

# MICHIGAN CONTRACTORS BENEFIT FROM PACE

## ONE THIRD OF ALL ENERGY IS WASTED - IS PACE THE SOLUTION?

According to current energy data, commercial and industrial buildings use about 60 percent of the energy generated in the U.S. About one-third of this energy, especially in older buildings, is wasted due to inefficiency. But how do we know which third, and what can we do about it?

The answer is, plenty! And with new financing available in Michigan, it will be even easier. PACE (Property Assessed Clean Energy) helps commercial, industrial and multi-family property owners implement energy efficiency projects, eliminate waste and save money using innovative financing options.

"People often see cost as the biggest obstacle to making the improvements," says Jim Newman, CEM, LEED AP BD+C, OPMP, BEAP, FESD, managing partner of Newman Consulting Group (NCG) in Farmington Hills. "Even when we can show the building owner that the improvements will pay for themselves in 18 months to five years." Through PACE, energy projects are now clearly profitable for all parties – property owners, contractors and financial institutions.

New to Michigan, PACE has been working successfully in over 30 states. It helps eliminate one of the biggest barriers - access to capital and financing. The program allows qualified property owners to access 100 percent up-front financing using long-term loans (up to 20 years) in the form of a 'special assessment

property tax.' This makes energy efficiency and energy improvements much more affordable.

Almost any project that reduces energy or water usage or installs renewable energy

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systems is eligible. "With guaranteed energy savings you are cash flow positive from day one. When it makes financial and environmental sense, why not do it?" says Newman.

If this sounds like 'free money,' in a sense it is. PACE projects qualify as an operating expense. This means owners can finance improvements without incurring additional debt on their balance sheet and while preserving capital and credit lines for core business investments.

Newman and his team of energy professionals at Newman Consulting Group were among the first on board. A long-time CAM member, Newman is one of the country's most respected energy and green building experts. Known as "The Dean of Green," Jim is an internationally recognized speaker and advocate for green building technology, policy and sustainability.

NCG recently launched Optimized Building Solutions (OBS), a division dedicated to helping building owners make and finance energy improvements. With an extensive history in energy auditing and energy efficiency upgrades, as well as experience with government agencies and forms, OBS is particularly well-positioned to help property owners navigate the paperwork and requirements to qualify for and implement PACE projects.

"This is a game-changer," says Newman. "You typically pay nothing down, and a PACE project must save more than it costs." The semi-annual special assessment payments must be less than the money saved in reduced energy costs for a net positive cash flow. "Once you have paid off the special assessment, you get all the savings with no payments at all."

### PACE Benefits Include:

- No Charge to See if You Qualify
- No Up-Front Costs
- Long-Term, Low-Cost Financing that Stays with the Building if it's Sold
- Improved Energy Efficiency that will Pay Off Year After Year
- Improved Indoor Air Quality (Often Goes Along with Improved Efficiency) and Improved Productivity of People Who Work There
- Higher Building Value (Cite Statistics)

"We decided to offer a turnkey service for property owners, including a free energy audit to determine if they qualify for PACE. Then we recommend the most cost-effective interventions and contractors. Plus, we fill out the forms, make the financial projections, manage the projects, communicate with providers, find the right contractors, and ensure accurate reporting. This all takes a tremendous amount of time. We guide you through the process so time and energy (no pun intended) are not wasted. An ASHRAE Level II Audit or equivalent is required, and the cost is included in the package. This is where the expertise of NCG/OBS comes in handy," adds Jim. ☺



BY DOUGLAS ELBINGER  
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Jim Newman is recognized as one of the country's most experienced energy efficiency and green building experts. Known as "The Dean of Green," Jim regularly speaks to professionals and the media about sustainability and green technology.

### Typical ECM (Energy Conservation Measures) financed by PACE include:

- Certified Energy Audit and Evaluation
- Insulation
- Caulking, Weather-Stripping, and Air Sealing
- New, Energy Efficient Windows, Roof and Doors
- Energy Control Systems
- Electrical Systems Including DC Micro Grids, Safety, and Efficiency Upgrades
- HVAC Upgrades
- Improved Energy Recovery Systems
- New, Energy Efficient Lighting Fixtures and Day Lighting Systems
- Electrical Systems to Charge PEVs (Plug-In Electric Vehicles)
- Water Use Reduction or Efficiency
- More Energy-Efficient or Water-Efficient Manufacturing Processes
- Solar PV Energy Systems (Electricity) & Solar Thermal (Hot Water)
- Wind (Electricity) & Geothermal (HVAC)

To participate, experienced energy contractors with strong track records can register with Lean & Green Michigan ([www.leanandgreenmi.com](http://www.leanandgreenmi.com)). Once you are accepted and trained, property owners may turn to you to help evaluate, design, and implement energy projects. To see if your property qualifies for PACE financing, contact Newman Consulting Group, [www.newmanconsultinggroup.us](http://www.newmanconsultinggroup.us).

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