

# SD-PACE

## Property Assessed Clean Energy



### WHAT IS PACE?

Property Assessed Clean Energy (PACE) is a financing mechanism that enables low-cost, long-term funding for energy efficiency, renewable energy and water conservation projects. PACE financing is repaid as an assessment on the property's regular tax bill, and is processed the same way as other local public benefit assessments (sidewalks, sewers) have been for decades. Plans are underway to introduce new legislation in 2018 so that PACE can be used for commercial, industrial, agricultural, and nonprofit properties here in South Dakota.

### HOW DOES IT WORK?

PACE is a national initiative, but programs are established locally and tailored to meet regional market needs. State legislation is passed that authorizes counties or municipalities to establish PACE programs. Local governments then develop a specific program. Several keystones hold true for every PACE program, including:

- PACE is voluntary for all parties involved.
- PACE can cover 100% of a project's hard and soft costs.
- Long financing terms up to 20 years.
- Can be combined with utility, local and federal incentive programs.
- Energy projects are permanently affixed to a property.
- The PACE assessment is filed with the local municipality as a lien on the property.

### WHY IS IT SO POPULAR?

Property owners love PACE because they can fund projects with no out-of-pocket costs. Since PACE financing terms extend to 20 years, it's possible to undertake deep, comprehensive retrofits that have meaningful energy savings and a significant impact on the bottom line. The annual energy savings for a PACE project usually exceeds the annual assessment payment, so property owners are cash flow positive immediately. That means there are increased dollars that can be spent on other capital projects, budgetary expenses, or business expansion. Local governments love PACE because it's an Economic Development initiative that lowers the cost of doing business in their community. It encourages new business owners to invest in the area, and creates jobs using the local workforce. PACE projects reduce energy consumption, promote water conservation, have a positive impact on air quality, and help to create healthier, more livable communities.

### HOW CAN I HELP GET PACE HERE IN SD?

Dakota Rural Action (DRA) is actively working to get PACE Legislation passed in South Dakota in 2018. If you're interested in having more clean energy here along with all the other benefits outlined above, please contact your state representatives in the House and Senate and ask them to get on-board. For questions, contact us at the phone number on the right or visit [www.dakotarural.org](http://www.dakotarural.org).

### BENEFITS OF PACE



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