



# NICCE (“Nice”) Financing

## For Commercial Renewable Energy & Energy Efficiency Improvements

### Reduce Operating Costs & Carbon Footprint with No Upfront Costs!

Property Owners and Tenants can save money on energy costs and reduce their carbon footprint by financing improvements to their buildings’ energy systems. NICCE (pronounced “Nice” -- **New Inter-Creditor Clean Energy**) Financing affords 100% financing for energy efficiency and renewable energy retrofits with no upfront cash outlay.

Projects are designed to generate immediate positive cash-flow, with the energy savings paying for the upgrades. The improvements are paid for over the long term, and the repayment obligation is transferable upon sale.

If you already know about PACE (Property Assessed Clean Energy), this structure may sound familiar. *Read on about the differences between NICCE and PACE.*

### A Breakthrough in Clean Energy Finance

**PACE** (Property Assessed Clean Energy) Financing has become the fastest-growing loan category in the country. Through PACE, property owners save money on energy improvements with 100% off-balance sheet financing, paid for over the long term. Improvements are attached to the property through a voluntary special assessment and collected along with property taxes. In the event the property is sold, the new owner continues the payments.

***However, PACE requires state and local laws, which can take years to pass, and only certain areas of the country have access to this form of financing.***

### NICCE Financing is an alternative to PACE

Where PACE is not yet available, NICCE financing can be used, NOW! NICCE mimics many of the benefits of PACE, and is currently available for a number of qualified projects in New Jersey and many urban centers.<sup>1</sup> While we are seeking additional sources of financing for NICCE loans, we currently have a minimum pool of \$10 million from a major impact investment fund that will finance projects of at least \$1 million.

### How Does NICCE Financing Work?

As with PACE, these capital projects are designed to be immediately cash-flow positive, with the energy savings more than covering annual payments. Long-term repayment of up to 25 years is available through a special-priority mortgage. Investment tax credits, solar renewable energy certificates, and accelerated depreciation are retained by the owner (or by a third-party tax equity investor through a special agreement).

As with PACE, the existing mortgage lender on the property must consent. But instead of consenting to a special assessment to be collected along with taxes, a NICCE loan creates an inter-creditor agreement between the senior mortgage lender and the improvement lender with “PACE-like” conditions.

At the lender’s option, NICCE financing can be converted to a PACE assessment if and when PACE becomes available in the property owner’s jurisdiction.

<sup>1</sup>Bay area, LA, Austin, Phoenix, New Orleans, Miami, Atlanta, Washington DC, Baltimore, Hartford, Minneapolis, Detroit, Denver, Chicago, as well as anywhere in New Jersey.

## Eligible Clean Energy Improvements

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

See [RegenerativeFinancing.org](http://www.RegenerativeFinancing.org) for a complete list.

## Eligible Properties

- Commercial real estate
- Industrial properties
- Hospitals and health care centers
- Multifamily buildings
- Agricultural properties
- Educational institutions
- Some publicly-owned properties

PROGRAM FEATURES	NICCE	PACE
100% Financing; no upfront costs; cash-flow positive	Yes	Yes
Property types financed	Commercial*	Commercial*
Spreads payments to 20+ years	Yes	Yes
Is prepayment allowed?	Yes (with fee)	Depends on state and lender
Used for new construction?	Yes	Yes
State legislation required	No	Yes
Municipal approval required	No	Yes
Transferable to future owners	Yes	Yes
Supports third party tax equity	Maybe	Maybe
Can be treated as an off-balance sheet item to the owner	No	Yes
Non-recourse loan	Yes	Yes
Costs passed to tenants under triple-net leases	Via CAM & other charges	Via pro-rated tax bill
Mortgage lender consent required	Yes (Inter-Creditor agreement)	Yes
Currently available for use in U.S. jurisdictions	Funder discretion	State & local legislation
<i>* "Commercial property types" include industrial, agricultural, institutional, and multifamily properties (five or more units).</i>		

**Apply for NICCE Financing for your clean energy project at**  
[www.RegenerativeFinancing.org](http://www.RegenerativeFinancing.org)

***If you are a lender, contact us about financing NICCE projects***

**Please contact one of us:**

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