A “PACE-like” Financing Mechanism

There’s no doubt that PACE¹ 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 reducing costs, increasing property value, and getting cleaner energy; the capital provider is able to ensure a long-term, secure and steady return on capital; the contractor generates more revenue by installing more comprehensive energy systems; and the public benefits by getting lower carbon emissions, an improved building stock, economic development 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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¹ Property Assessed Clean Energy: PACE provides 100% off-balance-sheet, financing with no cash outlay by creating a voluntary special tax assessment that ensures repayment over the long term, and is transferable upon sale of the property.

Developed in collaboration with Ram Island Strategies
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.

Learn more about DREEM Financing at www.RegenerativeFinancing.org

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

Please contact one of us:

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Made possible by the 501(c)(3) nonprofit championing New Jersey PACE