of the time elapsed between the completion of the installation and application of the PACE Financing, unless otherwise approved by the Program Administrator. For New Construction projects, the date of completion shall be the date that the certificate of occupancy was issued. For Existing Buildings, the date of completion may be determined based on information shown in the applicable invoice(s) or the date the installation was approved by a building inspector.
- 2) For any such retroactive PACE Project, the term of the PACE Financing will be reduced to account for any of the Eligible Measure’s life that has elapsed between the time of installation and the close of a PACE Financing. For example, if a PACE Financing is funded one year after installation of the Eligible Measure(s), the eligible term of the financing will be reduced by one year.

### Required Documentation

Verification is required to establish prior conditions (baseline) and describe the new Eligible Measures installed in any such retroactive PACE Project. The Energy Assessment and/or Project Analysis for a retroactive PACE Project shall include additional documentation that provides evidence of installation of the Eligible Measure(s) that are the subject of the PACE Project, as follows:

- Completion Date for the Eligible Measure(s) that are subject to the PACE Project
- Make and model of equipment replaced – (describe the baseline)
- Wisconsin Energy Conservation Code compliance documentation (if ECMs are financed)
- Make and model of Eligible Measure(s) that are the subject of the retroactive PACE Project.
- Photos supported by descriptions, which provide evidence of installation of new Eligible Measure(s)

## 4.6 Eligible PACE Project Costs and PACE Financing Amount

### 4.6.1 Eligible Direct Cost Calculation

The PACE Project budget may include all Direct Costs required to install all Eligible Measure(s) included in the PACE Project as well as soft costs required to develop and finance the installation.

Eligible Direct Costs include all Eligible Measure Direct Costs necessary to complete the installation and achieve the estimated project savings amounts. Examples of eligible direct costs include the installation/construction contract amount (materials, labor and overhead) and the cost of any ancillary property improvements that are required in order to complete the installation of an Eligible Measure. Examples of eligible ancillary costs are roof structural improvements necessary to allow the installation of a roof mounted solar PV array and building electrical upgrades necessary to convert natural gas fired HVAC equipment to all-electric HVAC equipment. All such ancillary costs are subject to the Program Administrator’s review and approval.

### 4.6.2 Other Eligible Costs

Eligible soft costs may include the cost of the following: cost of the Energy Assessment and/or Project Analysis, other design and engineering costs required to develop the Eligible Measures, project development fees, Program Fees, permit fees, surveys, legal fees, Capital Provider fees, other third-party reports (including LEED certification fees, where applicable), financing fees, fees associated with the issuance of bonds for the financing, interest reserves, fee associated for post project verification report and capitalized interest. The Program Administrator and the Commission reserve the right to limit the amount of soft costs that may be included in the PACE Financing, if those soft costs may be considered excessive in comparison to the amount of financed direct costs. Soft costs shall be considered in the context of the levels of soft costs included with other PACE

Wisconsin financings, and in light of any extenuating circumstances that may justify increased soft costs for the PACE transaction.

#### 4.7 Project Completion Verification Report

The updated 2022 PACE Statute emphasizes the requirement for project completion reporting. The owner must obtain and execute a contract for the Energy Assessment Provider to prepare a Completion Verification Report. This cost can be financed as an eligible cost for the PACE loan. The Completion Verification Report should be supplied to PACE Wisconsin by the latter of 18 months after the closing of the PACE Financing, or the property stabilization date indicated in the property appraisal. Recourse for violation of this provision is outlined in the PACE Special Charge and Finance Agreement in Section 4.16: Engineering Commissioning and Verification. A template of the Completion Verification Report is provided as **Appendix I Completion Verification Report Template. A Focus on Energy**

#### 4.8 Eligible Property Owners

PACE Wisconsin is a voluntary program available to property owners with Eligible Properties located within a Member Community. Only property owners who voluntarily participate in the program and close a PACE Financing will have a PACE Special Charge imposed against their property. To be eligible to participate in the program, a property owner must, at a minimum:

- Be the person or persons possessing the most recent fee title or land contract vendee’s interest of an Eligible Property as shown by the records of the Register of Deeds. Alternatively, if the Applicant will become the owner of the property concurrently upon closing of the PACE Financing, documentary evidence showing such anticipated transfer reasonably satisfactory to the Program Administrator will be required. All owners of the fee simple title to the subject property, or their legally authorized representatives, must sign the Final Application. Therefore, before submitting the Pre-Application, please ensure that all owners (or their representatives) of the subject property will agree to participate in PACE Wisconsin on these terms.
  - If Applicant is not the owner of the Eligible Property, but has secured a ground lease for the property and is the owner of the improvements constructed on the Eligible Property, Applicant may be determined to be an Eligible Property Owner. Two additional requirements must be satisfied if Applicant is a leaseholder of the Eligible Property. 1) The term of the ground lease must extend at least five years beyond the end of the term of the PACE Financing. 2) Applicant must obtain written consent for the PACE Financing from the owner of the property.
- Obtain the written affirmative acknowledgment of existing mortgage lenders of record, who have an unsatisfied lien against the Eligible Property, of participation in PACE Wisconsin (See [Section 9.0 Mortgage Lender Consent](#) below).
- Certify they (and its corporate parent if the property owner is a single-purpose entity) are solvent and that no proceedings are pending or threatened in which the property owner (or the corporate parent, as applicable) may be adjudicated as bankrupt, become the debtor in a bankruptcy proceeding, be discharged from all of the property owner’s (or corporate parent’s, as applicable) debts or obligations, be granted an extension of time to pay the property owner’s (and the corporate parent’s, as applicable) debts or be subjected to a reorganization or readjustment of the property owner’s (and the corporate parent’s, as applicable) debts. The property owner must also certify that the property owner (or any corporate parent if the property owner is a single-purpose entity) has not filed for or been subject to bankruptcy protection in the past three years.

- Be current in the payment of all obligations secured by the subject property, including property taxes, special assessments, special taxes or any other tax liens, and have had no delinquencies within the past three years (or since taking title to the subject property if it has been less than three years). The Program Administrator and financing partners may review public records, including the real property records, to verify compliance with this requirement. The Program Administrator, in consultation with the affected Member Community, reserves the right to make allowances for certain property tax payment delays that do not reflect financial distress.
- Have no involuntary liens, defaults or judgments applicable to the subject property. The Program Administrator and its financing partners may review public records, including the real property records and court documents, to verify compliance with this requirement. A property owner with an involuntary lien(s), default or judgment may be allowed to participate in PACE Wisconsin if it can demonstrate an acceptable reason for the lien, default or judgment and a path for resolution along with supporting documentation.
- Certify that it is not a party to any litigation or administrative proceeding of any nature in which the property owner has been served with notice of pending litigation, and that no such litigation or administrative proceeding is pending or threatened that, if successful, would materially adversely affect the property owner's ability to operate its business or pay the contractual assessment when due, or which challenges or questions the validity or enforceability of the PACE Special Charge and Financing Agreement or any other documents executed by property owner in connection with the property owner's participation in PACE Wisconsin.
- Properties that are currently appealing a property tax assessment will be reviewed, and eligibility for PACE Wisconsin will be determined on a case-by-case basis.

## 5.0 Registered Contractors

PACE Wisconsin seeks to facilitate good, locally based jobs for contractors and their employees. PACE Wisconsin recommends that projects financed through PACE Wisconsin must be installed by experienced commercial contractors. The Property Owner and PACE Capital Provider are required to ensure that qualified, reputable contractors are chosen to perform the work on the PACE Project according to plan, specifications, and requirements set forth in this Program Manual.

Installation contractors must certify that they hold all licenses required to install the applicable Eligible Measure(s). Upon acceptance of the PACE Wisconsin terms and conditions and approval by the Program Administrator, the installation contractor will become a Registered Contractor in the PACE Wisconsin program. A copy of the terms and conditions of participation by Registered Contractors in the PACE Wisconsin Program is attached as [Appendix H](#).

## 6.0 Qualified PACE Capital Providers

PACE Wisconsin operates an "Open Market" PACE program whereby property owners have the flexibility to select their preferred PACE Capital Provider for a PACE Project on their Eligible Property. The open market model gives property owners access to a range of private lenders who offer competitive rates and financing terms and conditions. PACE loans must be fixed rate loans and the term of PACE loans may not exceed the limit established by the Expected Useful Life of the Eligible Measure(s) or 30 years. Public funds are not anticipated to be made available for funding PACE Projects, though units of government are not prohibited from participating as PACE Capital Providers. No exclusivity will be provided to PACE Capital Providers, and the Applicants will retain the right to choose the type and provider of financing that works best for their business needs.

### **Eligible PACE Capital Providers**

Organizations and persons eligible to become qualified PACE Capital Provider to participate in PACE Wisconsin shall meet the criteria for Financial Institution set forth below.

A "Financial Institution" shall be any person who in the ordinary course of business extends credit based on a lien, mortgage or security interest in real property or an encumbrance of real property, or relies upon a lien, mortgage or security interest in real property or an encumbrance of real property to secure a current, contingent or future payment obligation. The term includes, but is not limited to, the following:

- (1) A bank, savings association, trust company, credit union or a subsidiary or affiliate of a bank, savings association, trust company or credit union.
- (2) A person engaged in the mortgage lending business
- (3) A person registered as a management company or unit investment trust or treated as a business development company under Wisconsin state law.
- (4) An insurance company.
- (5) A pension or employee health and welfare fund.
- (6) An association, firm, corporation, partnership, Limited Liability Company, trust, joint venture or other legal entity engaged in construction or the development or improvement of real property.
- (7) A Federal, State or local agency, authority or an instrumentality of a government entity that is engaged in the financing or supports the financing of real estate development or the purchase or improvement of real estate.

Any capital provider interested in offering PACE Financing must become a qualified PACE Capital Provider to participate in PACE Wisconsin. The process for becoming a qualified PACE Capital Provider is as follows:

1. The interested capital provider must respond to an RFQ for consideration by the Program Administrator. The RFQ is available at [pacewi.org/participating-pace-lenders.html](http://pacewi.org/participating-pace-lenders.html)
2. Upon approval by the Program Administrator and execution of a Qualified PACE Capital Provider Agreement the capital provider will be considered a "Qualified PACE Capital Provider." Qualified PACE Capital Providers are listed on PACE Wisconsin's website.
3. Qualified PACE Capital Providers also receive information from the program regarding pertinent developments related to PACE Wisconsin and may also receive information about project financing opportunities.
4. Applicants may also pre-select their preferred capital provider prior to the capital provider submitting a response to the RFQ. Information pertaining to the applicant's applications to PACE Wisconsin shall be kept confidential among the parties to the application. Prior to the closing of the applicable PACE Financing; however, the capital provider must become a Qualified PACE Capital Provider as outlined above.

The information provided by PACE Capital Providers will be used to link PACE Capital Providers, project developers, energy service companies, installers and contractors, energy auditors, engineering firms, utility companies, property owners, and others to develop and fund qualified PACE Projects.

PACE Wisconsin reserves the right to rescind the "Qualified PACE Capital Provider" status of any capital provider according to the terms of the Qualified PACE Capital Provider Agreement.

## 7.0 Program Fees

The PACE Commission and Program Administrator reserve the right to modify its fee structure at any time due to changes to program requirements or market factors. Such modifications will be published in updates to this Program Manual.

### 7.1 Program Fee

The Program Fee is paid to the Program Administrator at or prior to the PACE Financing closing date (See [Section 8.0 Program Administration](#)). The Program Fee is a one-time administration processing fee and the amount of the Program Fee is dependent upon the type of PACE Project that is the subject of the PACE Financing. The Program Fee equals one and one quarter percent (1.25%) of the PACE Financing amount up to \$1,750,000, plus one percent (1.00%) of the PACE Financing amount above \$1,750,000. For all PACE Financings, the Program Fee shall be no less than a minimum of \$2,000, nor greater than a maximum of \$85,000. This fee may be capitalized into the PACE Financing amount for the PACE Project.

If the PACE Financing is for a High-Performance PACE Project, the fee is equal to 0.75 percent of the PACE Financing amount. For PACE Financings that are not for High-Performance PACE Projects,

### 7.2 Recording Fee

The Recording Fee is a one-time fee for electronically recording the Executed PACE Special Charge and Financing Agreement as described in section [8.1.5 Close Financing & Execute PACE Special Charge and Financing Agreement](#). The recording cost is \$50.00 per document and is required to be collected and remitted with the Program Fee listed above.

### 7.3 Annual Fee

The PACE Special Charge installments (Annual Installment) shall include an Annual Fee that equals one tenth of a percent (0.10% / 10 basis points) of the PACE Financing amount. The Annual Fee is collected with each PACE Special Charge installment payment over the term of the PACE Financing. The Annual Fee shall be no less than a minimum of \$250 per year, nor greater than a maximum of \$1,250 per year. No Annual Fee shall be charged for the year following the date on which Property Owner provides the valid Completion Verification Report for the project.

### 7.4 Delinquent Installment Administration Fee

If the PACE Special Charge becomes delinquent, and the Program Administrator must submit the delinquent PACE Special Charge for collection on the applicable tax rolls, the PACE Borrower shall be assessed a Delinquent Installment Administration Fee in the amount of \$2,500, which amount shall be included in the delinquent installment submitted for collection pursuant to the tax rolls.

### 7.5 Program Expenses

The foregoing Program Fee and Annual Fee include the suite of fees generally necessary to cover the regular costs of PACE Wisconsin's administration of the PACE Program. These costs and expenses do not include any specialized professional services that may be necessary should the circumstances of any particular PACE Project require them. For example (and without limitation), should any participant in a PACE Project submit substantive comments to the PACE Wisconsin program documentation (including but not limited to the PACE Special Charge and Financing Agreement), request a legal opinion from PACE Wisconsin counsel or require other time and resource intensive review of a transaction, the PACE Borrower for such PACE Project shall be responsible for

covering such PACE Wisconsin expenses at cost. These expenses may be paid out of the proceeds of the PACE Financing. The Program Administrator will require evidence that such expenses will be paid before closing of a PACE Financing may proceed.

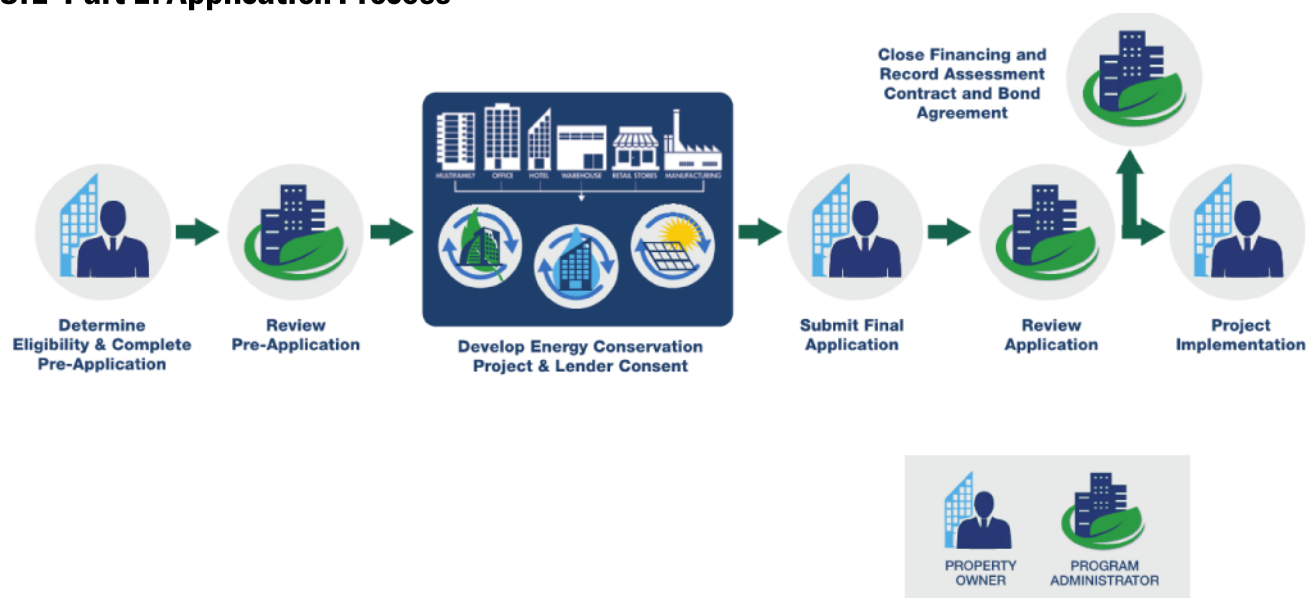
## 7.6 Expenses for Third Party Services

In addition to the fees above Eligible Property Owners may incur additional expenses for third party service providers who facilitate completion of PACE Projects. Eligible Property Owners may choose to engage such third-parties to complete energy assessments, arrange PACE financing from Capital Providers, order title searches, and develop PACE Projects in general. Slipstream Group, acting independently of the Program Administrator, may deliver such third party services to Eligible Property Owners that voluntarily engage Slipstream for this purpose.

## 8.0 Program Administration (Application & Repayment)

To proceed with a PACE Project a property owner must complete the application process outlined below. The Application and Program Administration process is broken into two distinct parts: Part 1 includes the application management, approval, and completion of the project. Part 2 involves the repayment of the PACE Financing.

### 8.1 Part 1: Application Process



#### Application Process Overview

To proceed with funding a PACE Project a property owner must complete the application process, which has two phases: Pre-Application and Final Application. Approval of the Final Application by the Program Administrator is a requirement prior to closing a PACE Financing.

#### Project Center

The Project Center portal contains all documents, applications, and instructions required to be approved for PACE financing through PACE Wisconsin. Project Center can be accessed through [pacewi.org](http://pacewi.org). Applicants are encouraged to review the process below, and submit a Pre-Application to determine if their property is eligible for financing.

### **8.1.1 Determine Eligibility and Complete the Pre-Application**

Step one in the process is to complete the Pre-Application. The Pre-Application gives property owners the opportunity to establish eligibility for participation in PACE Wisconsin before they invest in project development. The information collected in this step of the process will be used by the Program Administrator to verify if the Applicant's property is an Eligible Property, and if the proposed project falls within the parameters established in this Program Manual.

To begin the process, property owners or their designated representatives complete the online Pre-Application form available in the Project Center at [pacewi.org/project-center.html](http://pacewi.org/project-center.html).

New Applicants to PACE Wisconsin will be prompted to create a username and password. These credentials will be used to access the Project Center portal to complete subsequent steps on the application process or to update information.

Once a Pre-Application is submitted, the Program Administrator will conduct a preliminary review to determine if the property and proposed project is eligible for enrollment in the PACE Financing Program. This review will typically be completed within two business days of receipt of a completed Pre-Application. If an Applicant's property is not eligible, the Program Administrator will provide guidance on what steps Applicant can take to help bring PACE to their community.

### **8.1.2 Develop PACE Project and Lender Consent**

Following review and approval of the Pre-Application, the Program Administrator will notify Applicant that the Pre-Application is approved and property owners should move forward with the project development phase.

Applicants will work with their designated representatives to develop and define an Eligible PACE Project. Applicants should obtain an Energy Assessment at this point in the process, as previously described in [Section 4.3 Energy Assessment Requirements](#) above. Following the Energy Assessment, Applicants will work with their Contractor(s) to determine the final scope, project cost and schedule.

Simultaneously to the project development process the Program Administrator recommends the Applicant approach any current mortgage holder(s) to acquire written Mortgage Lender Consent for the proposed PACE Financing. (See [Section 9.0 Mortgage Lender Consent](#)), below. Mortgage Lender Consent is a condition precedent to closing a PACE Financing under PACE Wisconsin.

Applicants should also contact eligible PACE Capital Providers to secure acceptable PACE Financing terms and conditions.

The Program Administrator manages a list of qualified PACE Capital Providers and this information is available to all Applicants on the program website (<http://www.pacewi.org/participating-pace-lenders.html>). Applicants are free to work with any capital provider who will provide financing in accordance with PACE Wisconsin's eligibility requirements. (See [Section 6.0 Qualified PACE Capital Providers](#), above.) The PACE Capital Provider will conduct its own review of the PACE Project according to its underwriting requirements.

### **8.1.3 Submit Final Application with Supporting Documentation**

When the pre-development work for the PACE Project is substantially complete, Applicants should complete the Final Application. The Final Application is available to the Applicant upon approval of the Pre-Application and is accessible through the Project Center, under the "Existing Applications"



tab. The Program Administrator will also send the Applicant an email with a link to the Final Application within Project Center.

Along with a complete Final Application form, Applicants are required to submit documentation about the PACE Project. Using the final page of the Final Application form within the Project Center, Applicants may upload all of the required supporting documents (listed below). The Program Administrator will only accept documents uploaded through the Final Application form in the Project Center. Applicants shall supply the following supporting documentation:

- **Executed Final Application** completed by the Applicant, with all fields filled including all owner certifications and signatures.
- **Signed Installation Contract(s)** from Registered Contractor(s) for the PACE Project that includes the cost of the work, the scope of work, and the schedule for the installation of the Eligible Measure(s). Such contract(s) shall provide specifications for the equipment & improvements to be installed in the PACE Project, specifically the Eligible Measure(s) identified in the Energy Assessment for the PACE Project. (A PACE Financing may be approved based on an unsigned installation contract; however a signed installation contract must be received and approved before the Program Administrator will authorize closing for the PACE Financing.)
- **Energy Assessment or Project Analysis** conducted according to the requirements of this Program Manual.
  - As described in Section 4.3, Applicant may seek project approval based on a preliminary Energy Assessment; however a qualifying final Energy Assessment must be provided prior to closing, which substantiates savings and eligible costs necessary to support the final PACE Financing amount.
  - Please see Section 4.3 Energy Assessment Requirements for alternative documentation required if demonstrating measures eligibility based on compliance with the *Focus on Energy* incentive catalog.
- **Mortgage Loan Balance(s)** submitted as copies of the most recent mortgage loan statement(s) for all such loans outstanding on the property in order to determine the current loan-to-value ratio. Provide evidence of current outstanding mortgage loan balance(s). If Applicant will secure a new mortgage in conjunction with the closing of the PACE Financing, Applicant shall submit a mortgage commitment letter as documentation of the amount of the new mortgage.
- **Property Valuation** as indicated on the Final Application by the Applicant, which will indicate the basis for the Eligible Property valuation. Applicant may document the value of the property by providing a copy of a qualifying appraisal. Alternatively, property value may be determined based on the assessed value of the property or via an approved property insurance valuation or Automated Valuation Methodology.
- **Capital Provider Offer to Fund** - Applicant must provide documentation that indicates that a Capital Provider has offered to provide PACE Financing for the Applicant's PACE Project. Such documentation may be evidenced by a signed term sheet, commitment letter or other documentation reasonably satisfactory to the Program Administrator.
- **Substantially Final PACE Special Charge and Financing Agreement** (see Section 8.1.5 for further detail) must have been agreed upon among the PACE Capital Provider, Eligible Property Owner and the Program Administrator. There should be no material changes to the PACE Special Charge and Financing Agreement after Commission approval (see Section 8.1.4 for further detail) and prior to closing.

**Pre-closing Documents (May be submitted following PACE Commission Approval, before close of the subject PACE Financing).**

- **Mortgage Lender Consent** evidenced by written consent from the existing mortgage holder(s) on the Eligible Property for the proposed PACE Project. (See [Section 9.0 Mortgage Lender Consent](#) for further detail.)
- **Title Insurance Commitment** disclosing all current mortgage and lien holders on the property and that there are no involuntary liens on the property (the Title Report must be issued not more than 30 days prior to closing of the PACE Financing).
- **Property Insurance** must be evidenced by a current declaration sheet or a binder with paid receipt. The Commission and the Capital Provider must be named as an additional insured (mortgagee/loss payee) on all insurance policies. The mortgage/loss payee clause for the Commission is:

Wisconsin PACE Commission ISAOA/ATIMA  
431 Charmany Drive  
Madison, WI 53719

- **Flood Insurance Certification** If the PACE Project includes a Resiliency Improvement and the Property is located in a political subdivision that participates in the National Flood Insurance Program, Property Owner shall provide a signed certification that they will maintain a flood insurance policy for the Property throughout the term of PACE Financing.
- **Executable copy of PACE Special Charge and Financing Agreement** (see Section 8.1.5 for further detail) must have been agreed upon among the PACE Capital Provider, Eligible Property Owner and the Program Administrator and is ready for final signature.
- **Payment of Program Fee (and Program Expenses, if applicable)** must be evidenced in a proposed sources and uses or some other documentation reasonably satisfactory to the Program Administrator.
- **Closing/Disbursement Statement** listing the fees, expenses, third party services, etc. to be disbursed with the proceeds of the PACE financing including the amount of payment.
- **Onboard Report and Amortization Table** completed with all required fields needed for PACE Wisconsin to service the PACE Financing. (Upon approval of a PACE Financing by the Wisconsin PACE Commission, PACE Wisconsin will provide templates of the Onboard Report and Amortization Table to the Capital Provider.)
- **Property Registration with ENERGY STAR Portfolio Manager** – It is recommended that Property Owner enters the financed property in ENERGY STAR Portfolio Manager (<https://www.energystar.gov/buildings/benchmark>), a free online portal through which Property Owners may track energy usage by the building over time and compare energy performance with comparable benchmark buildings.

Once a complete Final Application is received, the Program Administrator will review it for completeness and accuracy of the information and documents enclosed to ensure they comply with this Program Manual. The Program Administrator will provide the Applicant with written Notice of PACE Wisconsin Approval or request for more information within 10 business days of a submission of a completed Final Application. If the Program Administrator finds the Applicant’s Final Application is incomplete, the Program Administrator will notify the Applicant who will have the opportunity to complete any missing information. Upon resubmission of a completed Final Application, the Program Administrator will complete its review within 10 business days and respond in writing with the results

of its review of the Final Application. Thereafter, the PACE Project may be submitted for final Commission approval (see Section 8.1.4 below).

#### **8.1.4 Commission Approval Process**

Once the Final Application has been approved by the Program Administrator, and the PACE Special Charge and Financing Agreement has been agreed to in substantially final form, the PACE Project may be submitted to the Commission for approval by its Board of Directors. Board meetings are scheduled to accommodate PACE financing activity as it occurs. The Applicant should plan to have its Final Application approved by the Program Administrator at least 15 days prior to the anticipated PACE Project closing date. This time will give the administrator adequate time to schedule a Board meeting and provide the Board with sufficient time to review the Final Application and supporting documentation.

#### **8.1.5 Close Financing & Execute PACE Special Charge and Financing Agreement**

Upon the approval of the Final Application and Commission project approval, a Notice of PACE Wisconsin Approval will be sent to the Applicant and its designated agent. Upon receipt of the Notice of PACE Wisconsin Approval, the Applicant may proceed with closing of the PACE Financing.

In addition to any financing agreements required by the PACE Capital Provider, the Eligible Property Owner, PACE Commission and PACE Capital Provider are required to execute the PACE Special Charge and Financing Agreement in conjunction with the PACE Financing closing. The PACE Special Charge and Financing Agreement is a contract between the PACE Commission, the PACE Capital Provider and the Eligible Property Owner that memorializes for the public record that there is a PACE Financing and PACE Special Charge outstanding against the Eligible Property Owner's real property, among other terms. A copy of the PACE Special Charge and Financing Agreement is included in this Program Manual in [Appendix D](#).

An executed closing statement will be required to be submitted to the Program Administrator for review. Following the review of the closing statement and payment of all applicable fees, the Program Administrator will record the PACE Special Charge and Financing Agreement with the register of deeds in the county in which the Eligible Property Owner's Eligible Property is located.

#### **8.1.6 PACE Project Implementation**

Following close of the PACE Financing and receipt of the proof of recording of the PACE Special Charge and Financing Agreement, the Eligible Property Owner and its agents may initiate construction of the PACE Project or otherwise fund the PACE Financing in accordance with the agreements with the PACE Capital Provider, the PACE Special Charge and Financing Agreement and the installation contractor's contract.

The property owner or Contractor will draw funds for the PACE Project directly from the PACE Capital Provider according to terms agreed to between those parties.

#### **8.1.7 Change Orders**

All change orders that result in an alteration of the anticipated energy and water savings attributed to the PACE Project must be pre-approved by Program Administrator to ensure that the changes to the PACE Project remain consistent with the requirements as set forth in the Program Manual. The Eligible Property Owner shall provide documentation of the change as follows:

- Change in PACE Project scope, description of changes
- Revised PACE Project budget to account for changes in PACE Project cost

- Revisions to project benefits and costs described in the Energy Assessment or Project Analysis (If applicable)
- Approval of the change by the PACE Capital Provider.

A Record Owner who requires a change order is required to complete a summary of the above changes and submit the same to Program Administrator for approval.

### 8.1.8 Project Completion

Upon completion of the PACE Project, the Energy Assessment Provider and/or Project Analysis provider, installation contractor, or their designated representative, will certify and provide evidence that the Eligible Measures specified in the Energy Assessment have been installed as required to achieve the estimated energy, water, and operational cost savings forecast in the Energy Assessment and/or the project benefits described in the Project Analysis. This certification is a Completion Verification Report (see template in **Appendix I**) and see section 4.16 of the PACE Special Charge and Finance Agreement.

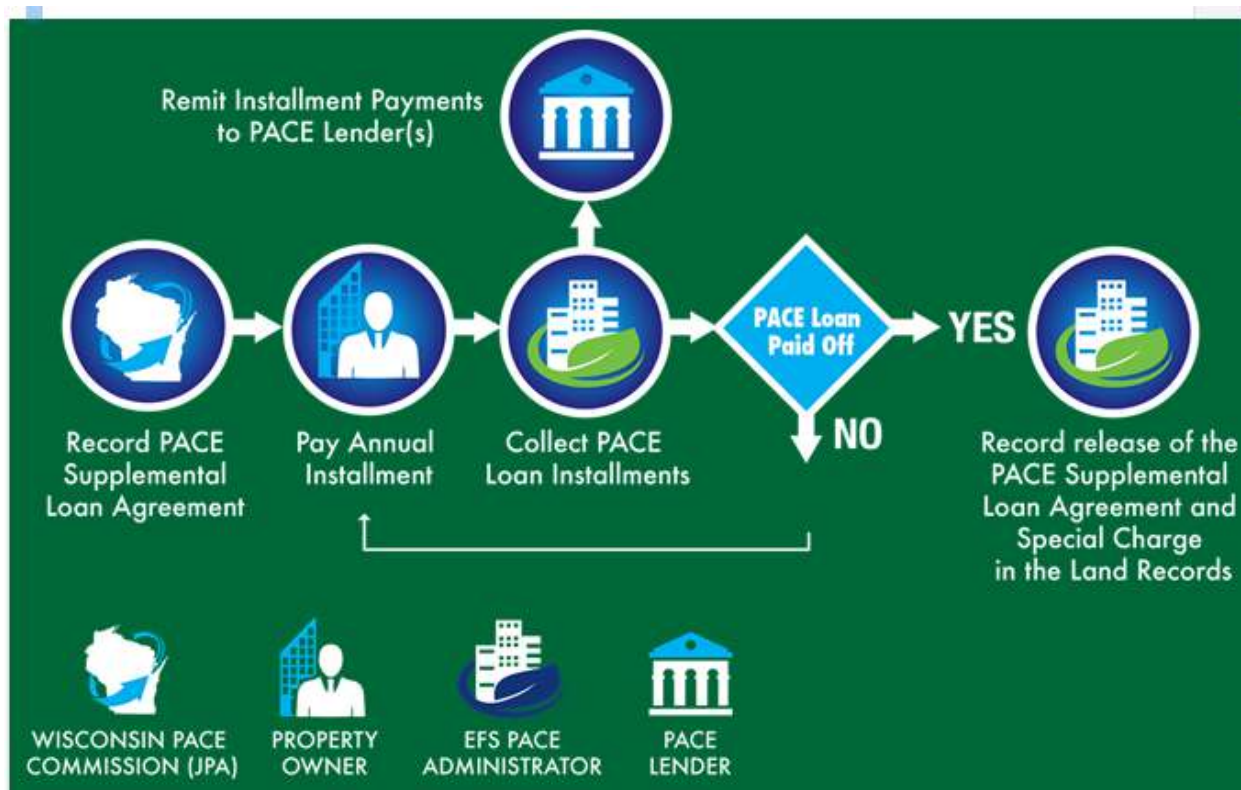
The Completion Verification Report shall include photos or paid invoices along with performance cutsheet evidence of the installation of all Eligible Measures listed in the Energy Assessment or Project Analysis. The evidence shall provide sufficient detail to confirm the nameplate (or comparable) performance ratings of the installed materials and equipment. For measures like lighting both a general layout of the fixtures matching those used in the energy assessment report along with invoices for the approved lighting fixture package will meet the verification intent. The report shall also include:

1. Certification by the Energy Assessment and/or Project Analysis provider or installation contractor, and the Property Owner, confirming their verification that the Eligible Measures have been installed and completed in accordance with the Energy Assessment and contract documents;
2. Identification and discussion of any substitutions, compromises, or variances between the final design intent, contract documents and as-built conditions;
3. Description of components and systems that exceed the owner's project requirements and those which do not meet the requirements and why;
4. A summary of all issues resolved and unresolved and any recommendations for resolution.

The Energy Assessment Provider and/or Project Analysis provider, installation contractor, or Property Owner will submit the Completion Verification Report to the Property Owner, Capital Provider, and Program Administrator. The Program Administrator will review the Completion Verification Report and confirm that the proposed Eligible Measures were installed. After completion of the PACE Project, PACE Wisconsin may choose to conduct an on-site project review to confirm that all Eligible Measures described in the Energy Assessment and/or Project Analysis were installed. Any site visits or inspections of a property by PACE Wisconsin will be conducted at the expense of PACE Wisconsin.

**PACE Wisconsin strongly recommends that property owners complete a full commissioning of the Eligible Measures funded through the PACE financing. Project commissioning confirms that equipment is performing as expected, enables the property owner to promptly resolve any deficiencies, and ensures that the property owner benefits from all potential energy, water, and cost savings.**

## 8.2 Part 2: Assessment Administration



### 8.2.1 Repayment of the PACE Financing

Repayment of the PACE Financing will commence according to the terms of the PACE Special Charge and Financing Agreement. PACE Wisconsin utilizes a “direct billing and payment” system. This repayment system allows the Eligible Property Owner to make payments of annual installments (or other periodic payment as specified in the PACE Special Charge and Financing Agreement) directly to the PACE Administrator or its servicer, who will be responsible for directing payments to the applicable PACE Capital Provider. Payments may be made in annual or semi-annual installments. Annual installments are due each January 31, and semi-annual installments are due each January 31 and July 31.

The process for repayment of the PACE Financing, including remedies for delinquency and defaults, will be set forth in the PACE Special Charge and Financing Agreement related to the applicable PACE Financing. Nothing in this Program Manual may supersede or alter the terms and conditions contained in a PACE Special Charge and Financing Agreement entered into between an Eligible Property Owner, a PACE Capital Provider, and the PACE Commission.

PACE Capital Providers may charge a market interest rate on PACE Financings, plus applicable fees. Each PACE Financing installment payment shall include an Annual Fee. The annual PACE Special Charge installments (loan payments) shall include the Annual Fee, as further defined in [Section 7.0 Program Fees](#).

### 8.2.2 Once a PACE Financing Has Been Paid In Full

Once the PACE Financing has been repaid in full according to the terms of the PACE Special Charge and Financing Agreement, repayment of the Special Charge installments will cease, and the Program

Administrator will record a termination of the PACE Special Charge and Financing Agreement with the appropriate county register of deeds.

## 9.0 Mortgage Lender Consent

All Applicants must provide the written consent of the existing mortgage lender and other real property lienholder of record on the Eligible Property before the Program Administrator will authorize a closing for a PACE Financing. The purpose of the Mortgage Lender Consent is to:

- Provide notice to the mortgage holder that the Applicant is proposing the Eligible Property participate in PACE Wisconsin, and obtain the mortgage holder's consent to such participation.
- Request confirmation from the Mortgage Lender that the levy of the PACE Special Charge pursuant to the PACE Special Charge and Financing Agreement will not trigger an event of default or the exercise of any remedies under the mortgage loan documents or other security documents held by the lienholder.
- Advise the mortgage holder or lienholder that the PACE Financing will be repaid in Annual Installments collected pursuant to the terms of the PACE Special Charge and Financing Agreement subject to the same penalties, remedies and lien priorities as a special assessment.
- Contain a declaration from the Applicant and owner of the Eligible Property to pay on a timely basis both the existing obligations secured by the Eligible Property and the proposed PACE Financing.

In seeking lender consent, the Applicant may find it helpful to inform mortgage holder(s) that in the event of PACE Financing default and tax foreclosure, the PACE Financing will not accelerate and only the delinquent amount of the PACE Financing will enjoy priority lien status. Further, participating property owners should emphasize that PACE-financed projects increase the value of the Lender's collateral.

A copy of the Mortgage Lender Consent template can be found at [pacewi.org/mortgage-lenders.html](https://pacewi.org/mortgage-lenders.html).

## 10.0 Disclosure

- The Program Administrator does not provide legal advice, and will not mediate any disputes between any participants in PACE Wisconsin, including but not limited to, Applicants, Property Owner, owners of Eligible Properties and their tenants, PACE Capital Providers, contractors, energy service companies, and utilities.
- The Program Administrator does not provide any accounting advice regarding how an Eligible Property Owner should treat the PACE Financing in their books and records.
- The Program Administrator has the right to review all projects for eligibility and may approve PACE Projects for PACE Financing according to the standards and criteria set forth in this Program Manual.
- The PACE Commission retains ultimate discretion whether to approve a PACE Financing and enter into a PACE Special Charge and Financing Agreement to, among other things, levy a PACE Special Charge against an Eligible Property.
- In addition to other designated and implied responsibilities in the PACE Program, Applicant is responsible for reviewing the terms, conditions, and obligations implied by the PACE Special Charge and Financing Agreement, as well as the terms of any supplemental agreements with

the PACE Capital Provider and all agreements with participating contractors, Energy Assessment providers, and any other parties to the project.

- The PACE Commission and Program Administrator:
  - Do not endorse any particular PACE Capital Provider, installation contractor, engineering firm, manufacturer, product, or system design by this offering.
  - Are not responsible for any tax liability imposed on the recipient as a result of the payment.
  - MAKE NO REPRESENTATION OR WARRANTY, AND ASSUME NO LIABILITY WITH RESPECT TO THE QUALITY, SAFETY, PERFORMANCE, OR OTHER ASPECT OF ANY DESIGN, CONSULTING, PRODUCT, SYSTEM, EQUIPMENT, OR APPLIANCE INSTALLED OR RECEIVED AND EXPRESSLY DISCLAIM ANY SUCH REPRESENTATIONS, WARRANTIES, AND LIABILITY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Please contact your contractor for detailed manufacturer equipment warranties.
  - Do not guarantee that installation and operation of energy efficient equipment will result in reduced usage or in cost savings to an Eligible Property Owner or any occupants of an Eligible Property.
  - Are not responsible for the proper disposal/recycling of any waste generated as a result of this project
  - Are not liable for any damages, including any incidental or consequential damages, arising out of the operation or malfunction of the products, equipment, or appliances, or the installation thereof related to a PACE Project.
  - Unless notified in writing, Program Administrator reserves the right to publicize participation in the program.
  - Upon reasonable notice period a Program Administrator representative may schedule a site visit to verify that qualified products, systems, equipment, or appliances were installed.

## Appendix A: State of Wisconsin PACE Statute

<https://docs.legis.wisconsin.gov/statutes/statutes/66/vj/0627>

### State of Wisconsin Enabling Statute § 66.0627(8) (PACE Statute)

(1) In this section:

(ad) “Brownfield revitalization project” means any of the following actions when taken upon premises that are located on, or that constitute, brownfields, as defined in s. [238.13 \(1\) \(a\)](#):

1. Site assessment.
2. Remediation.
3. Lead or asbestos abatement.
4. Demolition.
5. Standard site preparation actions not included in subds. [1.](#) to [4.](#)

(am) “Energy efficiency or reliability improvement” means an improvement to a premises that reduces the usage of energy, or increases the efficiency or reliability of energy usage, at the premises, including energy storage or backup power generation improvements or improvements that facilitate participation in a microgrid.

(ao) “EV infrastructure improvement” means an improvement to a premises to provide facilities for charging vehicles that are fully or partially powered by electricity.

(b) “Political subdivision” means a city, village, town, or county.

(bk) “Renewable resource application” means any of the following:

1. An improvement to a premises that allows for the production of energy through the incorporation of solar thermal electric or photovoltaic energy.
2. An improvement to a premises that allows for the small scale derivation of electricity from a renewable resource listed under s. [196.378 \(1\) \(h\)](#).
3. A manure digestion or other biomass system that produces natural gas.

(bm) “Resiliency improvement” means an improvement to a premises intended to increase resilience or improve the durability of infrastructure, including an improvement intended to improve storm and wind durability or wind resistance or to assist in fire suppression or mitigation of damage from flooding.

(c) “Service” includes snow and ice removal, weed elimination, street sprinkling, oiling and tarring, repair of sidewalks or curb and gutter, garbage and refuse disposal, recycling, storm water management, including construction of storm water management facilities, tree care, removal and disposition of dead animals under s. [60.23 \(20\)](#), loan repayment under s. [70.57 \(4\) \(b\)](#), soil conservation work under s. [92.115](#), and snow removal under s. [86.105](#).

(cg) “Storm water control measure” means an improvement to a premises that uses structural or nonstructural measures, practices, techniques, or devices designed to mitigate the negative impacts of storm water runoff or other surface runoff to the premises, including an infiltration system, wet detention pond, constructed wetland, grassed swale, or vegetative roofing system. “Storm water control measure” does not include a rain barrel or cistern designed for temporary storage of precipitation.

(d) “Water efficiency improvement” means an improvement to a premises that reduces the usage of water, or increases the efficiency of water usage, at the premises.

(2) Except as provided in sub. [\(5\)](#), the governing body of a city, village or town may impose a special charge against real property for current services rendered by allocating all or part of the cost of the service to the property served. The authority under this section is in addition to any other method provided by law.

(3)

(a) Except as provided in par. [\(b\)](#), the governing body of the city, village or town may determine the manner of providing notice of a special charge.

(b) Before a special charge for street tarring or the repair of sidewalks, curbs or gutters may be imposed, a public hearing shall be held by the governing body on whether the service in question will be funded in whole or in part by a special charge. Any interested person may testify at the hearing. Notice of the hearing shall be by class 1 notice under ch. [985](#), published at least 20 days



before the hearing. A copy of the notice shall be mailed at least 10 days before the hearing to each interested person whose address is known or can be ascertained with reasonable diligence. The notice under this paragraph shall state the date, time and location of the hearing, the subject matter of the hearing and that any interested person may testify.

(4) A special charge is not payable in installments. If a special charge is not paid within the time determined by the governing body, the special charge is delinquent. A delinquent special charge becomes a lien on the property against which it is imposed as of the date of delinquency. The delinquent special charge shall be included in the current or next tax roll for collection and settlement under ch. [74](#).

(5) Except with respect to storm water management, including construction of storm water management facilities, no special charge may be imposed under this section to collect arrearages owed a municipal public utility. [66.0627\(6\)](#)

(6) If a special charge imposed under this section is held invalid because this section is found unconstitutional, the governing body may reassess the special charge under any applicable law.

(7) Notwithstanding sub. [\(2\)](#), no political subdivision may enact an ordinance, or enforce an existing ordinance, that imposes a fee on the owner or occupant of property for a call for assistance that is made by the owner or occupant requesting law enforcement services that relate to any of the following:

(a) Domestic abuse, as defined in s. [813.12\(1\)\(am\)](#).

(b) Sexual assault, as described under ss. [940.225](#), [948.02](#), and [948.025](#).

(c) Stalking, as described in s. [940.32](#).

(8)

(a)

1. Except as provided in subd. [2.](#), a political subdivision may make a loan, or enter into an agreement regarding loan repayments to a 3rd party for owner-arranged or lessee-arranged financing, to an owner or lessee of a premises that is a residential property containing at least 5 dwelling units or a nonresidential property and that is located in the political subdivision for a brownfield revitalization project or for the financing or refinancing of a project for making, installing, operating, or maintaining any of the following with regard to the premises:

a. An energy efficiency or reliability improvement.

b. A water efficiency improvement.

c. A renewable resource application.

d. An EV infrastructure improvement.

e. A resiliency improvement.

f. A storm water control measure.

2. A political subdivision may not make a loan or enter into an agreement under subd. [1.](#) for the financing or refinancing of a project for making, installing, operating, or maintaining a resiliency improvement for a premises to which a floodplain zoning ordinance applies unless all of the following apply:

a. If the premises is a nonconforming building, as defined in s. [87.30\(1d\)\(a\) 1.](#), the building would be permanently repaired, reconstructed, or improved so as to comply with all applicable requirements of the floodplain zoning ordinance for the area of the floodplain that it occupies after completion of the resiliency improvement.

b. If the political subdivision participates in the National Flood Insurance Program, the owner or lessee of the premises agrees to maintain any flood insurance policy required under the program for the premises.

(ag)

1. Subject to subd. [2.](#), a political subdivision may make a loan, or enter into an agreement regarding loan repayments to a 3rd party for owner-arranged financing, to an owner of a premises located in the political subdivision for the purpose of replacing customer-side water service lines, as defined in s. [196.372\(1\)\(a\)](#), containing lead.

2. If a political subdivision makes a loan under subd. 1., the political subdivision shall require each owner of a premises located in the political subdivision that is serviced by a customer-side water service line, as defined in s. 196.372 (1) (a), containing lead to replace that customer-side water service line.
  - (am) If a political subdivision makes a loan or enters into an agreement under par. (a) 1. or (ag), the political subdivision may collect the amounts due under the loan or agreement as a special charge under this section. Notwithstanding sub. (4), a special charge imposed under this paragraph may be collected in installments and may be included in the current or next tax roll for collection and settlement under ch. 74 even if the special charge is not delinquent. If a political subdivision makes a loan, or enters into an agreement regarding loan repayments to a 3rd party, the repayment period may not exceed 30 years.
  - (b) A political subdivision that imposes a special charge under par. (am) may permit special charge installments to be collected by a 3rd party that has provided financing for the project under par. (a) 1. and may require that the 3rd party inform the political subdivision if a special charge installment is delinquent.
  - (c) An installment payment authorized under par. (am) that is delinquent becomes a lien on the property that benefits from the project under par. (a) 1. or (ag) as of the date of delinquency. A lien under this paragraph runs with the land and has the same priority as a special assessment lien.
    - (cm)
      1. If an installment payment authorized under par. (am) is delinquent, a lien under par. (c) may be enforced by foreclosure under s. 75.521.
      2. The governing body of a county may assign the county's right to take judgment with respect to any parcel that is subject to subd. 1. to a 3rd party that is party to a loan repayment agreement under par. (a) 1. or (ag). An assignment under this subdivision shall be in accordance with s. 75.106, except that s. 75.106 (1) and (2) (d), (e), and (f) do not apply.
- (d) A political subdivision that, under par. (a) 1., makes a loan to, or enters an agreement with, an owner or lessee for a project under par. (a) 1. shall require the owner or lessee to do all of the following:
  1. For an energy efficiency or reliability improvement or water efficiency improvement, obtain a 3rd-party assessment of the baseline water or energy use of the owner or lessee's property and an assessment of the expected monetary savings due to the improvement or, for a renewable resource application, obtain an assessment of the renewable energy production of the application and the expected monetary benefit to be generated by the application. This subdivision does not apply to a loan or agreement for a brownfield revitalization project, a customer-side water service line replacement, an EV infrastructure improvement, a resiliency improvement, or a storm water control measure.
  2. After the project under par. (a) 1. is complete, provide a verification that the project was properly made, installed, or maintained or, for a loan or agreement solely for the operation of a project, that at the time the loan is made or the agreement entered into the project was in proper operational condition.

**66.0627(8)(f)(f)** A political subdivision shall require that the owner or lessee obtain the written consent of all holders of a mortgage of record on the premises as a condition of making a loan or entering into an agreement under par. (a) 1.

**History:** 1999 a. 150; 2007 a. 4, 184; 2009 a. 11, 272; 2011 a. 138; 2017 a. 70, 137; 2017 a. 364 s. 49; 2021 a. 175. A special assessment against a church was not barred by s. 70.11 (4). *Grace Episcopal v. Madison*, 129 Wis.2d 331, 385 N.W.2d 200 (Ct. App. 1986).  
 A city may impose special charges for delinquent electric bills due a municipal utility. *Laskaris v. City of Wisconsin Dells*, 131 Wis. 2d 525, 389 N.W.2d 67 (Ct. App. 1986).  
 The cost of service to a property under this section does not include the cost of legal services incurred by the municipality in defending against challenges to the removal of materials from a ditch under s. 88.90. *Robinson v. Town of Bristol*, 2003 WI App 97, 264 Wis. 2d 318, 667 N.W.2d 14, 02-1247.  
 The examples given in sub. (1) are not meant to limit its application in any way, but merely to highlight possible uses. The special charge need only provide a service, not a benefit, to the property owner. Under s. 74.01 (4) a special charge is a

charge against real property to compensate for all or part of the costs to a public body of providing services to the property.  
Rusk v. City of Milwaukee, 2007 WI App 7, 298 Wis. 2d 407, 727 N.W.2d 358, 05-2630.

State property is not subject to assessment of special charges under former s. 66.60 (16) [now s. 66.0627]. 69 Atty. Gen. 269.

## Appendix B: PACE Financing Ordinance

### ORDINANCE \_\_\_\_\_

#### AN ORDINANCE TO CREATE S. \_\_\_\_\_ ENTITLED “PROPERTY ASSESSED CLEAN ENERGY FINANCING” OF THE GENERAL CODE OF \_\_\_\_\_ COUNTY, WISCONSIN

The County Board of Supervisors of the County of \_\_\_\_\_ does ordain as follows:

**Section 1.** Section \_\_\_\_\_ is created to read:

[Section No.] PROPERTY ASSESSED CLEAN ENERGY FINANCING.

(1) **PURPOSE.** The County finds that renovations or additions to premises located in the County made to improve energy efficiency, improve water efficiency, and/or use renewable resource applications, increase property values, stimulate local economic activity, provide local and global environmental benefits, and promote the general welfare of County residents. The purpose of this Section is to facilitate loans arranged by property owners or lessees to make such improvements by treating loan principal and interest, fees, and other charges as special charges eligible for inclusion on the tax roll for these properties.

(2) **STATUTORY AUTHORITY.** This ordinance is enacted pursuant to Wis. Stat. § 66.0627, as amended, which authorizes a County to make a loan or enter into an agreement regarding loan repayments to a 3rd party for owner-arranged or lessee-arranged financing, to an owner or a lessee of a premises located in the County for making or installing an energy efficiency improvement, a water efficiency improvement or a renewable resource application to a premises.

(3) **DEFINITIONS.** In this section:

(a) “Annual installment” means the portion of the PACE loan that is due and payable for a particular year under the supplemental agreement.

(b) “Borrower” means the property owner or lessee of the subject property that borrows the proceeds of a PACE loan.

(c) “Default loan balance” means the outstanding balance, whether or not due, of a PACE loan at the time that the County receives foreclosure proceeds.

(d) “Foreclosure proceeds” means the proceeds received by the County from the disposition of a subject property through an *in rem* property tax foreclosure.

(e) “Loan amount” means the principal, interest, administrative fees (including the Program Administrator’s fees) and other loan charges to be paid by the borrower under the PACE loan.

(f) “PACE” means the acronym for property assessed clean energy.

(g) “PACE default provisions” means:

1. The delinquent annual installment(s) due when the County initiates the *in rem* property tax foreclosure on the subject property;

- 2. Any additional annual installment(s) that become due between the time that the County initiates *in rem* property tax foreclosure on the subject property and the date the County receives the foreclosure proceeds;
- 3. Any default interest charges applied to unpaid annual installments referenced in subs. (1.) and (2.) above, as provided in the supplemental agreement; and
- 4. Any default loan balance.

- (h) “PACE lender” means any person that makes a PACE loan, and which may include an affiliate of the borrower.
- (i) “PACE loan” means a loan made by a PACE lender to a borrower under this Section for energy efficiency improvements, water efficiency improvements, or renewable resource applications made to or installed on a subject property.
- (j) “Person” means any individual, association, firm, corporation, partnership, limited liability company, trust, joint venture or other legal entity, or a political subdivision as defined in Wis. Stat. § 66.0627.
- (k) “Program Administrator” means the person retained by the Wisconsin PACE Commission as provided in subsection (5)(b).
- (l) “Subject property” means any premises located in the County on which an energy efficiency improvements, water efficiency improvements, or renewable resource applications are being or have been made and financed through an outstanding PACE loan.
- (m) “Supplemental agreement” means a written agreement among a borrower, a PACE lender and the County, as provided for in subsection (7).
- (n) “Wisconsin PACE Commission” means the Wisconsin PACE Commission formed under Wis. Stat. § 66.0301, as amended, by the County and one or more other political subdivisions as defined in Wis. Stat. § 66.0627, pursuant to a Joint Exercise of Powers Agreement relating to the Wisconsin PACE Commission.

(4) PACE LOANS AS SPECIAL CHARGES; DELINQUENT AMOUNTS AS LIENS. Any PACE loan made and secured pursuant to this Section shall be considered a special charge on the subject property. Any annual installment or portion of a PACE loan made and secured pursuant to the Section that becomes delinquent according to the terms of the PACE loan shall be a lien against the subject property and placed on the tax roll, as permitted pursuant to Wis. Stat. §66.0627 as amended.

(5) WISCONSIN PACE COMMISSION.

(a) Any of the powers and duties of the County under this Section, except for those under subsection (9) may (but are not required to) be delegated to the Wisconsin PACE Commission.

(b) The Wisconsin PACE Commission is further authorized to retain a Program

Administrator to act as its agent and administer the PACE program, subject to adherence with PACE program requirements set forth in this Section and in Wis. Stat. § 66.0627 as amended.

(6) LOAN APPROVAL.

- (a) A prospective borrower applying for a PACE loan shall comply with the loan application process set forth in the program manual approved by the County.
- (b) The County shall approve the financing arrangements between a borrower and PACE lender.

(7) SUPPLEMENTAL AGREEMENT.

(a) The County, the borrower and the PACE lender shall execute the supplemental agreement which, without limitation:

1. Shall inform the participants that the PACE loan amount shall be imposed as and considered a special charge, and each year's annual installment may be included on the property tax roll of the subject property as a special charge and an annual installment that is delinquent shall be a lien against the subject property pursuant to Wis. Stat. § 66.0627, as amended;
2. Shall recite the amount and the term of the PACE loan;
3. Shall provide for the amount, or a method for determining the amount, of the annual installment due each year;
4. Shall provide whether default interest may be applied to unpaid annual installments;
5. Shall require the PACE lender and the borrower to comply with all federal, state and local lending and disclosure requirements;
6. Shall provide for any fees payable to the County and/or Program Administrator;
7. Shall recite that the supplemental agreement is a covenant that runs with the land;
8. May provide for prepayments of annual installments by the borrower with a resulting reduction in the special charge for the prepayment, subject to any prepayment premium charged by the PACE lender, if any; and
9. May allow for amendment by the parties.

(b) Prior to executing the supplemental agreement, the owner of the subject property, if different from the borrower, and any existing mortgage holder(s) on the subject property must have executed a separate writing acknowledging the borrower's use of PACE financing for the subject property and the special charge that will be imposed under this Section and its consequences, including the remedies for collecting the special charge.

(c) Each PACE loan shall be amortized over the term of the PACE loan as provided in the supplemental agreement.

(d) The annual payments of a PACE loan may be payable in installments as

authorized by Wis. Stat. § 66.0627, as amended.

(8) ANNUAL INSTALLMENTS ADDED TO TAX ROLLS. Upon the request of the Program Administrator the County shall place each year's annual installment on the tax roll for the subject property as permitted pursuant to Wis. Stat. § 66.0627, as amended.

(9) REMITTANCE OF SPECIAL CHARGES. The County shall promptly remit to the Wisconsin PACE Commission any payment(s) for a special charge imposed under this Section, including penalties and charges thereon, it may receive from any taxing district or the County treasurer pursuant to Wis. Stat. Ch. 74, as amended.

(10) PROPERTY TAX FORECLOSURE PROCEDURES.

(a) The County elects to utilize the provisions of Wis. Stat. § 75.521, as amended, for the purpose of enforcing tax liens if a subject property owner fails to pay any special charges imposed on the subject property under this Section as required.

(b) The County shall begin an in rem property tax foreclosure proceeding on the subject property at the earliest time allowed under Wisconsin Statutes, unless the County determines that subject property is a "brownfield" (as defined in Wis. Stat. § 75.106, as amended) or that in rem property tax foreclosure is not in the best interests of the County due to the condition of the property or for other reasons.

(c) If the County has determined that it will not commence an in rem property tax foreclosure proceeding, then the PACE lender may request that the County, pursuant to Wis. Stat. § 75.106, as amended, assign the County's right to take judgment against the subject property, provided that the PACE lender and the County fully comply with all provisions of Wis. Stat. § 75.106, as amended, concerning the subject property and the PACE lender agrees to pay the amounts required by Wis. Stat. § 75.36(3)(a)1 and 1m, as amended.

(11) SALE OF FORECLOSED PROPERTY. If the County prevails in an in rem property tax foreclosure action against a subject property, the County shall diligently proceed to sell the subject property pursuant to the procedures set forth in Wis. Stat. § 75.69, as amended.

(12) DISTRIBUTION OF FORECLOSURE PROCEEDS. The County treasurer shall follow the procedures set forth in Wis. Stat. § 75.36, as amended, to distribute the proceeds from the sale of a subject property.

**Section 2.** This Ordinance shall take effect the day after passage and publication as required by law.

\_\_\_\_\_ COUNTY

[SIGNATURE BLOCK]

PASSED:  
PUBLISHED:

## Appendix C: Eligible PACE Improvements

### Common Eligible Energy Conservation Measures

The following list of predominant, long-standing, proven energy efficiency technologies is intended as a reference list for PACE Wisconsin Applicants and can change at any time. If not included on this list, Program Administrator will review proposed Eligible Measure(s) and accept them on a case-by-case basis.

- High efficiency lighting
- Heating ventilation air conditioning (HVAC) upgrades
- New automated building and HVAC controls
- Variable speed drives (VSDs) on motors fans and pumps
- High efficiency chillers
- High efficiency boilers and furnaces
- High efficiency hot water heating systems
- Combustion and burner upgrades
- Fuel switching
- Water conservation measures
- Heat recovery and steam traps
- Building enclosure/envelope improvements
- Building automation (energy management) systems
- Renewable energy systems
- Reliability Improvements
- Resiliency Measures
- Storm Water Control Measures
- Electric vehicle charging stations
- Voltage optimization devices that reduce energy consumption by an end user

The following end-use savings technologies are generally more applicable to industrial facilities:

- New automated process controls
- Heat recovery from process air and water
- Cogeneration used for peak shaving
- Process equipment upgrades
- Process changes

Shown below are key aspects of some of the most commonly applied technologies listed above. These payback ranges are only provided for informational purposes and should not be construed as a guarantee of performance or requirement for PACE Wisconsin funding eligibility.

### Lighting

- Daylight controls and natural daylighting designed to reduce energy and improve visual comfort.
- Upgrades for existing fluorescent fixtures including electronic ballasts, T8 lamps, and reflectors including the installment of LED bulbs and fixtures.
- Meeting rooms and other intermittently occupied spaces can garner significant energy savings with the use of timers and occupancy sensors.



- Smaller impact opportunities including security lighting, stairwell lighting, exterior night-time security lighting and exit signs.

### Refrigeration

- Install improvements to refrigerated cases and walk-in coolers to improve efficiency and decrease waste.
  - Additional insulation, anti-sweat heater controls, auto-closers for cooler/freezer doors, case-lighting controls, improved defrost controls, suction line insulation, etc.
- Thermal Storage Systems (for load shifting).
- Compressors (VFD and controls, heat recovery, mechanical sub-cooling, evaporative condensers, etc.)

**Motors** High efficiency electric motor replacements usually pay back when a motor is running for long periods at high load, or at the end of motor life.

- The cost premium over standard motors normally can be recovered in less than 2 years
- Motor sizing to the actual load profile to improve efficiency and control electrical power factor.

**Variable Speed Drives** Applied to motors, pumps and fans

- Matches motor use to variable operating load
- Can save up to 40 percent in power consumption
- Can be packaged with controls
- Extends motor life.

### HVAC

- New packaged units can increase efficiency and indoor comfort
- Proper sizing of HVAC equipment is a major opportunity, since full-load operation is more efficient than part load operation - consider fan capacity reduction or staging of 2 smaller units rather than partial loading of one large unit
- Install VSDs on HVAC motors
- Balance air and water supply systems to remove trouble spots demanding inefficient system operation
  - Improve maintenance
  - Eliminate simultaneous heating and cooling
  - Install economizers and direct digital controls
- Variable air volume conversions versus constant air flow
- Ventilation reduction
- Unoccupied shutdown or temperature setback/setup (controls).

### Chillers

- New chiller models can be up to 30-40 percent more efficient than existing equipment.
- Upgrade lead chiller(s) (base load) to high efficiency
- Manage chiller and condenser settings to minimize compressor energy
- Optimize pumping energy for distribution of chilled water

- Optimize HVAC operation to:
  - Improve temperature/humidity control
  - Eliminate unnecessary cooling loads
- CFC reclamation program/inventory - chiller replacement may achieve both CFC management and energy efficiency objectives.

### **Boilers**

- Replace steam with hot water boilers for hot water heating loads
- Improve maintenance
- Optimize operation/staging in multiple boiler plants
- Optimize boiler controls
- Tune or replace burners
- Add small “pony” boilers for low loads:
  - Reduced fuel consumption/energy costs
  - Reduced emissions
  - Reduced maintenance costs
  - Higher reliability.

### **Heat Recovery**

- Heat recovery devices to capture waste heat from water, process heat and exhaust air to re-use it for preheating: of Building intake air
  - Boiler combustion air
  - Boiler feed-water
  - Inlet water for domestic hot water.

### **New Automated Building and HVAC Controls**

- Old controls may still be pneumatic systems based on compressed air - new electronic controls are more precise and reliable, with greater capabilities.
- Can automate lighting, chiller, boiler and HVAC operation:
  - Load shedding
  - Optimal start/stop/warm up
  - Ventilation control.
- Whole-building energy management systems may come with other advanced control technologies:
  - Security, fire and life safety
  - Alarm monitoring and report generation
  - Preventive maintenance scheduling
- Remote monitoring/metering capabilities may be attractive.

**Building Shell and Fenestration** Roof insulation, combined with reflective roof coatings in warm climates, reduces energy consumption

- Review building pressurization for proper ventilation: o
  - Balance exhaust and intake air quantities

- Add weather-stripping on doors and windows
- Seal cracks and unnecessary openings
- Window films to reduce solar heat gain and/or heat loss
- Replace windows with more energy efficient glazing.

### **Reliability and Resiliency Measures**

- Energy storage
- Backup power generation improvements
- Improvements that facilitate participation in a microgrid
- Measures that improve the durability of infrastructure,
- Improvement intended to improve storm and wind durability or wind resistance
- Improvement to assist in fire suppression
- Improvement for the mitigation of damage from flooding.

### **Storm Water Control Improvements**

- Structural or nonstructural measures, techniques, or devices designed to mitigate the negative impacts of storm water runoff or other surface runoff to the
- Storm water infiltration system, wet detention pond, constructed wetland, grassed swale, or vegetative roofing system.
- Storm water control measure” does not include a rain barrel or cistern designed for temporary storage of precipitation.

### **Water Conservation Improvements**

- Domestic water use can be impacted greatly by the replacement of toilets, urinals, and other bathroom fixtures.
- Commercial kitchens can save water through the replacement of pre-rinse valves, dishwashers, and icemakers.
- Laundry equipment in commercial properties and Laundromats can benefit greatly with upgraded equipment.
- HVAC systems can reduce water consumption through the installation of cooling towers, condensers, and steam boilers.
- Industrial water consumption from car washes, film and x-ray processing, and high-tech manufacturing can be reduced through the installation of equipment involved in each specific process/facility.

### **Renewable Clean Energy Improvements**

- Solar photovoltaic power
- Solar thermal
- Wind Power
- Geothermal energy
- Fuel Cell
- Methane Gas from landfills

- Low emission advanced renewable energy conversion technologies
- Internal Combustion Engine (ICE) using renewable fuel
- Projects that seek to deploy electric, electric hybrid, natural gas or alternative fuel vehicles and associated infrastructure and any related storage, distribution, manufacturing technologies or facilities
- Sustainable Biomass Facility/ [small scale derivation of electricity from a renewable resource listed under s. 196.378 \(1\) \(h\) and a manure digestion or other biomass system that produces natural gas.](#)

### **Electric Vehicle Charging Stations**

- Transitioning from gasoline and diesel powered vehicles frequently reduces total transportation-related energy consumption, as measured by total BTUs consumed.
- Electric vehicles have lower cost for operation, maintenance, and fuel than gasoline or diesel powered equivalents.

### **Ineligible Measures**

The following items will not be considered as efficiency measures under the Program Administrator program:

- Compact fluorescent, screw-in lamps
- Plug load devices
- Measures that are not permanently installed and can be easily removed
- Measures that save energy solely due to operational or behavioral changes
- Power correction, power conditioning
- Any measure that does not result in energy savings, water saving, or renewable energy production.
- Any measure that cannot be explained in terms of industry-standard engineering or scientific principles
- Vending machine controllers
- Refrigerant charge (AC/Split Systems/Heat Pumps)

## Appendix D: PACE Special Charge and Financing Agreement

*[See Attached]*

## Appendix E: ASHRAE Audit and Engineering Commissioning and Verification Descriptions

### ASHRAE Level I

An ASHRAE Level I energy audit consists of 1) a walk-through analysis to assess a building's energy cost, 2) a utility bill analysis to assess its efficiency (using ASTM BEPA Methodology to establish the building's baseline energy use), and 3) conducting a brief on-site survey of the building. The walk-through may be targeted at a specific building component that is intended to be replaced or upgraded or added (such as in the case of installing a solar energy system) or may include checking all major energy-using systems. Operational metrics of building equipment are typically limited to data collection of nameplates, but may be more detailed if that data are readily available. Level I energy analysis should at the minimum identify ECMs and the associated potential energy savings, the estimated cost of the ECMs, and specify where further consideration and more rigorous investigation is warranted.

### ASHRAE Level II

An ASHRAE Level II energy audit is a more detailed investigation and includes a more comprehensive building survey and energy analysis than a Level I audit. It also includes more detailed financial analysis. In addition to nameplate data collection, empirical data may also be acquired through various field measurements using handheld devices. The Level II audit should at the minimum identify and provide the investment and cost savings analysis of all recommended ECMs that meet the owner's constraints and economic criteria, along with a discussion of any changes to operation and maintenance procedures. Detailed financial analysis includes ROI, IRR, NPV and payback period determination reflecting PACE Financing. Sufficient detail on projected energy savings is provided to justify project implementation.

### ASHRAE Level III

The ASHRAE Level III energy audit (often referred to as an "investment grade audit") is generally applicable to projects that are very capital intensive and demand more detailed field data gathering as well as more rigorous engineering analysis. The Level III energy audit provides even more comprehensive project investment and cost savings calculations to bring a higher level of confidence that may be required for major capital investment decisions. Data collection may involve field measurements acquired through data loggers and/or an existing energy management system.

### Engineering Commissioning and Verification Requirements

PACE Wisconsin strongly recommends that, after installation of all ECMs, Property Owners complete an engineering commissioning and verification process for the Property. Engineering Commissioning and Verification of the ECMs' remodeled/installed in the subject PACE Project should be performed by a qualified Engineer (engineering commissioning provider). The engineering commissioning provider should review the design, installation and performance of the remodeled/new building systems and compare to the energy assessment or study or model (Energy Assessment and/or Renewable Energy Feasibility Study) according to an industry accepted Commissioning guideline or Commissioning scope of work. The final commissioned systems should be configured as modeled in the Energy Assessment and/or Renewable Energy Feasibility Study for the remodeled/new systems that are included in the scope of the subject PACE Project. The remodeled/new systems should be reviewed and tested for proper function per specified design criteria and sequences. All deficiencies should be communicated to the building owner and shall be resolved.

## Appendix F: EPA Portfolio Manager Property Sharing Instructions

EPA ENERGY STAR Portfolio Manager is a free website that enables property owners to easily track energy and water use, compare their buildings against benchmarks, determine Energy Star Ratings, and share results with others. For Large PACE Financings, PACE Wisconsin requires property owners to utilize Portfolio Manager to share relevant pre- and post- improvement energy and water use data.

Property owners can use Portfolio Manager to track improvements in building performance following completion of a PACE Project. The guide below will help with account creation and data sharing. See [Section 4.6.2](#) of the Program Manual for specific reporting requirements.

1. Create an account:
  - a. <https://portfoliomanager.energystar.gov/pm/login.html>
  - b. Click “Create a New Account”
  - c. Create a username and password, and complete the remaining profile information.
  - d. Click “Sign Up” on the right.
  - e. Under “Searchability in Portfolio Manager”, select “Yes”.
  - f. Click “Create My Account”
  
2. Add a property:
  - a. From the MyPortfolio tab, click “Add a Property”.
  - b. Select your property type and number of buildings.
  - c. Under “Your Property’s Construction Status”, if your PACE project consists of updates to an existing property, select “Existing”. Otherwise, if your PACE project is part of a new construction, select “Design Project”.
  - d. Click “Get Started” to go to the next page.
  - e. For the name of your property, please enter the street address.
  - f. Enter remaining basic property detail and click “Continue”.
  
3. Add PACE Wisconsin as a contact:
  - a. Click on “Contacts” in the upper-right of the screen.
  - b. Click “Add Contact”.
  - c. Search for the username “pacewisconsin”.
  - d. Click “Connect” next to WECC USA.
  - e. Once PACE Wisconsin has accepted the request, an added property can be shared.
  
4. Share a property with PACE Wisconsin:
  - a. Click the “Sharing” tab.
  - b. Click the “Share (or Edit Access to) a Property”.
  - c. Select “One Property” from the dropdown menu, then select the property to be shared.
  - d. Select “PACE Wisconsin” from the contacts book list.
  - e. Select “Bulk Sharing” under Permissions, and then select “Read Only Access”.
  - f. Click “Share Property(ies)”.

## Appendix G: Sample Final Application



## Appendix H: Registered Contractor Terms and Conditions

### Registered Contractor Terms and Conditions

The Property Assessed Clean Energy (PACE) Wisconsin Program is an open-market program that allows property owners to select the qualified installation contractor, energy assessment provider, and capital provider that best fits the owner's objectives. To become a Registered Contractor with the PACE Wisconsin program and install Eligible Measures funded through a PACE Special Charge and Financing Agreement, an installation contractor must be approved as a Registered Contractor with the PACE Wisconsin program. This document defines the terms and conditions to which all Registered Contractors must adhere. PACE Wisconsin and the Registered Contractor are the parties to these terms and conditions and may be referred to herein individually as Party or jointly as The Parties.

### General Provisions

Term of the Agreement: Registered Contractor status shall commence on the date this application is approved by the Program Administrator and shall continue until terminated in writing by either party.

No Guarantee of Additional Business: PACE Wisconsin makes no representations or guarantees that Registered Contractor will obtain additional business revenue or opportunities through its participation in the program.

Relationship of the Parties: Registered Contractor may present itself as a Registered Contractor in the PACE Wisconsin Program. By submitting this application, Registered Contractor does not become an agent, employee, or representative of the PACE Wisconsin Program. The Parties shall not be considered to be joint venturers, partners, agents, servants, employees, fiduciaries, or representatives of each other, and no Party shall have the right or power to bind or obligate any other Party to, or third-party beneficiary of, these terms and conditions.

Indemnification: Registered Contractor agrees to indemnify and hold the PACE Wisconsin Program and its Program Administrator, their respective directors, commissioners, officers, employees, and agents harmless against all claims, liabilities, damages, losses, costs, or expenses (including, but not limited to, reasonable attorneys' fees) arising out of or related to any act or omission of the Registered Contractor, its directors, officers, employees, subcontractors, or agents of Registered Contractor or its subcontractors, including, but not limited to, the failure of Registered Contractor to properly and/or timely pay any wages and/or benefits to the Registered Contractor's employees. The obligations of Registered Contractor under this section shall survive termination or expiration of Registered Contractor's status and shall be in addition to the warranty obligations of Registered Contractor. Registered Contractor waives the right to bring or assert any claim against PACE Wisconsin and its vendors relating to its registration and status as a Registered Contractor (including listing as a Registered Contractor) and releases PACE Wisconsin and its vendors from any and all liability therefore or relating thereto.

Use of PACE Wisconsin Logo: Registered Contractor may include the PACE Wisconsin logo and program name in its Marketing materials and may provide PACE Wisconsin program materials to its customers. Registered Contractor may not imply or state that it is a representative of the PACE Wisconsin program or that it has been endorsed by the PACE Wisconsin program. If the Program Administrator terminates the contractor's status as a Registered Contractor, contractor must immediately discontinue the use of the PACE Wisconsin logo and program name in its Marketing materials.

**Registered Contractor Responsibilities**

True and Accurate Information: Registered Contractor shall provide true, accurate, current, and complete information on the Registered Contractor Application. Contractor is required to ensure, update, and maintain the truthfulness, accuracy and completeness of all information that it provides on its Registered Contractor Application.

Licensing and Registration: Per the requirements of all laws, regulations, and ordinances governing the jurisdiction in which the applicable Eligible Property is located, Registered Contractor shall be and remain licensed, authorized to conduct business, and in good standing in all jurisdictions in which it conducts business, including the State of Wisconsin and shall have the legal authority and power to offer, sell and/or install improvements that are permanently affixed to real property. As a condition of approval of the Registered Contractor or any time following approval of the Registered Contractor, the PACE Wisconsin Program Administrator may request copies of all relevant licenses held by the Registered Contractor. Registered Contractor agrees to promptly provide the requested copies of licenses to the PACE Wisconsin Program Administrator.

Adherence to Laws, Regulations, and Program Guidelines: Registered Contractor shall comply with all laws, ordinances and regulations. Registered Contractor shall also comply with the PACE Wisconsin Program Guidelines, which define the requirements and processes of the PACE Wisconsin program. The PACE Wisconsin Program Guidelines may be revised from time to time without notice by PACE Wisconsin, or its designee. It is Registered Contractor’s responsibility to verify current program requirements and procedures and to comply with all laws, ordinances, regulations, and program guidelines.

Insurance: Registered Contractor agrees to carry appropriate insurance for its type of business.

**PACE Wisconsin Responsibilities**

No Endorsement: PACE Wisconsin does not verify, vet, endorse, or rank Registered Contractors. PACE Capital Providers may maintain additional requirements that a Registered Contractor must satisfy in order for the PACE Capital Provider to approve PACE Financing for Eligible Measures that Registered Contractor installs.

Right to Remove Contractor: PACE Wisconsin reserves the right to revoke an installation contractor’s Registered Contractor approval, and/or remove Registered Contractor from its listing of Registered Contractors, for any reason or for no reason.

Information Sharing: By submission of a PACE Wisconsin Registered Contractor Application, Registered Contractor agrees that information provided on the application may be published or otherwise publicly disseminated.

**Authorization**

By submitting the PACE Wisconsin Registered Contractor Application, you represent that you are authorized to act on behalf of the Registered Contractor and that the Registered Contractor accepts and agrees to the PACE Wisconsin Registered Contractor Terms and Conditions. I declare under penalty of perjury that the foregoing statement is true and correct, and I am aware that if I present any material matters as true which I know to be false, I may be subjected to penalties prescribed for perjury under the laws of the State of Illinois.

\_\_\_\_\_  
Signatory Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Company Name

## Appendix I Completion Verification Report Template

Available as an editable pdf file on Project Center

Property Address: \_\_\_\_\_  
\_\_\_\_\_

Property Owner: \_\_\_\_\_

Property Owner point of contact

Name \_\_\_\_\_

Phone Number \_\_\_\_\_

Email Address \_\_\_\_\_

Energy Assessment Provider \_\_\_\_\_

Installation Contractor(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Eligible Measures Installed \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Project Completion Date \_\_\_\_\_

### Certification

I have (select one or both) [inspected the property/used photo evidence and project documentation] and do hereby certify that, with the exception of certain changes described below, all Eligible Measures listed in the Final Energy Assessment are installed at the property and achieve the nameplate efficiency ratings stated in the Final Energy Assessment and installation contract. I have provided evidence of installations (see instructions below) as Attachment A to this report and have included a copy of the Final Energy Assessment or evidence of receipt of applicable rebates from Focus on Energy (if energy savings were validated using Option 1) as Attachment B.

Printed Name \_\_\_\_\_

Signature and Date \_\_\_\_\_

Role (select one): [Energy Assessment Provider/Installation Contractor/Property Owner]

### Discussion and Exceptions (Please attach additional pages, as needed)

I have identified the differences listed below between the completed project and the Eligible Measures described in the Final Energy Assessment.

Identification and discussion of any substitutions, compromises, or variances between the final design intent, contract documents and as-built conditions;

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Description of components and systems that exceed the owner's project requirements and those which do not meet the requirements and why;

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A summary of all issues resolved and unresolved and any recommendations for resolution.

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## Attachment A: Documentation of Installation

Installation of each of the measures included within the Final PACE Financing Energy Assessment Report should be documented within the verification report. Clearly identify installation and performance values in comparison to the Energy Assessment values.

- Measure Name
- Energy Assessment report: equipment type/description and efficiency value(s)
- Verified installation: equipment type/description and efficiency value(s)
- Photo(s) and or documentation indicating performance
- Description of any variances

### Acceptable Documentation

Primary verification should include visual evidence of installation. For all photos provide clear documentation indicating equipment performance information. Where nameplates do not provide specific efficiencies, approved submittals with performance information or AHRI certificates matching the model numbers can be included in the report highlighting the relevant information.

Please refer to the [ENERGY STAR® Photo Documentation Guidance](#) for specific measures not listed below.

[https://www.energystar.gov/sites/default/files/asset/document/ENERGY\\_STAR\\_MFNC\\_Photo\\_Documentation\\_Guidance.pdf](https://www.energystar.gov/sites/default/files/asset/document/ENERGY_STAR_MFNC_Photo_Documentation_Guidance.pdf)

- Envelope Insulation should be verified using construction photos where possible. Alternatives can include approved insulation submittal cutsheets.
- Window thermal performance must be verified using NFRC labels or approved submittal calculations indicating tested assembly U-value and SHGC.
- HVAC and DHW Equipment should include clear name plate performance information and installation photo. Where not available, use approved submittal cutsheets or AHRI certificates.
- Lighting measures should include a summary of light fixture schedule as part of an approved submittal along with photo(s) of lighting layouts to match those included on the design drawings.
- Water savings fixtures should be visually verified to match approved design submittals indicating water flow rates

Controls should be verified based on physical sensors and BMS data

## Attachment B: Final Energy Assessment Report

## Appendix J: Prescriptive Energy Project Summary For Option 1 FOE Prescriptive Measures

Appendix J: Energy Project Summary								
Complete table listing each measure, short description, product count if applicable, corresponding level of performance, design documentation source and page number, FOE catalog performance threshold and catalog name and page number and cost of the measure.								
Provide applicable design/ construction documentation referenced. Note 100% for-construction documentation must be provided for final application approval.								
Provide applicable cost documentation including contractor estimate, construction contract, invoice or purchase order clearly separating out measure costs								
Measure	Description (type, size, service area, etc)	Count	Performance Level (EER, Watts/ft <sup>2</sup> , etc)	Design documentation (sheet number)	Focus on Energy Threshold (EER, Watts/ft <sup>2</sup> , etc)	FOE Catalog and page number	Expected Useful Life	Measure Cost
EXAMPLE: Heat Pumps	Split ductless heat pumps serving guest rooms, 24 kbtuh	24	18 SEER; 9.5 HSPF	Construction Set: M301	16 SEER; 9.0 HSPF	HVAC Air Conditioning Split Systems Page 17	15	\$275,000
<b>Cost Weighted Average for Useful Life for overall project:</b>								15
<b>Cost Weighted Average for Useful Life for overall project:</b>								<b>\$0</b>
A certification by the Property Owner and installation contractor that confirms the installation of the ECMs funded with the PACE Financing. (See Section 8.1.8 Project Completion)								

Available as an Excel file on the Project Center