

- Cut building energy costs
- 100% off-balance-sheet
- Immediate positive cash-flow

**DREEM: Deed-registered  
Renewables &  
Energy-Efficiency Measures**

## **“Now: Save a Bundle on Energy with No Cash Outlay”**

### **A “PACE-like” Financing Mechanism**

**There’s no doubt that PACE<sup>1</sup> is a genuine breakthrough in financing clean energy improvements.** PACE has now become the fastest-growing sector of finance lending in the country. It’s easy to see why. The property owner benefits by saving energy, reducing costs, and getting cleaner energy; the capital provider is able to ensure a long-term, secure and steady return on capital at above-market rates; the contractor generate more revenue by installing deep retrofit systems that include storage and demand reduction; and the public benefits by getting lower carbon emissions, cleaner air, an improved building stock, and local jobs. A win for everyone.

**But PACE isn’t available everywhere — and we can’t afford to wait.** New Jersey and other states that do not yet have PACE are at a disadvantage. There is pent-up demand for the kind of financing that makes it profitable to do clean energy retrofits. That’s why we spent the last year — while we were championing PACE in New Jersey — developing new approaches intended to mimic PACE. These models don’t have all the benefits of PACE, but should work for some segments of the market. As these pre-PACE programs take hold,

we’ll be priming the pump for PACE and making sure that today’s buildings have the clean energy financing they need. We need to do all we can to accelerate the efficiency, resiliency, and sustainability of our built environment.

### **DREEM: a possible solution for a wide range of projects**

**The DREEM model secures a special type of energy services contract to the deed or title of the property, and the cashflow-positive savings on this contract are used to repay the lenders/investors.** The contract is for the provision and maintenance of the improvements, and is therefore an operating expense for the owner. The energy services contract may include the creation of a special-purpose vehicle for securing the investment, and may include guarantees of performance and savings.

### **We have a significant project pipeline already**

We have access to a steady stream of worthwhile project proposals, including net-zero energy packages, across the U.S. But we’re ready for more. Contact us for innovative financing solutions for today—and tomorrow.

**Possible Planet/NJPACE**, a 501c3 NJ nonprofit, acts as program administrator. We assist property owners, contractors and investors by processing each DREEM project from application to closing to final approval.

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<sup>1</sup> *Property Assessed Clean Energy*: PACE provides 100% off-balance-sheet financing by creating a voluntary special tax assessment that ensures repayment of the improvement costs by the property owner over an extended period.

## Eligible Clean Energy Improvements

- High efficiency lighting
- Heating ventilation air conditioning (HVAC) upgrades
- High efficiency chillers, boilers, furnaces, water heating systems
- Building enclosure/envelope improvements
- Building automation (energy management) systems
- Renewable energy systems (solar, wind, etc.)
- Cogeneration or combined heat and power (CHP)
- Smart micro grids, back-up systems, and storage

Contact us for a complete list.

## Eligible Properties

- Commercial and industrial properties
- Hospitals and health care centers
- Multifamily buildings
- Agricultural properties
- Educational Institutions
- Some publicly-owned properties

## How Does It Work?

As with PACE, clean energy projects are 100% financed with no upfront costs, and off-balance-sheet. Projects are designed to be cash-flow positive, saving money from the start. Repayment is through an Energy Services Contract registered on title, specifying it as non-callable, non-recourse, and fully

transferable on sale. Investment tax credits, solar renewable energy certificates (SRECs), and accelerated depreciation are retained by the investor and taken into account in determining monthly repayments.

FINANCING PROGRAMS COMPARED	DREEM	PACE
No money down, 100% Financing	Yes	Yes
Property types financed	Commercial*	Commercial*
Spreads payments out to 20+ years	Yes	Yes
Is prepayment allowed?	No	Maybe
Can be used for new construction?	Yes	Yes
Can be used for publicly-owned properties?	Yes	No
Requires state legislation	No	Yes
Requires municipal approval and involvement	No	Yes
Eligible improvements	Funder discretion	Local ordinance
Priority lien	No	Super-Priority Tax Lien
Transferable to subsequent owners	Yes	Yes
Typically structured as a loan to the property owner	No	Yes
Typically structured as a service contract	Yes	No
Easily supports third party tax equity	Yes	Maybe
Can be treated as an off-balance sheet item to the owner	Yes	Yes
Recourse loan, approval subject to owner's credit	No	No
Non-acceleratable	Yes	Yes
Costs can be passed to tenants under triple-net leases	Yes (as CAM charges)	Yes
Securitizable	Yes	Yes
Mortgage lender consent required	Yes (requires SNDA)	Yes
Currently available for use in U.S.	Yes	State & local legislation
• "Commercial property types" include industrial, agricultural, institutional, and multifamily properties (five or more units). In principle, all three types of financing can also be used residentially, but we do not offer such programs.		

## The Possible Planet 'PrePACE' DREEM Program

*We are actively seeking interested capital providers, energy services companies, and property owners wishing to improve their buildings and operations. Call us today:*

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