



PROGRAM GUIDE

Colorado Commercial Property Assessed Clean Energy (C-PACE) Program

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OVERVIEW

Welcome to the Colorado Commercial Property Assessed Clean Energy (C-PACE) program. This guide is intended to help all parties involved in a C-PACE transaction understand how Colorado C-PACE works.

PROGRAM OVERVIEW

Colorado C-PACE is a state-enabled program that helps building owners and property developers access private-sector financing for the installation of energy efficiency, water conservation, renewable energy, resiliency, and embodied carbon improvements. Administered by the [Colorado New Energy Improvement District](#) (the “District” or “NEID”), Colorado C-PACE projects lower energy and water costs, increase renewable energy deployment, reduce greenhouse gas emissions, and create local jobs.

More than 32 states have active C-PACE-programs. In Colorado, the General Assembly passed the New Energy Jobs Creation Act of 2010 (HB 10-1328), as amended by the New Energy Jobs Act of 2013 (SB-13-212), SB-171 enacted in 2014, HB 23-1005 enacted in 2023 and SB 25-182 enacted in 2025. These statutory provisions are codified at C.R.S. §§ 32-20-101 *et seq.* (collectively, the C-PACE Statute).

NEID was established by the C-PACE Statute, which directed it to create a statewide C-PACE program. To participate, each county in the State of Colorado must opt into the district by a resolution of their Board of County Commissioners. View a list of [participating counties](#).

HOW C-PACE WORKS

C-PACE programs enable owners of commercial, industrial, agricultural, nonprofit, and multifamily buildings (with five or more units) to access private-sector financing to complete qualifying energy efficiency, renewable energy generation, water conservation, and other improvements to the property to reduce its energy or water use.

C-PACE is economically attractive because it offers up to 100 percent financing for existing building retrofit projects and financing for new construction projects not to exceed the lesser of the Total Finance Amount (TFA) or the applicable Total Assessment-to-Value (TATV) tier, with finance terms that extend up to 25 years. In all cases where the applicable TFA exceeds 40% TATV, written Program approval is required to document the maximum eligible financing amount. In no cases may the TFA exceed 75% TATV. In addition, since the financing is tied to the property, the owner is typically not required to sign a personal guarantee. Best of all, well-designed projects are often cash- flow positive, meaning the energy cost savings outweigh the C-PACE payments.

Banks, credit unions, and specialty private capital firms, also known as capital providers, finance C-PACE projects. Repayment is secured by a voluntary special purpose assessment, similar to a sewer district assessment, that is recorded against the property and billed as a separate line item on the property tax bill.

Multiple qualified capital providers, or QCPs, have registered with the C-PACE program to finance eligible projects. Property owners can select a C-PACE-qualified capital provider to fund their project,

or, at the request of a building owner, the Program Administrator can solicit financing term sheets from participating QCPs.

QCPs and their project development partners are encouraged to develop projects for submission to the Program Administrator for approval. In such instances, the Program Administrator will not solicit financing terms from other QCPs and will work solely with the originating QCP or the QCP designated by the project developer/building owner.

PROGRAM BENEFITS

Colorado C-PACE benefits a broad range of stakeholders.

Building Owners

Colorado C-PACE helps building owners reduce their operating costs, improve the value and market competitiveness of their asset, meet energy performance goals, and increase the net operating income of their building. Major benefits include:

Up to 100% Financing	Many owners lack the capital they need to pay for beneficial energy improvements and equipment upgrades. C-PACE solves this problem by providing up to 100 percent financing for eligible improvements.
Long-term Financing	While commercial real estate lenders typically provide five- to ten-year financing, the longer-term, fully amortized nature of Colorado C-PACE enables building owners to pursue more capital-intensive, comprehensive energy efficiency, renewable energy, water conservation and resiliency upgrades, and embodied carbon improvements. The maximum term is set by the weighted average effective useful life of the improvements (up to 25 years). In well-designed projects, the utility cost savings resulting from the improvements often exceed the C-PACE payments, resulting in cash-flow-positive projects.
No Personal Guarantee	C-PACE is property-based financing secured by a voluntary assessment (lien). As a result, the owner is typically not required to sign a personal guarantee.
Transfers Upon Sale	Owners who sell their building before the assessment is repaid can transfer the repayment obligation to the next owner (like a sewer district assessment).
Cost Recovery	C-PACE may help solve the split incentive that arises between owners and tenants. Owners are less likely to install comprehensive energy or water conservation improvements when tenants receive the financial benefits (lower utility bills). Under some leases, C-PACE may enable landlords to pass on the benefits and the cost of the assessment to tenants.

Developers

Commercial property developers can use C-PACE financing to reduce their weighted average cost of capital for new construction projects.

Contractors

C-PACE makes energy efficiency, renewable energy, water conservation, resiliency, and embodied carbon improvement projects economically attractive to building owners, so contractors who offer C-PACE are able to close more projects and grow their business.

Capital Providers

C-PACE investments are secured by a special assessment lien which is senior to commercial mortgages and deeds of trust and is equal (*pari passu*) in priority to other special assessments on the property, and junior to general property tax liens. As a result, capital providers who work with the C-PACE program may receive attractive project finance opportunities.

Mortgage Holders

C-PACE is a savings-based program, meaning a project must reduce the utility cost of a building to qualify. C-PACE encourages projects that generate utility cost savings in excess of the repayment obligation. Such projects typically result in a building that will see increased net operating income, increased debt service coverage ratio, increased value, and a greater return on investment. Once the project is complete, the existing mortgage holder's loan is typically more secure due to the borrower's increased cash flow. In addition, the upgraded property is more valuable. (Note also that the C-PACE assessment does not accelerate. In the event of a default, only the amount in arrears comes due.)

Communities

C-PACE builds on a long history of benefit assessments that a government can levy on real estate parcels to pay for the installation of projects that serve a public purpose, such as sewer and fire protection districts. C-PACE serves the important public purpose of reducing energy costs, water use, and waste. Project investments improve building stock, reduce greenhouse gas emissions, improve air quality, and create jobs—all with private capital, and not taxpayer dollars, which benefits both local communities and the NEID's local government partners. The Program continues NEID's commitment to providing access to capital, economic development and economic growth in Colorado.

Low Embodied Carbon Building Product Manufacturers

By making low embodied carbon building materials more economically attractive, C-PACE helps building product manufacturers make investments in reducing the embodied carbon of their products.

KEY COLORADO C-PACE CONTACTS

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ELIGIBILITY

PROPERTIES

To be eligible for C-PACE financing, projects must be located on eligible real property and be owned by an eligible property owner (including individuals, business entities, and nonprofit companies). A parcel of real property is eligible for C-PACE if it:

1. Is located in a county that has joined into the C-PACE Program. [View a list](#) of participating counties.
2. Represents a retrofit to an existing building and:
 - (a) includes a building, other than a residential building, which could include an office or retail or lodging building, an industrial or agricultural building, or multifamily housing (five or more units), or
 - (b) contains an improvement or connected land that, for purposes of ad valorem taxation, is billed with a parcel meeting the requirements of paragraph 2(a).
3. If the parcel represents new construction, the new construction must:
 - (a) comprise the construction of a building, other than a residential building containing four or fewer units, and
 - (b) may also include upgrades to an improvement or connected land that, for purposes of ad valorem taxation, is billed with a parcel meeting the requirements of paragraph 2(a) above.
4. The property is (or is eligible to be placed) on the property tax rolls of a county in which it is located and has a property tax identification number.

Buildings owned by state and local government entities are not typically eligible for C-PACE financing¹. Energy Performance Contracting (EPC) a program administered by the Colorado Energy Office (CEO), is typically a good fit for these building types. Additional information regarding the EPC program is available at the following link: <https://energyoffice.colorado.gov/epc>

IMPROVEMENTS

Improvements eligible for Colorado C-PACE financing must be: 1) located on eligible real property owned by an eligible property owner, and 2) include a “new energy improvement” as defined at C.R.S.

¹[PROGRAM GUIDE - ENDNOTES](#)

There are instances where a project owned by a governmental entity *may* qualify for C-PACE financing, including whether the building (or new construction) is owned/operated by a qualified “enterprise” (as defined in the Article X, Section 20 of the Colorado Constitution), or the local government entity seeking C-PACE financing has existing voter approval to incur multiple-fiscal year debt. In those instances, counsel for the local government entity applicant is encouraged to contact the Program Administrator and the District’s general counsel to review Program requirements.

§ 32-20-103(7)².

Under the C-PACE Statute, an improvement eligible for C-PACE financing means one or more installations or modifications to eligible property that will reduce energy consumption or add energy produced from renewable energy sources with regard to any portion of the eligible real property. Appliances and other measures that are not permanently attached to the building are generally ineligible unless they are part of a package of measures that consist primarily of eligible measures. The lists below show the types of improvements that may be financed using C-PACE. (These lists are not comprehensive). Any improvements that result in a reduction of energy consumption, that add energy produced from renewable energy sources, or otherwise improve resiliency, which improvements meet other applicable program criteria will be considered.

Energy Efficiency Improvements. Examples include:

- Insulation in walls, roofs, floors, and foundations and in heating/cooling distribution systems;
- Storm windows and doors, multiglazed windows and doors, heat-absorbing or heat-reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;
- Automatic energy control systems;
- Heating, ventilating, or air conditioning and distribution system modifications or replacements in a building;
- Caulking and weather-stripping;
- Replacement or modification of lighting fixtures and controls to increase the energy efficiency of the system;
- Energy recovery systems;
- Daylighting systems (e.g., skylights, controls, light shelves);
- Combined heat and power (CHP) and waste-to-power projects;
- Electric vehicle charging equipment added to the building or its associated parking area;
- Ground-source heat pumps;
- Elevator modernization projects;
- Green roofs;
- Any other modification, installation, or remodeling approved as a utility cost-savings measure by the District, including water conservation fixtures, both indoor and outdoor and for both hot and cold water.

Renewable Energy Improvements. Examples include:

- Geothermal (ground-source) systems;
- Hydroelectric systems;
- Small wind systems;
- Solar photovoltaic (roof upgrade/replacement for rooftop systems is also eligible);
- Solar thermal.

² New energy improvement” means one or more on-site energy efficiency improvements, embodied carbon improvements, renewable energy improvements, resiliency improvements, or water efficiency improvements made to eligible real property that will reduce the energy consumption of or add energy produced from renewable energy sources with regard to any portion of the eligible real property.

Resiliency Improvements. Examples include:

- Indoor air quality systems;
- Seismic retrofits;
- Stormwater systems that reduce on-site or off-site risk of flash flooding;
- Wind and fire resistance;
- Battery energy storage systems;
- Backup power systems;
- Wildfire resistance

Water Efficiency Improvements. Examples include:

- Irrigation systems that improve water efficiency;
- Water efficient fixtures (low-flow faucets, toilets, etc.).

Embodied Carbon Improvements. Examples include:

- The procurement and installation of low embodied carbon construction materials (e.g., low embodied carbon concrete or steel);
- Holistic design of a building to reduce its overall embodied carbon, as measured through a whole-building life-cycle assessment (LCA), through a variety of measures, including, for example, using less material.
- A proportion (see Appendix A for guidance) of hard costs associated with structure and enclosure in a building which has been shown to have an Embodied Carbon Intensity below the thresholds set by the District. Total Structure and Enclosure Hard Costs are defined as follows:
 - Installed construction costs (labor, materials, and associated contractor markups) for assemblies within the whole-building physical scope boundary defined in the Whole Building Embodied Carbon Improvement Pathway, including:
 - Substructure / foundations (including footings and foundations)
 - Superstructure / primary structural system
 - Exterior wall assemblies
 - Thermal and moisture protection (e.g., insulation, air barrier)
 - Exterior cladding
 - Glazing systems (e.g., curtain wall, storefront)
 - Roof assemblies (roofing)
 - Structure + Enclosure Hard Costs exclude:
 - Mechanical, electrical, and plumbing (MEP) systems
 - Interior finishes
 - Tenant improvements
 - FF&E (furniture, fixtures, and equipment)
 - Excavation (except excavation directly related to footings/foundations)
 - Site and civil work

The District prefers permanently installed improvements. However, it will consider projects that include other improvements, as long as they demonstrate that an effort will be made to ensure that these improvements will remain installed throughout their useful lives. If owners or contractors propose an improvement not listed that can be shown to be a utility-cost-saving measure or improve the building's

resiliency, such a measure must be described in the project proposal. The description should include technical support for the assertion that the measure(s) will save utility costs or improve resiliency, consistent with the NEID's guidance that projects with an overall savings-to-investment ratio (SIR) greater than one are preferred. (The savings include total savings over the lifetime of the improvements. The investment is the total capital investment including all fees and interest charges.) The District's Board of Directors will review the project proposal and determine whether such an improvement is eligible.

OTHER ELIGIBLE EXPENSES

Subject to acceptance by the qualified capital provider, project-related expenses associated with a C-PACE financed project may be capitalized. These costs may include:

- Energy/water audit costs (and independent third-party review (ITPR) costs);
- Renewable energy feasibility study costs;
- Engineering and design expenses, including dynamic building simulation for new construction;
- Construction and installation costs, including labor and equipment;
- Commissioning costs;
- Prepaid operation and maintenance expenses for a period of up to five years, including measurement and verification costs;
- Costs of an extended warranty covering the full finance term for equipment financed;
- Any capital provider or project developer fees and/or required prepaid interest;
- Program and permit fees;
- Closing fees;
- Fees associated with issuance of Limited Property Information Guarantee (LPIG) or similar title product;
- Other project-related expenses approved by the District;
- Ineligible improvements that do not exceed 30 percent of the total finance amount (TFA);
- Soft costs which can be reasonably attributed to reducing embodied carbon in the building, such as:
 - 1) Whole-building life cycle assessment services,
 - 2) Structural design or technical services tied to the testing or use of low embodied carbon materials or components
 - 3) Design for circularity, durability, or prefabrication/assembly of low embodied carbon or components, including the use of salvaged or reused components
 - 4) Embodied carbon consulting and specification support
 - 5) Environmental Product Declaration (EPD) collection and data handling
 - 6) Third-party verification, peer review, or compliance documentation
 - 7) Post-construction embodied carbon auditing and reporting
- Any other soft cost which can be reasonably attributed to reducing embodied carbon, at the discretion of the program administrator.

INELIGIBLE IMPROVEMENTS

Other than custom improvements approved by the District, all C-PACE-related improvements must be permanently affixed to the subject property and be reasonably expected to save energy or water or generate renewable energy. The program cannot finance improvements that include:

- Any combination of improvements that do not result in utility cost savings;
- Improvements that are not permanently attached to the subject property or building and which can be easily removed (not including certain lighting upgrades the District determines are unlikely to be removed);
- Any improvement that is not commercially available;
- Health and safety improvements not directly related to or otherwise incorporated in the energy improvement;
- General construction costs.

Ineligible improvements may be included in the amount financed provided the proportion of ineligible improvements to eligible improvements does not exceed 30 percent of the TFA (eligible improvements, eligible expenses, and ineligible improvements). The inclusion of any given improvement will be up to the Program and the District's Board of Directors. When in doubt, consult with the EDMD and Program Administrator. Examples of ineligible improvements that may be included in the C-PACE financing include:

- A like-for-like roof upgrade associated with the installation of a roof-mounted solar photovoltaic array (however, if the roof upgrade results in energy savings such as through improved insulation, the roof upgrade would be considered an eligible measure);
- Asbestos abatement associated with a boiler retrofit;
- New pads to support new plant equipment, such as a new chiller;
- Replacement of ductwork and terminal boxes associated with a packaged rooftop unit replacement;
- Relocation of equipment associated with the installation of energy saving measures, such as relocating a packaged rooftop unit to better serve redistributed loads within a building;
- Rerouting of a fire sprinkler system to accommodate a new HVAC system;
- Electrical upgrades associated with a new solar photovoltaic system;
- Carports supporting a solar photovoltaic array;
- Demolition of an existing parking lot and installation of a new parking lot to allow for installation of a bore field associated with a new ground source heat pump system;
- Shading devices or window coverings;
- Vending machine controls.

RENEWABLE ENERGY IMPROVEMENTS

The C-PACE statute permits the financing of renewable energy improvements, installed on the customer side of the electric meter, that produce energy from renewable resources. These include, but are not limited to, photovoltaic, solar thermal, small wind, low-impact hydroelectric, biomass, or fuel cells.

The specific requirements for C-PACE financing of renewable energy improvements that are part of a community solar garden³ or located in a qualified community location⁴ remain under consideration by the District and require Program approval for a renewable energy feasibility study to demonstrate how the project fits within C-PACE program requirements.

RESILIENCY IMPROVEMENTS

Resiliency projects include an improvement to real property, facilities or equipment that increases a building's structural resiliency for seismic events, improves indoor air quality, improves wind or fire resistance, improves stormwater quality or reduces on-site or off-site risk of flash flooding, improves or enhances the ability of a building to withstand an electrical outage, reduces or mitigates the urban heat island effect or the effects of extreme heat, or reduces any other environmental hazard identified by the Colorado Department of Public Health and the Environment. A Resiliency Project must be evidenced by the opinion of a licensed professional in the field of resiliency projects and approved by the Program.

EMBODIED CARBON IMPROVEMENTS

C.R.S. § 32-20-103(4.5) defines "Embodied carbon improvement[s]" as "one or more installations or modifications to real property using eligible materials, as defined in section 24-92-118 (2)(b), that result in the reduction of the installation's or modification's embodied emissions as established in policies created by the Colorado Energy Office, created in section 24-38.5-101, and in consultation with the Office of the State Architect."

Embodied emissions, also known as embodied carbon, are defined as the greenhouse gas emissions arising from the manufacturing, transportation, installation, maintenance, and disposal of building and infrastructure materials as attributed to the life-cycle assessment (LCA) modules defined in ISO 21930: A, B1-B5, C, and D. Embodied carbon is reported in units of global warming potential (GWP), measured in kilograms of CO₂-equivalent.

³ "Community solar garden" means a solar electric generation facility with a nameplate rating of two megawatts or less and located in or near a community served by a qualifying retail utility where the beneficial use of the electricity generated by the facility belongs to the subscribers to the community solar garden. There shall be at least ten subscribers. The owner of the community solar garden may be the qualifying retail utility or any other for-profit or nonprofit entity or organization, including a subscriber organization that contracts to sell the output from the community solar garden to the qualifying retail utility. A community solar garden shall be deemed to be "located on the site of customer facilities."

⁴ Through a qualified community location, as defined in section 30-20-602 (4.3), C.R.S., enacted by Senate Bill 10-100 which passed in 2010. "Qualified community location" means: (a) If the affected local electric utility is not an investor-owned utility, an off-site location of a renewable energy improvement that: (I) Is wholly owned, through either an undivided or a fractional interest, by the owner or owners of the residential or commercial building or buildings that are directly benefited by the renewable energy improvement; (II) Provides energy as a direct credit on the owner's utility bill; and (III) Is an encumbrance on the property specifically benefited. (b) If the affected local electric utility is an investor-owned utility, a community solar garden, as that term is defined in section 40-2-127 (2), C.R.S. If House Bill 10-1342 does not take effect, there shall be no qualified community locations in the service territories of investor-owned utilities.

Projects may become eligible for financing of embodied carbon improvements via one of two pathways: 1) Material Pathway or 2) Whole-building Pathway. Detailed eligibility criteria, methodologies, and reference thresholds for both pathways are provided in Appendix A.

ENERGY SAVINGS REQUIREMENT

Under the C-PACE Statute, energy improvements may be financed under the program provided they are designed to reduce energy consumption or add energy produced from renewable energy sources. There is no statutory requirement that projects generate positive cash flow based on utility cost savings. This means that if the District is satisfied that a project is designed to reduce energy consumption or add energy produced from renewable energy sources, this statutory requirement will be satisfied.

While the statute does not require a demonstration of a savings-to-investment ratio (SIR) greater than one, the District encourages projects with SIRs greater than one because:

- Capital providers look favorably on projects that demonstrate positive cash flow;
- Mortgage holders are more likely to consent to the imposition of the senior C-PACE lien for projects that show positive cash flow;
- In general, the higher the SIR, the greater the environmental benefits of the project, helping to implement the goals for the Program set forth in the C-PACE Statute.

The SIR is calculated as the ratio of the total projected energy and water utility cost savings over the lifetime of the measures, divided by the total cost of the measures, including all fees and interest charges. For new construction, the energy savings should be calculated as the incremental energy savings gained above the determined minimum requirements specified in the new construction section of this document.

BENEFICIAL ELECTRIFICATION PROJECTS

Beneficial electrification (or strategic electrification) projects are projects that involve the replacement of systems involving direct fossil fuel use (e.g., natural gas, propane, heating oil) with systems using electricity only. Beneficial electrification projects provide a path to buildings and systems supplied with energy from renewable energy production sources as opposed to energy production sources or systems that rely on fossil fuel use, resulting in overall emission reduction.

While beneficial electrification provides a new approach to the energy sector that looks at energy consumption across the economy, these projects may not provide a reduction in energy consumption or utility cost savings when viewed at an individual improvement level due to the relative costs of electricity consumption charges, demand charges, and fossil fuel costs.

If a beneficial electrification project is the only improvement being considered, it is subject to the C-PACE statutory requirements and must demonstrate a reduction in energy consumption or an energy cost savings to be eligible. If beneficial electrification represents one of a number of improvements, if the overall project (all improvements collectively) demonstrates a reduction in energy consumption or an energy cost savings, the electrification measure is eligible as part of the portfolio of improvements.

RETROACTIVE FINANCING

Retroactive project financing enables an eligible property owner that has recently completed a new construction project or gut rehabilitation project to finance these projects through the C-PACE program. Retroactive financing is also available for existing building retrofit projects (subject to the limitation discussed in additional detail below). For purposes of this program guide, a “gut rehabilitation” project shall be defined as a project that involves the removal and replacement of all interior (nonstructural) systems, equipment, components or features of a structure, whereby the existing structure will be reduced down to the basic structure or exterior shell (e.g., the foundation system; exterior walls; roofs; and interior structural components such as columns, beams, floors, and structural bearing walls). Gut rehabilitation may also include structural or nonstructural modifications to the exterior of the structure. Moreover, such projects require supporting documentation that the chief building official of the jurisdiction in which the project is located has issued a certificate of occupancy following completion of the project.

Each retroactive financing project is eligible for C-PACE financing up to a TATV tiers applicable to new construction (see page 26 below). In all cases where the TFA exceeds 40% of the TATV (but remains below 75% of TATV), written approval of the Program is required to memorialize the maximum eligible financing amount for the project.

In addition to new construction and gut-rehab projects, retroactive financing is available for existing building retrofit projects, with the limitation that the retroactively financed improvement(s) must be part of other eligible improvements planned to be financed through the C-PACE Program and the retroactively financed improvements must represent no more than 35% of the total project finance amount⁵.

Retroactive C-PACE financed projects are those projects that close C-PACE financing after the completion of the new construction project, gut rehabilitation project, or qualifying existing building retrofit project (as discussed in additional detail above). These retroactively-financed projects are subject to the same eligibility, technical and quality assurance review requirements associated with “traditional” C-PACE financed projects, including (without limitation) the development of a Project Eligibility Report complying with the requirements outlined in the Quality Assurance section of this program guide, mortgage holder consent, where applicable, and payment of all program participation fees.

Retroactive C-PACE financed projects are subject to the following additional criteria:

- Construction of the project or installation of the eligible improvements must have occurred

⁵ As an example of a retroactively financed retrofit improvement, consider an owner that would like to install a new solar PV system on their building, which costs \$750,000. They would like to include a prior roof replacement that was installed two and a half years ago that cost \$250,000 in the C-PACE financed amount. Since the roof replacement was completed less than three years ago, and the cost of the roof (\$250,000) represents less than 35% of the total finance amount (\$1,000,000), this roof replacement cost can be included in the total C-PACE finance amount.

within the three-year (36 month) period immediately preceding the date of submission of the applicant’s prequalification submission (PQS) form⁶;

- The term of the C-PACE financed project cannot exceed the weighted average of the effective useful life of the improvements being financed (up to 25 years), less the number of years since project construction completion;
- The District must be authorized to conduct the C-PACE program within the subject county at the time of the retroactive financing.

Retroactive financing projects are subject to the District’s standard program administration fee (PAF)⁷, with a minimum program administration fee of \$5,000 and maximum program administration fee of \$150,000, excluding any fees applicable for the District’s general counsel or special counsel legal services, which are billed on a case by case basis, where applicable. The PAF is determined based on total project finance amount.

Total Project / Financed Amount	PAF Structure
Up to \$5,000,000	2% of financed amount (min \$5,000, max \$100,000)
\$5,000,001 – \$20,000,000	Flat \$125,000
\$20,000,001+	Flat \$150,000

In addition, any property owner or capital provider initiating a retroactive project financing request shall be responsible for: (1) fees associated with the issuance of a new LPIG or substitute title product, as may be approved by the District; and (2) closing fees charged by Land Title. For calendar year 2026, Land Title’s closing fee has been set at \$600 per project closing for all projects with a total finance amount of \$20,000,000 or less. For projects with a total finance amount of \$20,000,001 and above, Land Title’s

⁶ The PQS form must be submitted within three years of the certificate of occupancy or time of construction completion for individual retrofit improvements.

⁷ The current program administration fee (PAF) of the Program is calculated as follows:

- PAF of two percent (2.0%) of the total project amount/financed amount for projects having a total finance amount of up to five million dollars (\$5,000,000), with a minimum PAF of five thousand dollars (\$5,000) and a maximum PAF of one hundred thousand dollars (\$100,000);
- PAF flat fee of one hundred twenty-five thousand dollars (\$125,000) for projects having a total finance amount between \$5,000,001 and \$20,000,000; and
- PAF flat fee of one hundred fifty thousand dollars (\$150,000) for projects having a total finance amount of \$20,000,001 and above.

closing fee is \$750 per project closing.

REFINANCING

Refinancing enables an eligible property owner that previously used the C-PACE program to finance eligible improvements to an existing building or new construction project to:

- Refinance the outstanding C-PACE assessment lien with the existing capital provider, establishing a new set of financing terms, e.g., lower interest rate or shorter finance term; or
- Refinance the outstanding C-PACE assessment lien with a different qualified capital provider.

If the refinancing is provided by the existing capital provider, an amendment to the existing Assessment and Financing Agreement (AFA) will be required (unless the existing capital provider requires a new AFA). If the refinancing is with a new capital provider a new AFA with the owner, new capital provider, and District will be required along with a release of the existing AFA (in accordance with the terms set forth therein). Refinancing is limited to restructuring the outstanding C-PACE assessment lien. In no event shall the property owner be authorized to finance any eligible improvements that were not included within the original project scope, unless the property owner separately applies for and satisfies all applicable financing criteria as set forth in this Program Guide.

Refinanced C-PACE projects are subject to the following additional criteria:

- Updated underwriting effort;
- Mortgage holder consent (from the financial institution(s) that originally provided consent and any new lien holders of record);
- If applicable, development of a new amortization schedule; provided, however, that the financing term may not exceed the weighted average of the effective useful life of the improvements being financed (up to 25 years), less the number of years since the commencement of the financing term in the existing AFA;
- The District must be authorized to conduct the C-PACE program within the subject County at the time of the refinancing;
- Processing of Release of Assessment Lien documentation (if a new capital provider is utilized) and payment of the District's lien release fee (reference the "C-PACE ASSESSMENT RELEASE" section of this Program Guide). The District's current lien release processing fee is \$1,250.

The District charges a one-time program administration fee of \$5,000 for project refinancing services, excluding any fees applicable for the District's general counsel or special counsel legal services. Such legal services shall be billed on a case-by-case basis, where applicable. In addition, any property owner or capital provider initiating a refinancing request shall be responsible for: (1) fees associated with the issuance of a new or updated LPIG or substitute title product, as may be approved by the District; and (2) closing fees charged by Land Title.

C-PACE PROCESS FLOW FOR EXISTING BUILDING RETROFITS

APPLICATION/PRE-QUALIFICATION SUBMISSION

When a property owner is ready to move forward with the program financing effort, the first step is for the property owner or his or her representative to submit an executed project Pre-Qualification Submission (PQS) form to the Program to confirm program eligibility. Once confirmed, the EDMD or Operations Manager will send a letter of eligibility to the owner and schedule a kickoff call with the owner(s) and project originator(s) to review the C-PACE process and the project scope. The call will conclude with an outline of next steps so that all parties understand their responsibilities in the C-PACE process.

PROJECT DEVELOPMENT

Energy Feasibility Study / Energy Audit Report. Colorado C-PACE transactions require an energy audit, as more specifically outlined in the Quality Assurance section of this Program Guide. Contractors develop the scope of work and perform analysis with supporting documentation (contractors and developers must be registered with the program) to model various project scenarios with the goal of selecting an optimum mix of eligible measures that meets the building owner's needs. The energy feasibility study or energy audit report submitted to the District must comply with all applicable standards (as set forth in this Program Guide) and must be acceptable to the Program. The Program reserves the right to request updates, corrections or modifications to any energy feasibility study or energy audit report submitted, prior to memorializing final acceptance of the same. Once all parties agree on the optimized project, the Program Administrator will facilitate the completion of an Independent Third Party Review (ITPR) of the energy feasibility study / energy audit to confirm the report assumptions, baseline, projected energy savings, and estimated useful life (EUL) calculations. Please reference the ITPR subsection of the Quality Assurance section of this Program Guide.

Title commitment/title review. C.R.S. § 32-20-105(3) requires that each property owner submit with the application a commitment of title insurance issued by a duly licensed Colorado title insurance company dated within thirty (30) days before the date the application is submitted. In order to ensure compliance with this requirement, the EDMD or Operations Manager (or their designee) shall cause Land Title (by and through Old Republic National Title Insurance Company) to issue a commitment for a Limited Property Information Guarantee ("LPIG"). If the property owner seeks to utilize a title product other than the LPIG, the property owner must provide a copy of the commitment of title insurance for review and approval by the District's general counsel. Any substitute title product may be utilized only if approved in writing in advance by the Program (following review and approval by the District's general counsel).

The LPIG is a title product that serves two purposes: (1) it guarantees title being vested in a party or parties other than as shown in the LPIG; and (2) it guarantees the accuracy of recorded instruments which create monetary liens. In addition to providing liability coverage to both the District and the capital provider providing project-related financing, the LPIG commitment assists the Program with ensuring that mortgage holder consent is obtained from all applicable parties, as required by C.R.S. §

32-20-105(3)(i).

At project closing, the capital provider providing project financing is responsible to remit payment for the LPIG directly to Land Title or remit payment for the approved title product to the title company providing the same. Both the capital provider and the District shall be named as assureds on Schedule A of the LPIG. If a substitute title product has been approved by the District, the capital provider and the District shall be named as insureds on the same. The rate for LPIG issuance is based on a tiered pricing structure. The current rate structure for the LPIG title product is available in the [Resources](#) section of the Colorado C-PACE Program [website](#).

MORTGAGE HOLDER CONSENT

C.R.S. § 32-20-105(3)(i) requires that all holders of existing mortgages/deed of trust liens against the property be notified of the proposed C-PACE transaction and further requires that each mortgage holder consent to the recording of the special assessment lien. Written consent must be given before the Program Administrator will authorize the closing of the transaction. As such, the District shall cause a commitment for LPIG coverage to be issued on each project (see section immediately above). In parallel with the project development efforts, the Program may assist the property owner in discussion with the mortgage holder to introduce the C-PACE program and proposed project and prepare mortgage holder consent documentation for review and delivery by the owner to the mortgage holder with a request to discuss the financial merits of the project.

PROJECT FINANCING AND THE PRELIMINARY ASSESSING RESOLUTION

The Preliminary Assessing Resolution (PAR) is developed by the District for consideration and approval by the District when all parties (building owner, developer/contractor, capital provider, and District) agree that the project and related supporting documentation meet eligibility requirements and may be approved by the District. The PAR will include the final draft of the special assessment roll associated with the project. The PAR will be approved by the District for projects that: (i) have a program application approved by the Program Administrator; (ii) have the fully executed mortgage holder consent(s) required by C.R.S. § 32-20-105(3)(i) on file with the District and the Program Administrator; (iii) comply with all applicable provisions of this Program Guide; and (iv) otherwise comply with all applicable provisions of the C-PACE Statute. Following approval of the PAR by the District, the District will finalize and send a notice of assessment (notice of adoption of PAR) (“Notice of Assessment”) in accordance with Colorado law.

With a capital provider selected, the owner and capital provider execute the program Assessment and Financing Agreement (AFA). This document is standard for all Colorado C-PACE-financed projects, while allowing the capital provider to tailor the agreement for each project within specific bracketed sections and in the form of Schedule II within the AFA template. The capital provider may request additional information from the building owner during this process to satisfy their specific underwriting criteria.

The Notice of Assessment will notify the property owner and each person or entity that has a lien against the property that will be subject to the special assessment lien of the District that the District will be proceeding to consider the adoption of a Final Assessing Resolution (FAR) in accordance with the provisions of C.R.S. § 32-20-106(3)(c).

In the event that the District or Program Administrator delivers notices to ownership and other entities, conducts project technical review, schedules a project closing, and/or approves the Final Assessing Resolution (FAR) for the project, but the C-PACE funding is canceled by the lender or borrower or the project does not fund/close the District may require (1) the full amount of the program administration fee to be paid to the District as referenced within the amortization schedule of the FAR; or (2) a prorated amount of the program administration fee to be paid to the District, based on the work/services performed by the District, the Program Administrator, and their respective employees, contractors or consultants on the project.

FINAL ASSESSING RESOLUTION

Following issuance of the PAR the District will prepare the Final Assessing Resolution to close out the project. Prior to the closing, the fully executed original copy of the AFA and an electronic copy shall be submitted to the Program Administrator or the Program Administrator's designee. In addition, the original fully executed mortgage holder consent must be on file with the Program Administrator or the Program Administrator's designee as well as an electronic copy. When the Program Administrator has received the executed and notarized AFA and determined that all statutory and program requirements have been met, the Program Administrator will notify the building owner and the qualified capital provider that the closing can proceed, subject to the District's approval of the FAR.

The lien package documents consist of the mortgage holder consent (if and as required), the AFA, and the FAR. From and after the date of recording of the lien package documents (inclusive of the FAR), which shall include the final assessment roll adopted pursuant to C.R.S. § 32-20-107(2), the special assessment of the District, together with all interest thereon, penalties for default in the payment thereof, and associated collection costs, shall constitute a perpetual lien against the subject property in the amount set forth above in accordance with C.R.S. § 32-20-107

RECORDING AND ASSIGNMENT

Once the Program has received the executed documents and confirmed that all closing conditions have been met, general counsel for the District will authorize Land Title Guarantee Company (Land Title) to record the special assessment lien in the real property records of the County in which the project is located. The capital provider shall be responsible for payment of all recording fees for the mortgage holder consent, AFA, FAR, and other documents that the capital provider may elect to have recorded as part of the closing, including but not limited to a disbursing notice. The amount of the recording fees will be communicated to the capital provider by the District or Land Title.

In addition, the capital provider shall be responsible for: (1) fees associated with the issuance of the Limited Property Information Guarantee (LPIG) or substitute title product, if approved by the District; and (2) closing fees charged by Land Title.

Following recording of the lien package, Land Title will cause a copy of the recorded lien package to be provided to the capital provider, which serves as confirmation of lien placement, triggering the release of funds in conjunction with the negotiated funds disbursement schedule or project disbursement agreement. In addition, and as applicable, Land Title will cause the LPIG to be issued to the capital provider and the District.

CONSTRUCTION/DISBURSEMENT

The capital provider is responsible for managing the disbursements of the financing during construction per the terms of the AFA. The property owner should refer to the AFA to understand the capital provider's requirements for periodic inspections, progress payments, and change orders.

CONSTRUCTION COMPLETION – COMPLETION CERTIFICATE

The property owner should review the AFA to determine the process the capital provider and the District will require to memorialize the completion of the construction phase of the project.

Upon disbursement of all financing and completion of installation of qualifying improvements financed, the Capital Provider must submit a Completion Certificate(s) to the District, in the form required by the AFA. The Certificate(s) must confirm that all qualifying improvements have been installed. Failure to submit the Completion Certificate(s) within the specified timeframe may result in the District charging the Capital Provider a daily fee or declining to process new project applications until the Completion Certificate(s) are received and on file with the District.

SERVICING/REPAYMENT

Loans financed under the C-PACE program are repaid via special assessments included on the property tax bill. While property owners will find the C-PACE assessment as a separate line item, the payment will be made with property taxes and any other applicable special assessments. Property owners whose mortgage lenders require taxes to be escrowed should expect that the escrow amount will increase to include the C-PACE payments. Owners should be aware that a failure to make a payment on a C-PACE assessment will give rise to the same consequences as a failure to pay property taxes, including but not limited to the accrual of penalty interest and fees as well as a tax sale to recover the amount owed.

PROGRESS PAYMENTS

For larger projects or those that will be constructed in phases, some capital providers may require disbursements to be made over time, subject to reaching certain milestones. In such cases, the capital provider will specify the documents and certifications required.

QUALITY ASSURANCE REVIEW REQUIREMENTS

ENERGY AUDIT REQUIREMENTS

As a condition of financing, the District requires all projects to provide an energy audit or energy feasibility analysis to be completed by a qualified firm, with experience reviewing the eligible qualifying improvements. Qualified professional must have one of the following certifications:

1. American Society of Heating, Refrigeration, and Air-Conditioning Engineers (“ASHRAE”)
 - a. Building Energy Assessment Professional (“BEAP”)
 - b. Building Energy Modeling Professional (“BEMP”)
2. Association of Energy Engineers (“AEE”)
 - a. Certified Energy Manager (“CEM”)
 - b. Certified Energy Auditor (“CEA”)
3. Building Performance Institute Energy Auditor
4. North American Board of Certified Energy Practitioners
5. Professional Engineer (“PE”) or Licensed Architect under professional regulation or similar licensing boards in the United States.
6. Or a qualified assessment by an equivalent agency, with provided justification

The energy audit or energy feasibility analysis must demonstrate the following criteria:

1. Confirmation that the improvements were reviewed by a qualified professional, as noted above.
2. That the improvements installed or proposed to be installed:
 - a. Each constitute “new energy improvement” as that term is defined in C.R.S. § 32-20-103(7)
 - b. Will reduce energy consumption of or add energy produced from renewable energy sources to any portion of the eligible property, and
 - c. Evidence that the qualified improvement(s) will meet or exceed the applicable IECC code requirements, as applicable.
3. Individual estimated useful life (EUL) determinations for all eligible improvements.
4. Individual hard cost estimates for all eligible improvements.
5. An accounting of soft costs attributable to the project, if any.

In general, the Program requires the following documentation to support the technical aspects of the proposed project:

Baseline (all projects)

- A minimum of 12 months of recent utility data for all energy types involved with the measures
- A minimum of two recent utility bills to verify rate schedules (one for summer, one for winter)
- Modeled baseline values (when not utility-bill based)

Solar PV Projects

- Solar PV project proposal
- PV system analysis (estimated annual electricity production and cost savings)
- One-line schematic of PV system design and interconnection
- PV and inverter specifications (cut sheets)
- Solar PV system, including inverter(s), unit pricing
- Extended inverter warranty costs to cover solar PV panels' effective useful life (EUL) (typically 25 years)
- Rebate/incentive documentation (i.e., EnergySmart, SolarRewards), if applicable
- ITC/MACRS eligibility
- Items needed before project closing (these do not need to be submitted for the economic evaluation of the system):
 - For roof-mounted systems:
 - A written professional opinion from a roof specialist regarding roof condition and an estimate of its remaining useful life
 - A written professional opinion from a structural engineer regarding the ability of the existing structure to support the solar PV system under wind and snow loading conditions
 - Shading study
 - Draft construction schedule

Energy Efficiency and Water Conservation Projects

- Energy audit report – for projects involving multiple energy efficiency or water conservation improvements, include at a minimum building description, baseline consumption and cost, and measure-level descriptions, costs, and savings projections;
- For like-for-like replacement projects, an energy audit and report are not required; instead for each like-for-like improvement, submit measure-level descriptions, costs, and savings projections;
- Equipment specifications (cut sheets);
- Rebate/incentive documentation (i.e., utility incentives);
- Draft construction schedule;

Resiliency Projects

For resiliency projects, the project must be determined to be appropriate by the Program Administrator through a feasibility study conducted by a licensed professional in the relevant field of the resiliency project. For example:

- An architect registered pursuant to the Colorado Revised Statutes;
- A landscape architect registered pursuant to Colorado Revised Statutes;
- A professional engineer licensed pursuant to Colorado Revised Statutes;
- An environmental health specialist that has a certificate of registration pursuant to Colorado Revised Statutes;
- A land use planner certified by the American Institute of Certified Planners;
- Other licensed professionals applicable to a specific resiliency project.

Embodied Carbon Projects

Material Pathway

If pursuing the Material Pathway, submit qualifying environmental product declarations (EPDs) for any material or components to be financed, and demonstrate that this material or component has a global warming potential (GWP) lower than the limits established by the program administrator.

Qualifying EPD's:

EPDs submitted for compliance with the Material Pathway must be Type III (compliant with ISO 14025, EN 15804, or ISO 21930) and product and facility-specific (covering a specific product from a specific facility).

For emerging low-embodied-carbon products that do not yet have a Type III EPD, program guidelines may, for a limited introductory period (e.g., up to 24 months from the start of commercial production), accept an independently verified, product-specific LCA in lieu of a standard EPD, provided that the LCA is prepared to ISO 14040/14044 and ISO 21930 or EN 15804 standards, and includes modules A1–A3. This measure is intended to provide a compliance pathway for emerging low embodied carbon building products.

Whole-building Pathway

If pursuing the Whole-building Pathway, developers must include the following in their technical submission:

- Whole-building ECI, in units of kilograms of carbon dioxide equivalent per meter squared (kg CO_{2,e}/m²) of GIFA
- Name and version of software used to conduct the whole-building life-cycle assessment (WBLCA), if applicable
- Physical scope boundary (structure and enclosure)
- Life-cycle module scope boundary (A1–A3 + A4-A5 + B4 + B5 + C2–C4)
- Full tabular WBLCA results showing material quantities and embodied carbon for each material and assumptions regarding process emissions modeled in Modules A4,A5, B4,B5, and C2-C4.
- Itemized construction budget identifying the total structure and enclosure hard costs.

Where a project team has already prepared WBLCA documentation to comply with another embodied carbon certification or mandatory policy, such as Leadership in Energy and Environmental Design (LEED) or CALGreen, the program administrator may accept this documentation at their discretion, provided that this analysis is conducted using the same physical scope and life-cycle module scope boundaries.

New Construction

- Itemized construction budget and summary of all associated soft costs and proposed financing costs for the proposed project, in a form acceptable to the Operations Manager/Program Administrator to document total finance amount (TFA).
- Energy code compliance documentation must correspond to the applicable TATV tier being sought, as follows:

TATV Tier	Option 1 — Required Documentation	Option 2 — Required Documentation
15%	Documentation that the project complies with all applicable energy performance standards of the 2018 IECC	N/A
30%	Documentation that the project exceeds 2018 IECC energy performance standards by at least 5%	Documentation of 2018 IECC compliance + inclusion of additional qualifying improvement(s) from one or more of the following categories in the project: water conservation, resilience, renewable energy, or embodied carbon improvements (either material pathway <u>or</u> whole-building pathway)
35%	Documentation that the project complies with all applicable energy performance standards of the 2021 IECC	N/A
40%	Documentation that the project exceeds 2021 IECC energy performance standards by at least 5%	Documentation of 2021 IECC compliance + inclusion of additional qualifying improvement(s) from one or more of the following categories in the project: water conservation, resilience, renewable energy, or embodied carbon improvements (either material pathway <u>or</u> whole-building pathway)

Projects that demonstrate compliance with state and enhanced energy performance standards such as

2024 IECC, the Colorado Model Electric Ready and Solar Ready Code, or the Colorado Model Low Energy and Carbon Code, or incorporate embodied carbon improvements (either through a material pathway or a whole-building pathway), may qualify for higher TATV tiers. In all cases where the applicable TFA exceeds 40% TATV, written Program approval is required to document the maximum eligible financing amount. In no cases may the TFA exceed 75% TATV.

INDEPENDENT THIRD PARTY REVIEW (ITPR)

Once the required energy audit or energy feasibility analysis is completed and filed of record with the District, the District will obtain an ITPR report from a licensed engineer in the State of Colorado in good standing (“ITPR Report”). A list of preferred engineering firms or individuals authorized to provide ITPR Reports is available upon request. All costs associated with an ITPR Report shall be assumed by the property owner or Capital Provider, and as an eligible soft cost associated with the C-PACE financing.

The main purposes of the ITPR Report are to: (1) validate the assumptions, baselines, projected energy savings, EUL projections and other data presented in the energy audit or energy feasibility analysis presented to the Program ; and (2) confirm that the proposed use of C-PACE financing for the qualifying improvements will ensure the efficient use of Program funding, as required by C.R.S. § 32-20-105(3)(d).

1. An ITPR Report is required for all projects seeking total C-PACE financing of five hundred thousand dollars (\$500,000) or more,
2. This requirement may be waived on a case-by-case basis for projects below (\$5,000,000) by the Program.

NEW CONSTRUCTION

Colorado C-PACE provides a compelling financing opportunity for new construction projects. The unique structure can unlock capital that enables a developer to include energy efficient equipment and other measures or design features that are often “value engineered” out of a project, leading to better building performance. Even better, C-PACE may reduce the developer’s equity contribution or need for other types of high-cost financing, thereby reducing the weighted average cost of capital.

Unlike retrofits to existing properties where the savings from energy and water efficiency improvements can be demonstrated by referencing pre-improvement baseline consumption data, new construction has no baseline against which to measure improvements. Thus, the District has designed a separate process for new construction projects⁸.

In no instance may the C-PACE Total Finance Amount (TFA) exceed the lesser of the TFA or the applicable TATV tier (as shown on page 26 above). In all cases where the applicable TFA exceeds 40% TATV, written Program approval is required to document the maximum eligible financing amount. In no cases may the TFA exceed 75% TATV. For all C-PACE Projects, the value of the Eligible Property is determined based on either the current actual value of the Eligible Property (as determined by the applicable County Assessor), the as-constructed value of the Eligible Property, the appraised value of the Eligible Property as supported by a recent appraisal (completed not more than six months prior to the Program application), or the as-stabilized appraised value for an Eligible Property which may include the enhanced value of the Eligible Property resulting from the installation of the Eligible Improvements being financed through the C-PACE assessment. The “as-stabilized” value appraisal must assume normalized operating expenses and market-average occupancy rates for the asset class and be in a form acceptable to the QCP and the Program.

Once an application is received, the Program will coordinate with the project developer, property owner, utility, engineering/construction firm and/or energy modeling firm, depending on how a particular project will proceed. The purpose of this coordination will be to understand the project, review C-PACE requirements (particularly with respect to dynamic building energy simulation modeling) and ensure consistency with potential utility incentives or design assistance programs.

If the design includes a renewable energy system such as solar PV, the renewable energy system’s impact on building energy performance is excluded from the energy savings analysis. Such systems will be evaluated separately by the Program and the total installed cost of the renewable energy system added to the eligible new construction C-PACE financing amount.

The maximum C-PACE finance amount eligible for a particular project will be determined by the Program.

In view of the significant time that may elapse during new construction projects between the time that

⁸ This is also the case where an abandoned building is being rehabilitated or a building is being fundamentally repurposed. Consequently, such rehabilitation or repurposing can be treated the same as new construction for the purposes of C-PACE.

building simulation modeling is performed and the time that technical review for C-PACE financing eligibility takes place, it is possible that local building energy codes and/or C-PACE technical program guidance may change.

To avoid the additional time and cost to re-engineer projects, including recreating an energy model comparing the as-designed building to 2018 IECC or higher, e.g. 2021 IECC, if local energy codes so require, and causing further delay to the project, the Program will remain flexible to evaluate the project under the criteria that existed at the time the engineering and modeling was completed.

Additionally, given longer construction periods and the need for these projects to stabilize financially, new construction projects may be financed incorporating an interest-only period. The interest-only period, combined with the capitalized interest period, may not exceed 36 months.

While the interest-only period is only applicable to new construction projects, gut-rehabilitation projects or projects involving the repurposing of buildings may also utilize this financial approach if they are pursuing the new construction technical compliance path.

The provisions of the C-PACE Process Flow outlined in this Program Guide above apply to new construction projects.

PAYMENT PROCESS

HOW FUNDS ARE COLLECTED

Repayment of C-PACE assessment financing is made via payments on the property tax bill. While property owners will find that the C-PACE assessment appears as a separate line item on the bill, the payment is made with property taxes and any other special assessments. Property owners whose mortgage lenders require taxes to be escrowed should expect that these lenders will increase the escrow amount to include C-PACE payments.

C-PACE payments follow the same payment schedule as other property taxes and special assessments; that being the option of a bi-annual payment structure with the 1st payment due on the last day of February and the 2nd payment due June 15th of each year, or the annual full payment scheduled on April 30th of each year.

HOW FUNDS ARE DISBURSED TO CAPITAL PROVIDERS

Each county that participates in C-PACE collects the C-PACE assessments from participating property owners via Colorado's property tax collection system and remits C-PACE assessments to the District (or its designated fiduciary) for ultimate distribution to capital providers. The District or its designated fiduciary remits funds to the capital provider within ten (10) business days of receiving them from each participating county.

Consistent with C.R.S. § 39-10-107(1)(a), participating counties will distribute C-PACE special assessments to the District on the 10th day of the month immediately following the month in which the special assessment payments are received by the participating county. As set forth above, the District then makes best efforts to remit these payments to the capital provider within ten (10) business days. The key point to remember is that counties distribute funds to governmental units on the 10th of the month following the month in which funds are received, in accordance with Colorado law.

Considering a property owner following a bi-annual payment schedule, a capital provider may reasonably expect to receive the following payments each year:

- Installment one (property owner pays on February 28th, county receives payment in early March). Funds remitted by the county to the District on or about April 10th. Funds distributed by the District to the capital provider on or about April 20th.
- Installment two (property owner pays on June 15th, county receives payment in late June). Funds remitted by the county to the District on or about July 10th. Funds distributed by the District to the capital provider on or about July 20th.

DEFAULT AND EXERCISE OF REMEDIES

Property owners should be aware that any failure to make a payment on a C-PACE assessment will give rise to the same consequences as a failure to pay property taxes, including but not limited to penalty interest and fees as well as a tax sale to recover the amounts owed.

FINANCING STRUCTURE

Any qualified capital provider is eligible to provide C-PACE financing to property owners for qualified projects. The District maintains a [list of qualified capital providers](#) on the Colorado C-PACE program website. All capital providers must be approved by the District.

Participating property owners should become familiar with the following important features of C-PACE financing. The principal amount will be equal to all project costs that the property owner may choose to finance through the program, which may include costs associated with project implementation, such as permits, audit expenses, closing fees, and capitalized interest.

The rate of interest on the financing will be established by the capital provider. Interest rates can be fixed or variable. If a variable interest rate is utilized, the capital provider will provide the variable interest rate schedule details in the Assessment and Financing Agreement.

Depending on the date that a project financing closes, it may not be possible to place the special assessment on the property tax bill until the following tax roll cycle. When such delay occurs, the interest payments that the property owner would have paid in the first tax year are capitalized in the principal amount.

FINANCING TERM

The recommended maximum finance term is based on the weighted average effective useful life of the approved energy efficiency, renewable energy, resilience, water efficiency or embodied carbon improvements as determined by the program after a review of the energy audit/feasibility study, not to exceed 25 years. Determination of the weighted average effective useful life for the project is calculated using the greater of the cost and savings weighted averages of the improvements. All costs associated with embodied carbon improvements are deemed to have an estimated useful life of 25 years by default, unless a specific material or component has a known service life which is less than 25 years. For new construction projects, the maximum financing term for the “project” is 25 years.

SECURITY

C-PACE project financing is secured by a special assessment and corresponding lien on the subject property. This lien is senior to all commercial liens, even if filed earlier in time, including mortgages and deeds of trust. It is equal (*pari passu*) in priority to other special assessments on the property and junior to general tax liens.

UNDERWRITING STANDARDS

The District does not establish the underwriting requirements for C-PACE financing. Rather, each qualified capital provider (QCP) uses its own underwriting criteria. Nevertheless, experience has shown the following to be typical of the underwriting standards used nationwide by QCPs:

- QCPs may employ their own assessment to value or TATV values as part of standard underwriting. The denominator value (total value of subject property) may be established either as (a) the assessed value of the property (as determined by the county treasurer), (b) its appraised value, as supported by a recent appraisal (typically not to exceed 6 months), or (c) other appraisal methodology acceptable to the QCP. In options (b) and (c), the property's value may include the enhanced value of the property resulting from the installation of the energy improvements being financed. Separately, the C-PACE Total Finance Amount (TFA) shall not exceed the lesser of the TFA or the applicable TATV tiers set forth in this Program Guide.
- The property owner has been current on its property tax and assessment payments with respect to the property for at least three years.
- The property owner must not have any involuntary liens, defaults, or judgments applicable to the subject property. A property owner may be able to participate if he or she can demonstrate that there is an acceptable reason for the lien, default, or judgment and provide supporting documentation.
- The property owner(s) or their affiliated companies have not been a debtor in a bankruptcy proceeding during the past seven years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding.
- The cash flow generated by the property during the past 12 months exceeds 1.25 times the sum of the amount of the annual assessment plus any interest expense associated with any mortgage debt for the past 12 months.

For existing building retrofit projects where there is no mortgage on the property or construction lender involved to underwrite the transaction and provide consent for C-PACE financing, or for any other project that the Program determines should be subject to this requirement, following a review of the project pre-qualification submission, the District shall require an appraisal to establish the C-PACE assessment lien to property value percentage. Such appraisal shall have been conducted by a qualified appraiser⁹ within twelve months of the C-PACE project pre-qualification submission to the Program Administrator. The C-PACE assessment lien to value percentage shall not exceed 25% on such existing building retrofit projects. This appraisal requirement may be waived with a written waiver to include an explanation of the alternative means used to confirm the property's valuation.

⁹ The certified general appraiser shall be able to demonstrate competency related to the valuation of buildings that include energy efficiency improvements, as demonstrated by past appraisal reports, association with an appraisal firm that has demonstrated competency in appraising energy efficient properties, or proof of completion of related industry-approved courses, such as those taught by the Appraisal Institute or other accredited educational providers.

FINANCING COSTS AND INTEREST RATES

The applicable interest rate and fees are set by the capital provider.

MORTGAGE HOLDER CONSENT

The C-PACE Statute at C.R.S. § 32-20-105(3)(i) requires that property owners receive the consent of all holders of mortgages or deeds of trust on the property prior to the imposition of the C-PACE assessment lien, which is senior in priority to all commercial mortgages on the property.

TRANSFER OR RESALE OF THE SUBJECT PROPERTY

If the property is sold prior to the end of the agreed-upon special assessment period, the new owner will assume the C-PACE assessment obligation, unless otherwise negotiated. Ownership of any authorized improvements on the subject property will transfer to the new owner at the close of the real estate sale. Authorized improvements financed through the program may not be removed from the property until the C-PACE assessment has been fully repaid. In connection with any sale, program participants agree to make all legally required disclosures about the existence of the special C-PACE assessment lien on the property.

OTHER ASSESSMENT TERMS AND CONDITIONS

It is expected that qualified capital providers will require owners to sign off on yield maintenance, or prepayment fees, to protect their investment. Any such arrangement is between the property owner and the project investor.

PROGRAM ADMINISTRATION

The Colorado C-PACE Program is provided and administered by two full time staff, the EDMD and OM who work under the direction of the District. The District routinely contracts with industry leading third party contractors or other vendors for program administration needs.

PROGRAM REQUIREMENTS

This section outlines the guidelines that govern all participants in the Colorado C-PACE program. Participants agree to adhere to the terms and conditions of the Program. There is no upper limit on the amount that may be financed through a qualifying C-PACE financing, subject to the requirement that in no case may the TFA exceed 75% TATV.

PARTICIPATION IN REBATE/INCENTIVE PROGRAMS

The Colorado C-PACE program encourages property owners to pursue all available federal investment tax credits, utility rebates, and incentive programs. Rebates and incentive programs provide participants with cash payments or tax credits for implementing energy efficiency, renewable energy and water conservation improvements, thereby either increasing annual cash flows or reducing overall project costs and the total amount the owner will need to finance. Rebate and incentive programs can also act as a third-party check on the validity of the proposed energy improvements and the projected energy savings, thereby increasing investor confidence in the projected energy and cost savings.

PROGRAM PARTICIPATION FEE

The Colorado C-PACE program is self-financed through fees charged to participating property owners. These fees cover the recurring costs to administer the program. A one-time program administration fee (PAF)¹⁰ is applied to each financed project. This fee is typically included in the total financed amount and is only due in the case of successful project financing. In addition, capital providers will be responsible for all recording fees related to the lien package (mortgage holder consent, AFA and Final Assessing Resolution), and recording fees related to any subsequent assignment of the AFA. The NEID, or its designated fiduciary, will provide an invoice to the capital provider in advance of the scheduled project closing for the program administration fee, recording fees, and general counsel/special counsel legal fees (if applicable).

The District charges a minimum program administration fee (PAF) of \$5,000 for each unit of eligible real property assessed. In the event that the project involves multiple eligible units of real property to be assessed, please contact the Program to confirm the PAF.

If revisions are requested to the program form documents, e.g., the form Mortgage Holder Consent

¹⁰ See note vii. above.

document, the form Assessment and Financing Agreement, or other standard documents, capital providers will be responsible to reimburse the District for the District’s general counsel or special counsel legal fees. Generally, these fees will not exceed \$7,500 per project.

Receipt of all applicable fees charged by the District (program administration fee, general counsel/special counsel legal fees, LTGC closing fees) must be confirmed by the District prior to the District authorizing recording of the lien package.

ADMINISTRATIVE COLLECTION FEE – ANNUAL SPECIAL ASSESSMENT ROLL

Each year the District is required to prepare a Certified Special Assessment Roll (CSAR) that includes the:

- Name, address and Tax ID of each unit of eligible real property assessed
- Total amount of special assessment
- Amount due of each installment of principal and interest.

and the District is further required to deliver the CSAR to the treasurer of each county in which the District has assessed eligible real property.

As the District incurs ongoing administrative costs associated with the special assessment collection and remittance process, it has elected to impose an annual Collection Fee on all projects to offset these administrative costs. The Collection Fee shall be included in the amortization schedule included in both the Assessment & Financing Agreement (AFA) and Final Assessing Resolution (FAR). The District’s current Collection Fee is set forth in the table below.

Total project amount / financing amount	Collection fee (annual)
Up to \$5,000,000	\$750
\$5,000,001 – \$20,000,000	\$1,000
\$20,000,001+	\$2,500

C-PACE ASSESSMENT RELEASE

Once a C-PACE assessment is certified on the tax roll, the C-PACE assessment must be paid by the property owner to the county in which the property is located in accordance with the agreed-upon amortization schedule for that tax year, as set forth in the Assessment & Financing Agreement (AFA) and Final Assessing Resolution (FAR). If the property owner intends to prepay or otherwise pay in full all other amounts due under the AFA and FAR (“Assessment Lien”), the Program Administrator must be notified by the owner and/or capital provider as soon as possible in order that the owner, capital provider and the District may review and agree upon the proper payoff amounts and confirm the process to finalize, approve and record the proper Release of Assessment Lien documentation (“Release”). The Release must be in the form available at the following link, as may be amended from

time to time: <https://coloradocpace.com/resources/>

Since the C-PACE assessment will still need to be paid by the property owner for the year in which the Release is to be requested and processed, the payoff statement should reflect the payment of the C-PACE assessment to the county for the year in which the Release is to be processed, and the property owner will remain responsible to pay the C-PACE assessment amount for the current year at the same time as property taxes are due as required by the AFA.

Once the property owner has paid all amounts due to the capital provider, the capital provider shall execute the Release and provide a copy of the Release to the District for execution. Upon execution of the Release by the District, the District will cause a copy of the fully executed Release to be recorded in the real property records of the county in which the property subject to the Assessment Lien is located. A one-time fee to cover administrative and legal expenses of the District associated with processing and recording the Release will apply and must be paid in full and received by the District prior to the District authorizing recordation of the Release. The one-time fee includes the recording fees associated with recording the Release in the county real property records. The District's current lien release fee (effective March 1, 2026) is \$1,250.

BUILDING OWNER PARTICIPATION AND PROCESS

Colorado C-PACE is an innovative financing program that provides owners of commercial, industrial, nonprofit, and multifamily (with five or more units) properties with financing for the installation of energy efficiency, water conservation, renewable energy and resiliency improvements.

BENEFITS

Building owners often lack the capital they need to pay for energy improvements, which means many projects never get off the ground. By providing up to 100 percent, long-term project financing, C-PACE helps building owners lower their operating costs and improve the value of their asset. C-PACE:

- Requires no upfront, out-of-pocket costs;
- Is long-term (terms can extend up to 25 years);
- Is non-recourse and typically requires no personal guarantees;
- Lowers energy or water costs or improves resiliency;
- May generate positive cash flow and improve net operating income;
- May increase the value of the property;
- Repayment obligation can transfer to the next owner if the building is sold.

ELIGIBILITY

Anyone who owns an eligible commercial, industrial, agricultural, or multifamily building located in a [participating county](#) is eligible for C-PACE financing. Owners of nonprofits, e.g., houses of worship and private schools and universities, are also eligible. Buildings owned by state and local government agencies (public buildings) are eligible as well, although applications from such entities will be reviewed by attorneys for both the NEID and the local agency or government entity to ensure that the building ownership and C-PACE financing do not trigger Colorado's Taxpayer Bill of Rights (TABOR).

PROCESS

To get started, building owners can work with the [registered contractor](#) or [C-PACE project developer](#) of their choice to discuss the project and collaborate on the Project Pre-qualification Submission form. Once the project is approved, building owners can use the [qualified capital provider](#) of their choice, or ask the Program Administrator to solicit terms from qualified capital providers so the building owner can choose the best option for them.

Note that the principal amount will be equal to all project costs that the property owner may choose to finance through the program, which may include costs associated with project implementation such as permits, audit expenses, closing fees, and capitalized interest.

The rate of interest on the financing will be established by the project's selected capital provider. Depending on the date that a project financing is closed, it may not be possible to place the special assessment on the property tax bill until the following tax roll cycle. Where such delay occurs, the

interest payments that the property owner would have paid in the first tax year are capitalized in the principal amount.

Note also that the C-PACE program is funded by the program administration fee¹¹ paid by participating property owners. The program administration fee is typically included in the total amount financed.

The District charges a minimum program administration fee of \$5,000 for each unit of eligible real property assessed. In the event that the project involves multiple eligible units of real property to be assessed, the minimum program administration fee will be adjusted to ensure that the total program administration fee does not exceed the maximum PAF of \$150,000. Interest on a project begins accruing at the point that the first progress payment is made. To support their underwriting efforts, capital providers may request the following:

- A copy of the most recent mortgage statement and appraisal¹²;
- The current year (year-to-date) income/expense statement for the property;
- The previous two years' income/operating statements, statements of cash flows, and balance sheets for the property;
- The previous two years' audited (if available) income/operating statements, statements of cash flows, and balance sheets (audited or reviewed, if available) for the tenants' business;
- A table listing all tenants, their monthly (or annual) lease payments, the percentage of the building they occupy, and the end date of their existing leases;
- The previous year's federal tax returns if the property is planning to claim the value of the federal Investment Tax Credit or MACRS depreciation.

See C-PACE PROCESS FLOW FOR EXISTING BUILDING RETROFITS for a detailed description of the C-PACE process from start to finish.

¹¹ See note vii. above.

¹² For C-PACE projects where there is no mortgage holder or construction lender involved, the District shall require an updated certified appraisal to establish the C-PACE lien to value. This appraisal requirement can be waived if mutually agreed upon by both the District and the C-PACE capital provider.

CONTRACTOR PARTICIPATION AND PROCESS

The Colorado C-PACE program relies often on contractors to originate and develop energy efficiency, renewable energy, water conservation, resiliency, and embodied carbon projects. The program generally refers to firms developing C-PACE projects as contractors, including lighting contractors, solar contractors, envelope contractors, mechanical firms, structural engineering firms, architecture and design firms, service contractors, and energy and life-cycle assessment consulting firms. The program encourages contractors of different disciplines to collaborate and develop comprehensive projects that best serve the building owner's needs.

BENEFITS

Many building owners lack the capital they need to fund building improvements, which means many worthwhile energy efficiency, renewable energy, water conservation, resiliency, and embodied carbon projects never get off the ground. Contractors represent an integral link in the chain that makes C-PACE a successful program. C-PACE provides contractors with a compelling financing option they can offer building owners, which means contractors can close more deals and grow their business in the process. Registered Contractors also receive additional program benefits including a listing on the Colorado C-PACE contractor directory, co-branding rights, and access to training and program support.

ELIGIBILITY

Any firm that holds applicable state and local licenses is eligible to become a Colorado C-PACE-registered contractor. To be eligible for the Registered Contractor tier, all applicants must:

- Be licensed and in good standing in all Colorado jurisdictions where they conduct business
- Have legal authority to offer, sell, and/or install improvements that are permanently affixed to real property
- Comply with all applicable municipal, state, and federal laws and regulations

Note that by establishing contractor registration criteria, Colorado C-PACE is not recommending or endorsing any specific contractor or warranting the reliability of any such installer.

HOW TO REGISTER

Contractor applications are accepted on a rolling basis, and registering is a simple, two-step process. To become a Registered Contractor, a firm must complete an online application and participate in an onboarding training session, offered as either a monthly group webinar or a one-on-one call with the program team.

Once the Program Administrator confirms that a contractor is eligible to participate in the program, the firm is notified and listed in the Colorado C-PACE contractor directory. The District reserves the right to disqualify contractors if they are found to be in violation of any of the standards set forth in this Program Guide or for any other reason the Board of Directors of the District finds to be in violation of good practices of the program.

Contractors who are not yet registered but who have projects they wish to propose for C-PACE financing should contact the Program Administrator, submit the project for pre-screening, and register for the next available contractor training event. Simultaneous registration and project pre-screening ensure that there are no delays to the project.

PROCESS

Once contractors are registered, they will work with the Program to:

- Select and prequalify buildings;
- Perform preliminary project scoping;
- Prepare proposals and review them with the building owner;
- Develop and optimize project scenarios;
- Conduct project quality assurance reviews;
- Install energy improvements.

Note that contractors must obtain all necessary local and state building permits that are required by law to complete the proposed scope of work.

PROGRAM SUPPORT & TRAINING

Colorado C-PACE provides registered contractors with no-cost support and training resources to help them successfully originate and close C-PACE projects.

This includes a range of no-cost training opportunities for registered contractors. A training session covers program fundamentals, the project lifecycle, and how to originate and develop deals. In addition, the program offers ongoing training opportunities including quarterly program update webinars open to all registered contractors.

The program team is available to answer questions, provide guidance on program requirements, and assist contractors in navigating the C-PACE process. Contractors are encouraged to reach out to the program team at any stage of a project.

To maintain registered status, contractors must attend at least one training session or have one approved project within each 12-month period.

CAPITAL PROVIDER PARTICIPATION AND PROCESS

Colorado C-PACE is a voluntary program that enables building owners and real estate developers to modernize their building by installing eligible energy efficiency, renewable energy, water conservation, resiliency, and embodied carbon improvements with private finance. Funding is provided by qualified private capital providers (QCPs), also referred to as lenders, in an open-market model. This approach offers multiple financing options to building owners, enabling the program to achieve its mission of making financing for these types of projects accessible and affordable.

BENEFITS

C-PACE is a secure investment. The investment is secured by a special purpose assessment lien which is senior to all commercial mortgages and deeds of trust and is equal (*pari passu*) in priority to other special assessments on the property, and junior to general ad valorem property tax liens. As a result, QCPs who work with the C-PACE program may receive attractive project finance opportunities. They are also listed in the [Capital Provider Directory](#) for marketing purposes.

ELIGIBILITY

To participate in the C-PACE program, a capital provider must become qualified by submitting a [Capital Provider Application and Participation Agreement](#). To maintain its status, the QCP must promptly disclose to the District any material changes to the initial application; the C-PACE program reserves the right to rescind the QCP's status if the QCP is found to be in violation of any of the standards set forth in this Program Guide or for any other reason that the District finds to be in violation of good practices of the Program.

To expedite project closings, the program recommends that capital providers review the Assessment and Financing Agreement template that is used for all projects financed through the program. This document can be downloaded from the [Resources](#) section of the program website. The document represents input from numerous qualified capital providers obtained during the program's initial closings.

For projects where the property owner has not pre-selected a capital provider, the Program can facilitate dialogue to allow QCPs to provide an opportunity to submit a term sheet to finance a pre-approved project. Should a building owner pre-select a capital provider for a specific project, the capital provider must complete a Capital Provider Application and Participation Agreement if they are not already registered with the program.

HOW TO QUALIFY

To qualify as a capital provider for the Colorado C-PACE program, simply submit the Capital Provider Application and Participation Agreement found [here](#). The approval process can take up to ten business days and once approved for participation in the program, the qualified capital provider will be notified by the program administration.

PROCESS

Qualified capital providers can participate in the Colorado C-PACE program in two ways. They can:

- Work with building owners to underwrite projects and help them prepare an application for financing approval. (In such cases, the program will not solicit financing terms from other QCPs).
- Collaborate with the Program to evaluate project opportunities. (Building owners may apply for C-PACE without a pre-selected capital provider. In this case, the Program will review pre-approved projects with QCPs to determine their funding interest).

The Program does not establish underwriting requirements for C-PACE financing. Rather, each capital provider uses its own underwriting criteria. Nevertheless, experience has shown the following to be typical of the underwriting standards used by PACE capital providers:

- Total property-related debt (including mortgage debt, the C-PACE financing and any other obligations secured by the property) is typically not to exceed 80 percent of the property's value. This value may be established either (a) as the assessed value of the property, or (b) its appraised value, as supported by a recent appraisal. In either case, the property's value may include the enhanced value of the property resulting from the installation of the improvements being financed through the C-PACE assessment.
- The property owner has been current on its property tax and assessment payments with respect to the property for at least three years.
- The property owner must not have any involuntary liens, defaults, or judgments applicable to the subject property. A property owner may be able to participate if it can demonstrate that there is an acceptable reason for the lien, default, or judgment, and provide supporting documentation.
- The property owner(s) or their affiliated companies have not been a debtor in a bankruptcy proceeding during the past seven years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding.

For existing building retrofit projects where there is no mortgage on the property or construction lender involved to underwrite the transaction and provide consent for C-PACE financing, or for any other project that the Program determines should be subject to this requirement, following a review of the project pre-qualification submission, the District shall require an appraisal to establish the C-PACE assessment lien to property value percentage. Such appraisal shall have been conducted by a qualified appraiser¹³ within twelve months of the C-PACE project pre-qualification submission to the Program Administrator. The C-PACE assessment lien to value percentage shall not exceed 25% on such existing building retrofit projects. This appraisal requirement may be waived if mutually agreed upon in writing by the District and the C-PACE capital provider; the written waiver shall include an explanation of the alternative means used to confirm the property's valuation. Each county that participates in C-PACE has agreed to collect the C-PACE assessments from participating property owners via the property tax collection system and remit those funds to the District (or its designated fiduciary) for distribution to the capital provider.

¹³ The certified general appraiser shall be able to demonstrate competency related to the valuation of buildings that include energy efficiency improvements, as demonstrated by past appraisal reports, association with an appraisal firm that has demonstrated competency in appraising energy efficient properties, or proof of completion of related industry-approved courses, such as those taught by the Appraisal Institute or other accredited educational providers.

MORTGAGE HOLDER PARTICIPATION AND PROCESS

Colorado C-PACE is an innovative, voluntary financing program that enables building owners—your customers—to install energy efficiency, renewable energy, water conservation, resiliency, and embodied carbon improvements to their building with economically attractive, long-term financing.

BENEFITS

Building upgrades designed to conform with Colorado C-PACE standards generate cost savings that may, over the finance term, exceed the total finance cost. Owners who participate in C-PACE typically improve their net operating income and asset value and generate a positive return on their investment. As a result of the building owner's increased cash flow, the mortgage holder's loan is more secure, and the property is typically more competitive. Across Colorado, C-PACE has been embraced by more than [50 national, regional, and local mortgage holders and construction lenders](#).

PARTICIPATION

Colorado C-PACE provides up to 100 percent financing to owners of new and existing buildings who are looking to modernize and improve the value of their commercial, industrial, agricultural, nonprofit, or multifamily building. The financing term, which is based on the effective useful life of the improvements—up to 25 years—is secured by a voluntary assessment (similar to a sewer district assessment) that is recorded against the property. The assessment does not accelerate. In the event of a default, only the amount of the assessment in arrears is due.

The special assessment lien is senior to all commercial mortgages and deeds of trust and is equal (*pari passu*) in priority to other special assessments on the property, and junior to general property tax liens. Because of this, the Colorado C-PACE program requires property owners to obtain the written consent of all holders of mortgages or deeds of trust on the property prior to securing C-PACE financing.

PROCESS

A borrower who wishes to pursue C-PACE financing will, in collaboration with the Program and the QCP that will be providing funds for the project, be required to seek and obtain written mortgage holder consent (MHC) as required by C.R.S. § 32-20-105(3)(h)(i) from any senior mortgage holder holding a recorded deed of trust or mortgage lien against the eligible property. The Program Administrator (EDMD) is willing, as requested by the QCP, to participate in discussions with mortgage holder(s) in order to obtain written MHC.

Mortgage holders that wish to fund C-PACE projects may apply to become QCPs under the Program.

LOCAL GOVERNMENT ELIGIBILITY AND PARTICIPATION

Colorado C-PACE is an innovative, voluntary financing program that gives building owners and property developers an economically attractive way to fund energy efficiency, renewable energy, water conservation and resiliency improvements. Local governments are the key to the Program's success because each county in Colorado must opt into the District before building owners and property developers can participate.

BENEFITS

C-PACE benefits counties by helping property owners reduce energy costs, increase renewable energy deployment, improve air quality, and reduce greenhouse gas emissions. C-PACE projects also improve local building stock, attract and retain building owners, businesses and tenants, and create local jobs, all of which benefit the economy.

PARTICIPATION

For a county to become eligible to participate in the Colorado C-PACE Program, the Board of County Commissioners must adopt a resolution authorizing the District to offer the program within the county, and the county and the District must execute an intergovernmental agreement (participation agreement) which outlines the duties and responsibilities of both the county and the District. A copy of the District's form participation agreement is available upon request. Note that individual cities and towns are not statutorily authorized to opt into the Colorado C-PACE Program. Rather, these local governments are encouraged to work with their county government and community stakeholders to discuss the benefits of the Program and encourage the Board of County Commissioners to work with the District toward formally opting into the Program.

PROCESS

Once a county has opted into Colorado C-PACE, its ongoing role is normally limited to imposing the special assessments on property tax bills (as certified to the county by the District), issuing property tax bills inclusive of the certified annual C-PACE assessments in the ordinary course of business, and remitting the special assessments to the District on the timeframe required by Colorado state statute, net of the county collection fee authorized by C.R.S. § 301-102(1)(c).

C.R.S. § 30-1-102(1)(c) authorizes county treasurers to collect a fee equal to one percent (1%) of the amount of each special assessment payment. This statutory requirement applies to C-PACE assessments; thus, property owners should expect to see the 1% fee included in the amounts to be paid on their C-PACE assessment on each property tax bill. The program is designed to utilize the existing county tax collection process. The county 1% fee is in addition to the District's Collection Fee.

GENERAL TERMS AND PROVISIONS; DISCLAIMERS; OTHER REQUIREMENTS

TAXES

Property owners are solely responsible for any local, state, or federal tax consequences of their participation in the Colorado C-PACE program.

CHANGES IN THE PROGRAM TERMS; SEVERABILITY

The District reserves the right to change this Program Guide and the terms and provisions set forth within at any time without notice; however, no such change will affect the obligation to pay special assessments for approved C-PACE financings. If any provision of this Program Guide is determined to be unlawful, void, or for any reason unenforceable, removal or invalidity of that provision shall be deemed severable from this Program Guide and shall not affect the validity and enforceability of any remaining provisions.

It is the property owner's responsibility to confirm that the property owner has the most recent versions of program documents. The property owner may satisfy this responsibility by checking the documents on the District website or by contacting the Program Administrator.

DISCLOSURE OF PROPERTY OWNER INFORMATION

Property owners must agree to allow the District to disclose personal/corporate information submitted as part of the program to the Program Administrator. They also must agree that the District and the Program Administrator may disclose the property owner's information to third parties when such disclosure is essential to the conduct of the District's business. This disclosure also may be necessary to provide services to the property owner, including but not limited to where such disclosure is necessary to (i) comply with the law, legal process or regulators, and (ii) enable the District or the Program Administrator's employees or consultants to provide services to the property owner or to otherwise perform their duties.

The program treats property owner privacy and security seriously and will not provide property owner information to third parties for telemarketing, email, or direct mail solicitation.

FRAUD

Giving materially false, misleading, or inaccurate information or statements to the District, the Program Administrator or any of their employees and agents (or failing to provide the District with material information) in connection with a Pre-Qualification Submission Form, Contractor Registration Form, or Capital Provider Application and Participation Agreement is punishable by law. Material representations include, but are not limited to, representations concerning the project costs and the ownership structure and financial information relating to the property and the applicant.

CHANGES IN STATE AND FEDERAL LAW

The District's ability to operate the program is subject to a variety of state and federal laws. If those laws or the judicial interpretation thereof were to change after the filing of the project has been submitted for funding, the program's ability to issue the contemplated C-PACE funding may be impaired.

RELEASES AND INDEMNIFICATION

By submitting a Pre-Qualification Submission form, the property owner acknowledges that Colorado C-PACE was formed solely to help property owners in Colorado finance eligible improvements. Colorado C-PACE is a financing program only and is not responsible for the installed C-PACE-eligible improvements or their performance. Property owners are responsible for payment of the special assessment regardless of whether the products are properly installed or operate as expected.

EXCEPTIONS TO THESE TERMS AND PROVISIONS

The District may make exceptions to the terms and provisions detailed in this Program Guide where there is a finding that such exception furthers the goals and objectives of C-PACE and the District. Consideration of an exception request from a property owner may involve payment of a fee.

APPENDIX

KEY PARTIES TO A C-PACE TRANSACTION

Building Owner	The legal owner of the eligible property upon which the eligible improvements will be installed.
Capital Provider (QCP)	Also referred to as lenders, qualified capital providers (QCPs) include local and national banks, credit unions, and specialty finance firms approved by the District to provide C-PACE financing.
Contractor/Project Developer	The licensed firm or individual registered with the program that develops the project scope of work, proposal, and analytics, and typically oversees or coordinates the work required for the installation or construction of the improvements.
Energy Auditor/Consultant	The accredited professionals who provide ASHRAE Level I, II, and III energy audits, and separate audits for embodied carbon improvements.
Land Title (LTGC)	Land Title Guarantee Company (“Land Title” or “LTGC”) conducts all C-PACE related project closings on behalf of the District.
Mortgage Holder	Any entity that holds a mortgage on the eligible property upon which the eligible improvements will be installed.
NEID (District)	The Colorado New Energy Improvement District (“NEID” or “District”) is a special purpose district. The District is governed by a seven-member board (Board of Directors) appointed by the Governor of the State of Colorado, and is comprised of industry professionals in commercial real estate, utilities, energy efficiency, banking and finance. NEID was established by the state legislature to implement and oversee PACE in Colorado.
Executive Director of Market Development (EDMD)	The individual that oversees the growth, administration, and accessibility of the C-PACE Program. The EDMD ensures that the Program operates efficiently, remains compliant with statutory and programmatic requirements, and continues to expand its reach within the State of Colorado to benefit property owners, developers and local communities.

Operations Manager (OM) The entity or individual (s) that works with the District to administer Colorado C-PACE, as authorized by C.R.S. § 32-20-103(9). Program Administrator or Operations Manager duties include but are not limited to establishing quality assurance and financing standards, supporting project origination efforts, qualifying capital providers and contractors, promoting C-PACE, assisting with county participation, coordinating project closings and the post-closing process, and assisting QCPs as needed in mortgage holder consent discussions.

KEY DEFINITIONS

Agency Sponsor Colorado New Energy Improvement District.

Assessment Lien A voluntary assessment recorded in the land records of the county against an eligible property to secure the repayment of the C-PACE financing.

Assessment Payments The periodic (annual) repayments of the total assessment amount by the property owner, which appears as a separate line item on the property tax bill.

Capital Provider The entity that will finance the eligible improvements. Also referred to as a lender. In the Colorado C-PACE program, lenders must be qualified by the Program.

C-PACE Project Eligible energy efficiency, renewable energy water conservation and/or resiliency improvements, or embodied carbon made to eligible property, whether financed entirely by C-PACE or through incentives or other sources in combination with C-PACE financing.

C-PACE Project Developer A C-PACE-registered contractor that provides turnkey C-PACE-related services for more complex and comprehensive C-PACE projects.

Eligible Property Commercial, industrial, or agricultural real estate located within [participating counties](#), whether existing, under construction, or to be constructed, except for residential dwellings with fewer than five dwelling units.

Eligible Improvements	Any improvement, construction, equipping, installation, or modification of or to an eligible property, if designed to facilitate renewable energy production and distribution, increase energy efficiency, increase water use efficiency, improve building resiliency, or reduce embodied carbon.
LPIG	Limited Property Information Guarantee. Title product that provides liability coverage to the named assureds in the guarantee (capital provider and the District), guaranteeing: (1) that title is vested in any party or parties other than as shown in the LPIG; and (2) the accuracy of recorded instruments which create monetary liens.
Program	The term used for the full time staff that administer the program.
Property Owner	The person or entity that holds title to the eligible property, together with its successors and permitted assigns, as further defined in the Assessment & Financing Agreement. Eligible property owners may include individuals, business entities, and nonprofit companies. Government-owned properties are also eligible, though these projects are reviewed to ensure that the financing does not trigger TABOR.
Registered Contractor	The licensed firm or individual registered with the Colorado C-PACE program that develops the project scope of work, proposal, and analytics, and oversees/coordinates the work required for the installation/construction of the improvements.
Savings-to-investment Ratio	The total estimated (or projected) utility cost savings, as calculated in good faith and reviewed by the Program Administrator, over the effective useful life of the eligible improvements, divided by the finance amount and interest payments over the financing term.
Total Assessment to Value (TATV)	The ratio of the aggregate final C-PACE Total Finance Amount (TFA) to the value of the Eligible Property, expressed as a percentage. For C-PACE Projects, the value of the Eligible Property is determined based on either the current actual value of the Eligible Property (as determined by the applicable County Assessor), the as-constructed value of the Eligible Property, the appraised value of the Eligible Property as supported by a recent appraisal (completed not more than six months prior to the Program application), or the as-stabilized appraised value for an Eligible Property which may include the enhanced value of the Eligible Property resulting from the installation of the Eligible Improvements being financed through the C-PACE assessment. The “as-stabilized” value appraisal must assume normalized operating expenses and market-average occupancy rates for the asset class and be in a form acceptable to the QCP and the Program.

Total Finance Amount (TFA) The total amount of C-PACE financing for a given project, comprising 100% of qualified eligible improvements and all associated soft and financing costs.

APPLICATION FORMS AND OTHER DOCUMENTS

All applicable Colorado C-PACE documents and forms can be found in the [Resources](#) section of the Colorado C-PACE [website](#).

EMBODIED CARBON

Material Pathway

Applicability: New Construction & Retrofits

The material pathway allows developers to cover the hard and soft costs associated with procuring and installing low embodied carbon materials or components in a building. This pathway is applicable to both new construction and retrofits.

To be eligible for financing, a qualified professional as identified by the program administrator must submit a qualifying environmental product declaration (EPD) for that material or component demonstrating that this material or component has a global warming potential (GWP) for LCA modules A1-A3 less than the threshold values identified in Table 1. Developers may choose to pursue financing for as many materials as they would like, provided those materials appear in Table 1.

The GWP threshold values provided in Table represent a 15% reduction in Embodied Carbon from the Colorado Office of the State Architect's Buy Clean maximum global warming potential (GWP) limits, as of 2026. These values may be updated in future revisions to these Program Guidelines.

Table 1: Covered product Global Warming Potential (GWP) threshold values:

Category	Subcategory	GWP Threshold	Unit
Asphalt and Asphalt Mixtures	Asphalt Mixtures	72	kgCO2e / metric ton
Cement & Concrete Mixtures	Ready Mix Concrete 2500 psi	197	kgCO2e / m3
	Ready Mix Concrete 3000 psi	216	kgCO2e / m3
	Ready Mix Concrete 4000 psi	255	kgCO2e / m3
	Ready Mix Concrete 5000 psi	304	kgCO2e / m3
	Ready Mix Concrete 6000 psi	322	kgCO2e / m3
	Ready Mix Concrete 8000 psi	374	kgCO2e / m3

Category	Subcategory	GWP Threshold	Unit
	Ready Mix Concrete LW 3000 psi	411	kgCO ₂ e / m ³
	Ready Mix Concrete LW 4000 psi	452	kgCO ₂ e / m ³
	Ready Mix Concrete LW 5000 psi	493	kgCO ₂ e / m ³
	Cement	945	kgCO ₂ e / metric ton
	Concrete Masonry Units	336	kgCO ₂ e / m ³
Glass	Flat Glass	1,283	kgCO ₂ e / metric ton
Reinforced Steel	Fabricated reinforcing bar (rebar)	875	kgCO ₂ e / metric ton
Structural Steel	Fabricated hot-rolled steel	1,037	kgCO ₂ e / metric ton
	Fabricated plate steel	1,470	kgCO ₂ e / metric ton
	Fabricated hollow structural sections	1,691	kgCO ₂ e / metric ton
	Cold-formed steel framing & accessories	2,416	kgCO ₂ e / metric ton
	Steel roof and floor deck	1998	kgCO ₂ e / metric ton
	Open-web steel joist and joist girders	1233	kgCO ₂ e / metric ton
Wood Structural Elements	Plywood	186	kgCO ₂ e / m ³
	OSB Sheathing	206	kgCO ₂ e / m ³
	Laminated Strand Lumber	234	kgCO ₂ e / m ³
	Laminated Veneer Lumber	307	kgCO ₂ e / m ³
	Glued Laminated Timber	117	kgCO ₂ e / m ³

Whole-building Pathway

Applicability: New Construction

This pathway allows for the financing of hard and soft costs that collectively reduce whole-building embodied carbon in new construction, as measured using the embodied carbon intensity (ECI) metric, applying a physical scope boundary that includes building structure and enclosure. This pathway is intended to reward holistic embodied carbon reduction measures in new construction (i.e., structural efficiency) while providing project teams with the flexibility to achieve whole-building embodied carbon reductions using whatever combination of measures is most cost-effective and appropriate for the given project.

Embodied Carbon Intensity: Embodied carbon intensity (ECI) is a measure of overall embodied carbon associated with a building. It is measured in units of GWP — kilograms of carbon dioxide equivalent (kg CO_{2,e}) — per unit of gross internal floor area (GIFA), measured as kilograms of carbon dioxide equivalent per square meter (kg CO_{2,e}/m²). In this primer, ECI is measured across LCA modules A1–A3, A4–A5, B4, B5, and C2–C4.

Physical Scope Boundary: The physical scope boundary of a whole-building life-cycle analysis defines which building elements’ embodied carbon is counted toward whole-building ECI, and which are excluded. All structural elements (including footings and foundations) and enclosure elements (excluding interior finishes) should be included. Mechanical, electrical, and plumbing (MEP) systems; excavation; and site development are excluded.

Developers may finance a percentage of the total hard costs associated with the structure and enclosure of a building, as defined in the Physical Scope Boundary above. Table 2 provides financeable percentages for buildings with ECIs less than the given threshold values. Total financing amounts remain subject to the 40% cap on C-PACE financing as measured by the TATV for projects pursuing embodied carbon improvements. In all cases where the applicable TFA exceeds 40% TATV, written Program approval is required to document the maximum eligible financing amount. In no cases may the TFA exceed 75% TATV.

Table 2: ECI limits in kg CO_{2,eq} / m² Gross Internal Floor Area (GIFA)

% Structure + Enclosure Hard Cost Financeable	ECI Thresholds		
	15%	40%	65%
Building type	Low Ambition	Medium Ambition	High Ambition
Multi-family housing			
Low-rise	520	390	320
Mid-rise	520	390	320
High-rise	760	620	390
Senior housing			
All	520	390	320
Office			
All	680	590	460
Hotel			
Small	520	390	320

Mid to large Size	760	620	390
Retail			
All	680	590	460
Warehouse			
Storage	400	340	300
Manufacturing	400	340	300
Other			
All others not defined above	760	620	390

Note: ECI limits are based on the 25th (high ambition), 50th (medium ambition), and 75th (low ambition) percentiles of typical building embodied carbon emissions from structure and enclosure for LCA modules A1–A3, A4-A5, B4-B5, and C2–C4.

Source: CLF WBLCA Benchmark Study v2; derived with assistance from CLF staff.

Multiple occupancy types

If a building contains more than one occupancy type, the occupancy type representing the greatest proportion of gross internal floor area (GIFA) should be used. The ECI values provided in Table 2 reflect typical mixed-use construction in the United States.