



Applicant Guide

CIB Commercial Building
Retrofits Initiative

March 2021



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1. Introduction

The CIB Commercial Building Retrofits Initiative (the “Initiative”) provides financing for decarbonization retrofits in privately-owned commercial buildings in Canada through an investment of up to \$2 billion.

The Initiative is part of the Canada Infrastructure Bank’s (CIB’s) \$10 billion Growth Plan that aims to stimulate jobs for Canadians and strengthen Canada’s economy through new infrastructure investments. By increasing levels of public and private investment in infrastructure, the CIB’s Growth Plan will contribute to Canada’s competitive, connected and resilient economy.

The purpose of this Applicant Guide is to provide prospective applicants with an overview of the Initiative requirements and process. Applicants are encouraged to review the information provided on the CIB’s website.

1.1 – Initiative Vision and Objectives

The Initiative is designed to support an overarching vision that by 2030, there is a well-functioning marketplace for decarbonizing and modernizing existing commercial buildings in Canada that has sufficient capacity to help meet Canada’s climate targets. Achieving this vision will also depend on progress in several other key areas, including sufficient workforce and industry capacity and supportive government policies that drive demand for retrofits.

The Initiative has three objectives:

Reduce greenhouse gas emissions

- Reduce greenhouse gas emissions from privately-owned commercial buildings through decarbonization retrofits, including energy efficiency, fuel switching (electrification, renewable natural gas or hydrogen), on-site renewable energy and storage.

Transform the market

- Crowd in private capital. Change the market for retrofits, leading the way for private financing.
- Drive retrofits that go beyond the current industry norm, reaching more buildings and achieving deeper retrofits.
- Help establish energy retrofit investments as a distinct asset class.

Support economic and social co-benefits

- Support economic and social co-benefits such as job creation, reduced energy costs, long-term improvements to building quality and social outcomes such as health and affordability.
- Support long term sustainable asset renewal and improvements to support the modernization and resiliency of buildings.

1.2 – Initiative Overview

The Initiative offers long-term, high leverage, below market interest rate investments for building retrofits that substantially reduce GHG emissions. Financing can apply to investments in large individual projects, or to a pool of investments originated by a retrofit aggregator. To encourage the market to pursue deep retrofits that go beyond the industry norm, the Initiative requires that all projects achieve a minimum level of GHG savings, while offering more favourable financing terms (more affordable capital and longer payback periods) for projects that target deeper savings.

CIB's standardized core Initiative offering is a \$25M or greater debt product that requires a minimum 20% equity investment. CIB debt is extended based on the forecasted savings derived from improvements to buildings as the primary source of repayment, with one source of recourse being energy performance guarantee contracts applied to the savings forecasts.

All proposals and retrofit projects are required to meet eligibility requirements and undergo a technical and financial due diligence process. Details can be found in Section 2 and 3 of this document.

Key Initiative eligibility and financing offer details are summarized in the table below:

Table 1: Initiative Summary

Criteria	Term
Investment Size	Minimum \$25 million CIB investment opportunity
Building Types	The retrofits must occur in privately-owned Commercial Buildings (see Section 2 for definition).
Interest Rates	3.0% or better depending on the depth and extent of GHG savings and other relevant factors such as the business case and financial metrics.
Maximum Coverage	CIB will invest up to 80% of the project/pool value.
GHG Savings Threshold	- Minimum of 30% target GHG savings for single projects or across the portfolio of buildings as compared to the baseline scenario. - Minimum of 25% target GHG savings (or 25% energy savings) for individual projects within a portfolio. Based on the current and forecast carbon intensity of the provincial electricity grid where the project is located.
Project Types	Retrofit projects that achieve significant GHG savings from: - Energy efficiency - Heating decarbonization via electrification or other solutions - On-site, behind the meter renewables and energy storage
Project Requirements	- Compliance with Investor Ready Energy Efficiency (IREE) certification - Use of ENERGY STAR Portfolio Manager
Project Location	Canada
Eligible Costs	Energy-related direct retrofit costs, including project-specific development costs.
Applicant Type	- Building owner - Retrofit aggregator
Financing Offer	- Commercial finance - Project finance
Investment Timeframe	- The CIB's capital must be fully invested within 5 years of financial close - The CIB's investment must be fully repaid within at most 25 years from financial close.
CIB Due Diligence Costs	Paid for by the CIB.

1.3 – How to Participate

The Initiative is open to two kinds of applicants:

- Building owners
- Retrofit aggregators

Novel financing approaches based on unique repayment mechanisms may also be considered as potential applicants to the Initiative, such as Commercial Property Assessed Clean Energy (CPACE) programs.

A **Proposal Support Service** is available to assist applicants as they develop and submit their application package. This includes working with the applicant to ensure that the proposed investments fit the Initiative requirements and priorities, and that submitted applications contain sufficient detail to pass through the due diligence process.



Further details on sample financing structures for various applicant types is provided in Appendix B.

Building Owners

Building owners can apply for financing to retrofit one or more of their buildings, provided that the total investment required by the CIB exceeds \$25M. This approach follows existing retrofit delivery practices, where a building owner or tenant works with a retrofit provider to develop one or more projects, and then applies to the CIB for financing rather than a commercial lender. The CIB investment is with the owner of the building(s), with repayments made directly to the CIB.

Retrofit Aggregators

Third-party aggregators of retrofit projects are eligible to apply to access a financing pool to cover investments in retrofit projects across multiple buildings (of the same or multiple owners). Innovative new and existing market channels and organizations who may be viable retrofit aggregators include:

- Existing Energy Service Companies (ESCO) that form a dedicated Special Purpose Vehicle (SPV) to originate and develop retrofit projects.
- Super ESCO models that are SPVs functioning as an intermediary between building owners and multiple ESCO providers.
- New entrants to the energy services market that have capabilities and capacity to either work on buildings or invest in retrofit projects.
- C-PACE program administrators.

CIB is seeking to invest directly in retrofit projects; therefore, retrofit aggregators cannot be lenders.

2. Eligibility Requirements

Applicants to the Initiative must meet the minimum eligibility requirements described in this section.

Given that the decarbonization retrofit market in Canada is still nascent, and considering the Initiative objective to support market transformation, the CIB may be willing to be flexible for new and innovative alternative approaches that do not fit within these parameters on a case-by-case basis, where a valid justification is provided. The CIB will monitor the market response early and regularly and adapt if required.

2.1 – Investment Size

The application must consist of an investment opportunity for CIB of a minimum of \$25 million for a requested pool of financing to cover investments in multiple retrofit projects across a portfolio of buildings or direct financing of a single major retrofit project.

2.2 – Building Types

Eligible building types include **privately-owned, existing Commercial Buildings**. For the purposes of the Initiative, the following definitions apply:

1. A building is considered “**existing**” if its certificate of occupancy is at least 3 years old.
2. **Commercial buildings** are considered to include the following common types of buildings: Office, retail, warehouse, large multi-unit residential buildings (MURBs), and industrial buildings and facilities.
 - a. Investments in **industrial buildings** can cover building envelope and performance improvements, as well as industrial processes. For projects that target just the industrial building systems and exclude the industrial process, the GHG savings can be assessed excluding industrial process contributions.
 - b. **Large MURBs** are defined to include residential buildings that have more than five units and are not covered under Part 9 of the National Building Code of Canada¹.
3. **Privately-owned** buildings exclude any that are wholly owned by any:

¹ Part 9 of the NBC covers buildings that intended for residential or small commercial uses, and are 3 storeys or less, having a floor area no greater than 600 m².

- Federal department, parent Crown Corporation or wholly owned subsidiary of a parent Crown Corporation, portions of the core public administration, and any not-for-profit corporation or trust established by such federal organizations;
- Province or Territory or any corporation owned or controlled by a Province or Territory; or
- Municipal facilities, universities, public school buildings and hospitals, or any other buildings owned by governments.

Note: This eligibility criterion does not prevent a government or arms length government institution receiving financing when acting as a retrofit project originator for projects that are conducted in private commercial buildings. An example of this may be a municipal C-PACE program, or a publicly-owned utility that creates a retrofit aggregation mechanism.

2.3 – GHG Savings Threshold

The Initiative includes a minimum GHG savings threshold for individual retrofit projects, as well as across a portfolio of buildings.

Table 2: Minimum GHG Savings Threshold

Minimum Target GHG Savings	
Average across portfolio of buildings	• 30%
Individual projects	• 25% when part of a portfolio of projects (or alternatively 25% energy savings, where pre-approved by CIB) • 30% for single retrofit projects

Note that GHG reductions may be attributable to other factors such as peak demand savings (where marginal electricity emissions factors may be higher than average), or to projects that generate surplus renewable energy. The CIB will apply carbon accounting practices that fairly attribute GHG emissions reductions, thereby supporting a broad range of pathways to achieve the minimum GHG threshold. Applicants can provide GHG estimates that are appropriate to each project, however, the ultimate assessment of GHG savings will be determined by the CIB.

2.4 – Retrofit Project Types and Requirements

Eligible retrofit projects must meet several requirements, including:

- 1) Retrofit project types include those that reduce emissions through energy efficiency, fuel switching (including electrification, renewable natural gas or hydrogen), behind the meter renewable energy generation and on-site energy storage.
- 2) To support energy and GHG performance reporting, projects must use Energy Star Portfolio Manager (ESPM).
- 3) Projects must meet the standards for planning, developing and reporting retrofit projects required to by the Investor Ready Energy Efficiency™ (IREE) Certification (refer to Section 3).
- 4) Each individual project must have a standardized M&V protocol in place that can generate the required annual performance reporting to CIB.

2.5 – Investment Streams

Applicants must apply for one of the two investment streams:

Commercial Finance for Building Owners

- For major predetermined project(s) that meet the \$25M threshold

Project Finance for Retrofit Aggregators

- For bundles of projects. Relies on the assembly of SPVs that are optimized to originate projects

Approved Project Finance agreements will operate as a non-revolving line of credit (LOC) for a period of up to five years following financial close, covering the implementation of the retrofit projects. Once the LOC is closed out, the repayment period begins, and can extend for up to 25 years from financial close.

For major retrofits that pass through the Commercial Finance track, some of the Initiative processes and approvals may be adapted to respond to the specific needs and nature of individual projects. Emerging Retrofit Aggregator models such as C-PACE may also follow an alternative financing offer and process, to be determined in collaboration with the CIB.

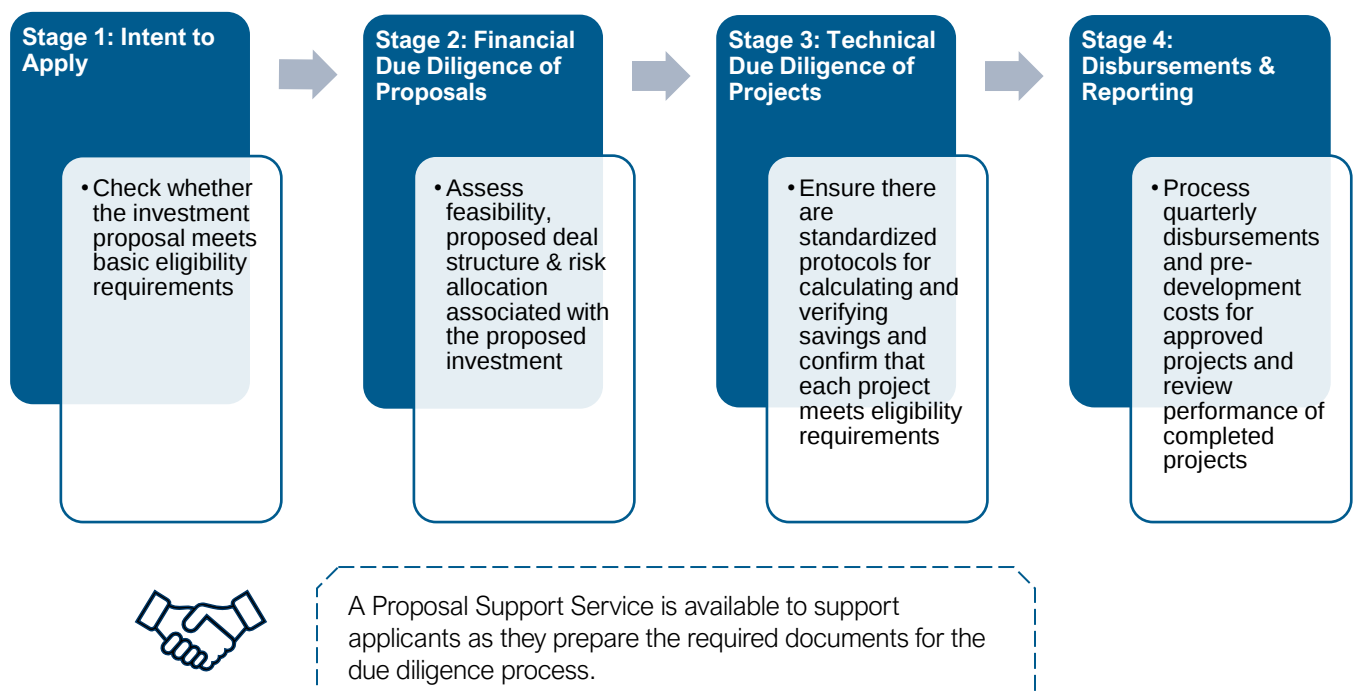
3. Process

The CIB's primary investment application intake occurs through an ongoing solicitation open to proposers of retrofit financing opportunities that meet the basic eligibility requirements. Designed to remain flexible, the open call for proposals can accommodate a range of proposals for different regions, business models and sectors.

The application and review process includes an initial screen for eligibility, followed by a detailed review of the investment proposal for successful applications. The next step includes technical due diligence to ensure the project aligns with the Initiative goals and objectives.

All retrofit measures, analysis, and plans will be provided by the applicant, and the technical due diligence process will be limited to the review and assessment of this documentation. Figure 1 presents an overview of the application process, with each of the three stages further described below.

Figure 1: Application and Due Diligence Process



Stage 1: Intent to Apply

The Intent to Apply (ITA) pre-screening collects basic information about the proposed application. Those that fit the Initiative requirements and priorities will proceed to develop the full application package required for the due diligence process. Please contact the CIB for assistance with filling out the ITA.

Intent to Apply applications will be received on a rolling basis under the Open Call for proposals.

Stage 2: Financial Due Diligence

After completing the ITA process, the next step is to assess the feasibility of the investment proposal through a review of the business model and plan. Further details on the required documentation for Stage 2 is provided in Appendix A.

Evaluation criteria include:

- Experience and capability of the team
- Alignment with Initiative objectives and requirements
- Financial soundness of the proposal



The Proposal Support Service is available to provide feedback to an applicant as they develop the Business Plan, including investment vehicle and deal structure and the Technical Project Description. Further information on the Proposal Support service will be provided once the ITA has been submitted.

Stage 3: Technical Due Diligence of Projects

To obtain approval and draw funds for any retrofit project, the recipient must submit their projects to the Initiative's technical due diligence process.

Through the technical due diligence process the CIB will:

- Verify that the project development and design follow accepted industry standards;
- Ensure that projects meet the Initiative eligibility requirements and follows industry standards for calculating, verifying and maintaining energy savings;
- Assess the technical merits of each project, focusing on the GHG and energy savings;
- Verify the energy savings estimates used to support the project and resulting cash flows and benefit streams;
- Verify that the proposed costs are reasonable and accurate; and

- Identify risks that may be encountered in the design, construction, and operation of the energy equipment that could impact the viability of the energy savings and investment.

The technical due diligence is applied to all projects, to a level appropriate to the project size. Pools of significantly similar projects may be assessed together as a single initiative. Further information on documentation requirements is provided in Appendix A.

The technical due diligence process includes the following three steps:

A. Project Development Review

The first part of the technical due diligence process is to review that the project has completed each of the steps in the retrofit project development cycle and has all the required documentation.

The Initiative leverages the Investor Confidence Project (ICP) protocols and the associated Investor Ready Energy Efficiency (IREE) Certification as the primary pathway for the technical due diligence process. The ICP Protocols define five key stages in the retrofit project development cycle, as outlined in the flow chart below. Within each stage, ICP provides guidelines on the appropriate tools and outcomes, the required level of documentation rigour, and QA reviews to conduct.



The rigour of these protocols varies depending on a project's size, with larger projects required to comply with more stringent analysis and implementation planning to support appropriate project development quality and increased reliability of results.

Applicants must demonstrate that projects have or will meet the IREE Certification requirements and ICP Protocols. Projects can be submitted to CIB after receiving IREE certification, prior to or during the preparation of the IREE certification documentation. Projects that have IREE Certification will be deemed to have met the Initiative's Development Review requirements and will pass immediately to the Eligibility Verification.

Once the CIB has verified that the project has been developed and documented according to the ICP protocols, it can then move on to the Eligibility Verification.

B. Eligibility Verification

All projects will be required to submit a Technical Project Description with the required data needed to verify the project's eligibility for the Initiative, including:

- Baseline Energy Consumption
- Energy Savings Estimates
- Design, Construction and Verification
- Operations, Monitoring, Maintenance (OM&M)
- Measurement & Verification (M&V)
- Risk Matrix
- Financials

Much of this can be sourced directly from the project's IREE Certification package. Refer to Appendix A for Applicant Documentation Requirements.

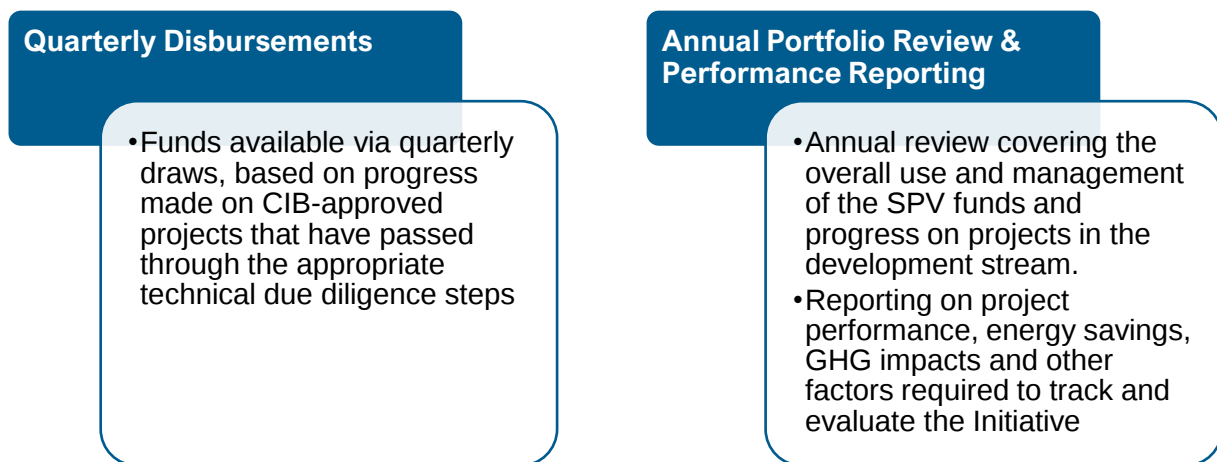
C. Post Construction Quality Auditing

Following construction of the retrofit project, a portion of the projects will be subject to Post Construction Quality Auditing, to verify that the project has been completed as planned. This will depend on the project size and complexity, and a sampling approach will be applied that ensures a higher portion of larger and more complex projects are audited. Depending on the size of the project, an on-site walk through of the facility and interviews with the building manager, retrofit aggregator, and other key personnel may also be conducted.

Stage 4: Disbursements and Reporting

Once a recipient has completed the financial and technical due diligence process and has been approved for Commercial or Project Financing, the process of tracking and approving disbursements begins. It is comprised of two key activities (Figure 2): Disbursements and performance reporting through an annual review process.

Figure 2: Disbursement and Reporting Process



The following sections outline the milestone, data requirements, and processes for each of the above Initiative tracking and reporting processes.

Quarterly Disbursements

The Initiative can issue quarterly disbursements to cover project development and progressive construction costs. These will ideally follow the prescribed disbursement plan established during the Annual Review. Changes to the planned disbursement schedule need to be approved by CIB.

To request a quarterly disbursement from the Initiative, the following steps must be fulfilled:

- **Quarterly Disbursement Request:** The recipient will prepare a disbursement request, including list of projects covered in the request, the amount of funds requested for each project, and the estimate of the percent completion to date.
- **Project Progressive Payment Report:** For each project included in the Disbursement request, a Project Progressive Payment Report is required. This will vary by project cost and complexity, and may include a description of work performed to date, percent completion at the date of writing, anticipated project completion costs and schedule, copies of contractor and supplier invoices and associated payment receipts, and an account of total funds invested in project to date.
- **CIB Review and Auditing:** The CIB will review the disbursement requests, and may select a subset of the projects for which to conduct an audit. An audit may include verification of

expenses paid to date, design and construction document review, and possibly a site visit to visually ascertain the project progress (for larger projects).

Annual Portfolio Review and Performance Reporting

An annual review is conducted for each investment. It determines the anticipated project pipeline for the upcoming year based on a review of the borrowers trailing performance and forward-looking position. The portfolio review includes the submission of required documentation for analysis by CIB and a meeting to review findings and discuss any questions or concerns. Participants will be required to submit the appropriate data to allow the CIB to report on performance and GHG savings of completed projects. Key financial metric analysis will be completed by CIB staff and compared to any stipulated ratios in the loan agreement such as debt service coverage ratio.

Appendix A: Applicant Documentation Requirements

Intent to Apply

Refer to the CIB's website for the Intent to Apply application form.

Financial Due Diligence

To support the investment process, the applicant will be required to submit a Business Plan with the following sections and details.

Table 3: Business Plan Required Information

Section	Details
1. Executive Summary	- Transaction Type Summary - Commercial Finance - Project Finance - Mission and Mandate Summary - Business Model Summary
2. Investment Opportunity	- Target Market - Service offering and value proposition (competitive landscape review with SWOT analysis) - Marketing Approach - Business model - Compliance with CIB's Initiative Rules - Initiative Impact Summary (standardized performance metrics such as GHG per dollar, energy intensity reduction per SF, peak shaving potential, economic prosperity metrics)
3. Financing	- Flow of Funds and Procedural Controls (key contract items such as budget/estimate development and approvals, timelines for project completion, milestone payment schedules, process for payment approvals and disbursements, annual reporting procedures) - Financial Model (revenue, capex, opex, debt, equity) - Sources and Uses - During Availability of the Facility - Post Availability of the Facility - Capital Calls/Draw - Flow of funds/Cashflow cascade

Section	Details
	• Bank Accounts • Financial Reporting
4. Experience	• General Partners, Limited Partners, Managers, ESCO, Other parties ○ Description ○ Role in Project ○ Experience ○ Financial Statements ○ Org Chart ○ Bios
5. Contracts	• Contractual Structure • Energy Performance Contract, ESCO Contract, Limited Partnership Agreement, General Partnership Agreement, Management Agreement Other Agreements ○ Summary of key terms ○ Risks and Mitigant ○ Conclusion
6. Technical	• Types of projects and location • Projected Costs • Planned Schedule • Identified Risks • Potential Suppliers • Warranties • Plan for to meet Technical Review requirements (Section 5.3) and forecasted GHG reductions and energy cost savings • Third party oversight

Technical Due Diligence

The following are required for the technical due diligence process:

Table 4: Project Development Review Requirements

Requirement	Documentation Requirements
IREE Certification	IREE Certificate, or documentation demonstrating requirements will be met.

Table 5: Eligibility Verification Requirements

Requirement	Purpose and Approach
Baseline Energy Consumption	• Purpose: establish energy consumption and associated GHG before project implementation, in order to compare against later on to calculate savings. • ICP establishes minimum baselining methodology requirements for energy saving projections, and the QA Assessor will verify that appropriate baselining is performed as part of the IREE certification process. • CIB will further verify that the baselines are appropriate for GHG accounting and will propose specific changes needed to meet this requirement if needed.
Energy Savings Estimates	• Purpose: estimate savings that would result from recommended energy conservation measures (ECMs). These are based on key details such as: measure type, costs to implement, incremental costs (if applicable), estimated total annual energy savings, estimated annual cost avoidance savings, • ICP establishes minimum due-diligence guidelines for energy savings estimates of planned ECMs, and these are verified as part of the IREE QA Assessor verification. • CIB will further assess and verify the associated GHG savings at the project level. CIB will also review estimates of water savings as these are not included in the IREE QA process and can impact project economic significantly in buildings that are metered and billed for water use.
Design, Construction and Verification	• Purpose: A plan to verify equipment was installed as intended to optimize performance. It also ensures the building operator is provided the required documentation and training to operate the building successfully. • ICP requires that an Operational Performance Verification (OPV) Plan and Report is created, as well as operator training and the provision of a Systems manual. The QA Assessor will review and verify these plans were provided as part of the IREE Certification. • Costing estimates for the project must also be submitted. These will be reviewed against the design and energy savings estimates to ensure that costs are reasonable and will result in the stated returns on investment.

Requirement	Purpose and Approach
Operations, Monitoring, Maintenance (OM&M)	• Purpose: A plan to ensure the equipment is operated as intended • ICP requires that an OM&M plan, operator manual, training plan, and tenant communication plan be completed. These are reviewed and verified by the QA Assessor as part of the IREE Certification. • In addition, post-occupancy construction activities must be submitted to ensure energy savings are optimized and maintained.
Measurement & Verification	• Purpose: Establish a consistent method for measuring and tracking savings • ICP requires that an M&V plan be developed that follows the appropriate IPMVP option standards. The M&V plans are reviewed and verified by the QA Assessor as part of the IREE Certification. • CIB will review the M&V plan to ensure that it includes sufficient data to conduct carbon accounting and, if necessary, verify carbon credits.
Risk Matrix	• Purpose: A risk matrix that identifies key risks and mitigation strategies that may arise during construction and during the project performance phase • Project documentation and plans in comparison to ICP protocols helps to identify risk during the project development stage, however this is not formally a part of the IREE Certification review
Financials	• Purpose: Each project will be required to provide a standard financial projection sheet including estimate costs (construction, financing costs, OM&M plan, M&V plan etc.) and revenues (energy bill savings, water savings, others as deemed appropriate). From this the project return on investment (ROI) should be projected. • CIB will review the Financial Sheet against the key inputs from other documents provided (i.e., savings estimates, equipment estimated lives, and construction cost estimates) to verify the project ROI and financial viability. • The CIB will require the recipient to provide the contractual agreement, including the Energy Performance Contract, between the retrofit aggregator and the building owner.

Table 6: Post Construction Quality Auditing Requirements

Documentation	Purpose and Approach
Baseline energy consumption	Verify that any non-routine adjustments have been made to the baseline (i.e., due to a change in occupancy or building function after the retrofit is complete)
Energy savings estimates	Review the updated savings and assess GHG reductions, accounting to any change in the retrofit scope the further verify the associated GHG savings at the project level. CIB will also review updated estimates of water savings.
Design, Construction and Verification	- Confirm that the as-built construction drawings, system and equipment manuals and operator training have been provided to the building operator. - Review and verify the Operational Performance Verification Report to ensure that the equipment is operating as intended to achieve the targeted energy savings. - Review project costs and design scope against the initial cost estimates to verify project returns on investment.
Operations, Maintenance and Monitoring	- Confirm that the OM&M plan, operators manual, training, and tenant outreach have been conducted and updated according to any changes to the retrofit scope and design. - Verify that there is a contract in place to conduct a post-construction commissioning process 6-12 months after project completion.
Measurement & Verification	- Review the final M&V plan to ensure that it includes sufficient data to conduct carbon accounting and, if necessary, verify carbon attributes. - Confirm that an account for the building has been created on the ESPM platform, and that the entries are complete and up to date. CIB will confirm that the M&V plan includes regular updates to the building's ESPM file.
Financials	Review the updated financial sheet for the project to determine the post-construction ROI.

GHG Reporting

Participants are required to submit the appropriate data to allow the CIB to report on performance and GHG savings. Sources of data include Energy Star Portfolio Manager (ESPM), direct utility data, and data provided by retrofit aggregators under terms of their energy performance contracts with clients and their M&V plan commitments to CIB. Detailed data on building system energy end use may not be necessary for GHG reporting but may be important for Initiative impact analysis or for research and policy efforts of federal agencies.

Annual Review

The following information must be submitted on an annual basis for each approved Project Financing recipient:

- Audited financial statements
- SPV Bank statements
- Project pipeline report with number of leads (by building type or market segment) and estimated projects completed for the next 12-24 months
- Abandoned projects
- Construction completion status and any updates to schedule
- Operating Report of retrofit measures
- GHG accounting data, as will be determined by the CIB

The following information will have been submitted during diligence and may be reviewed annually:

- Technical Project Descriptions
- Energy performance contracts for each completed project
- List of completed projects with budget versus actual costs comparisons based on a standardized template

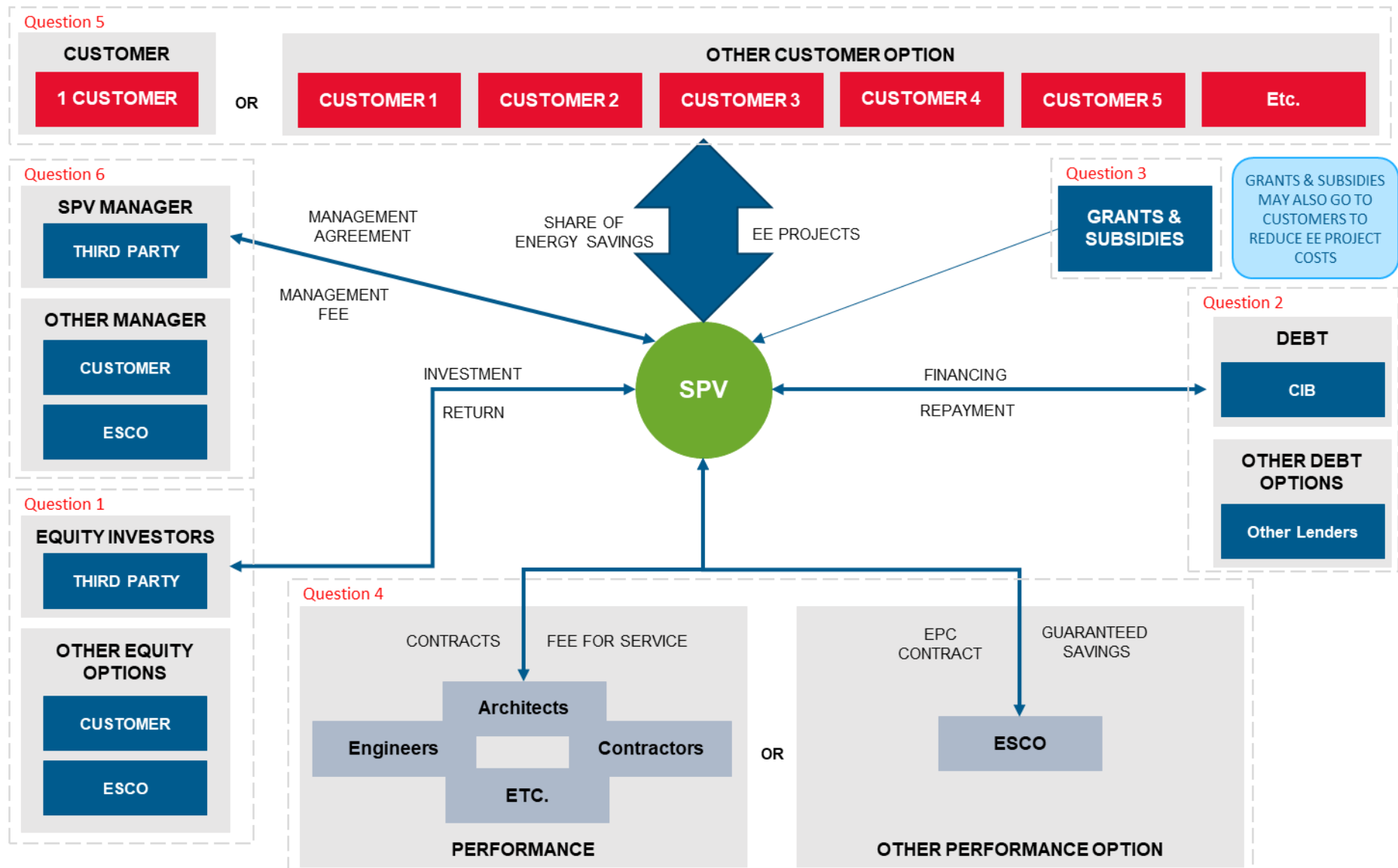
Appendix B: Sample Financing Structures

Project Finance

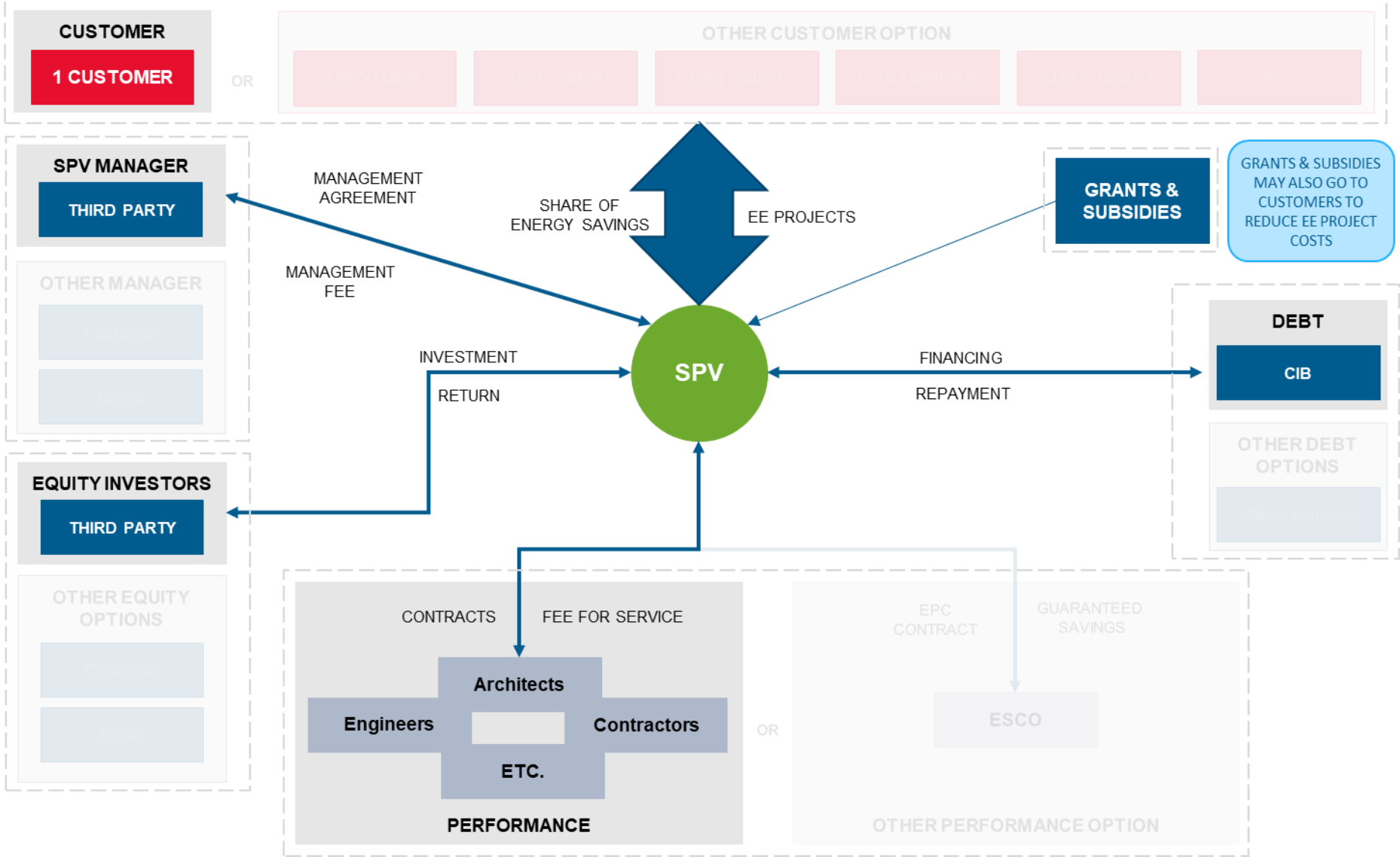
Project Finance to SPV variation questions:

- Funding/Financing Sources
 - Question 1: Source of Equity Investment?
 - Question 2: Other lenders?
 - Question 3: Other sources of funding (e.g. grant)?
- Project Execution and Performance
 - Question 4: Who performs the work and on what terms?
- Customers or Relationship of Customer and SPV
 - Question 5: Is there one customer or are there multiple?
- SPV Management
 - Question 6: Who manages the SPV?

All variations in one chart



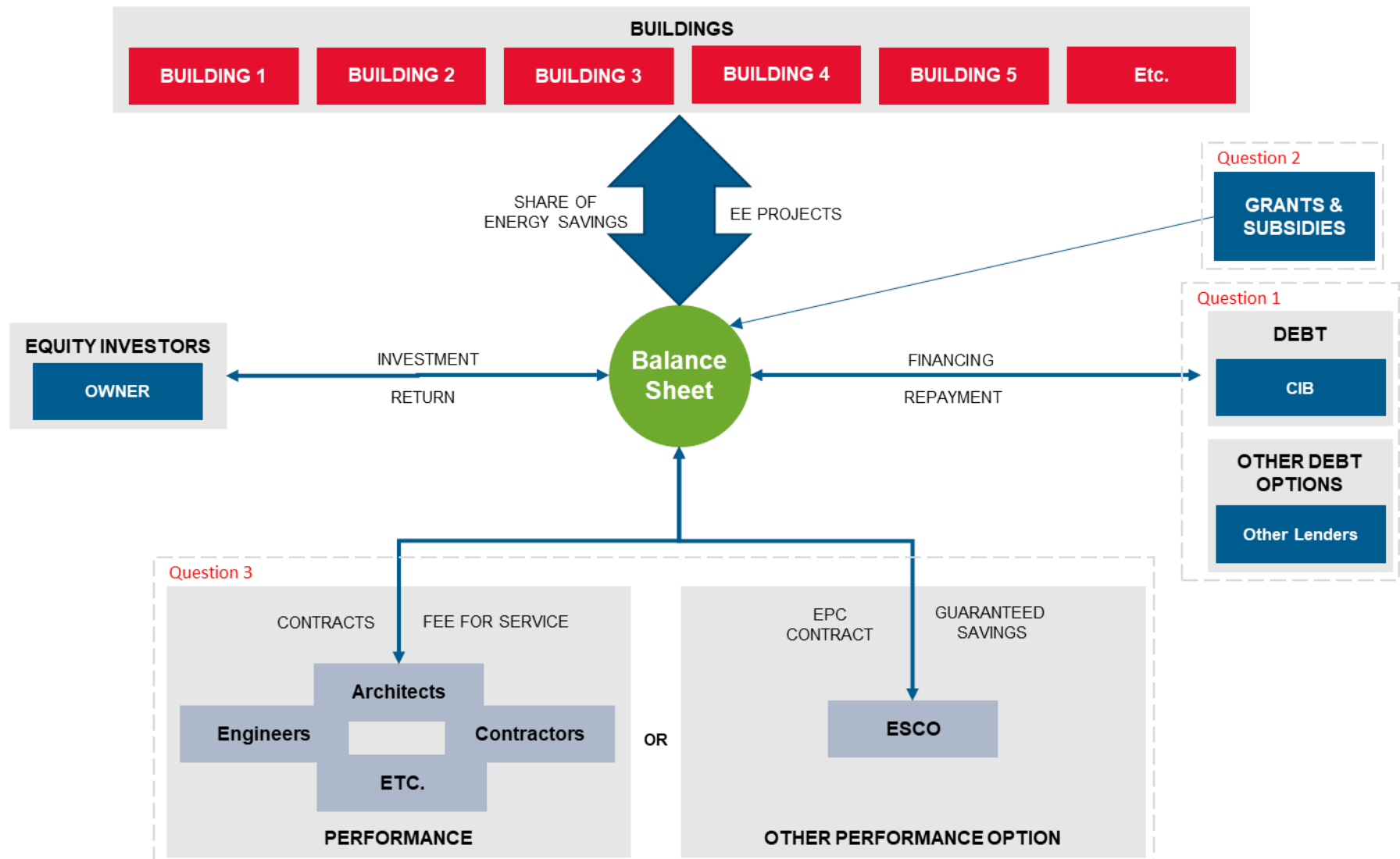
Variation Example



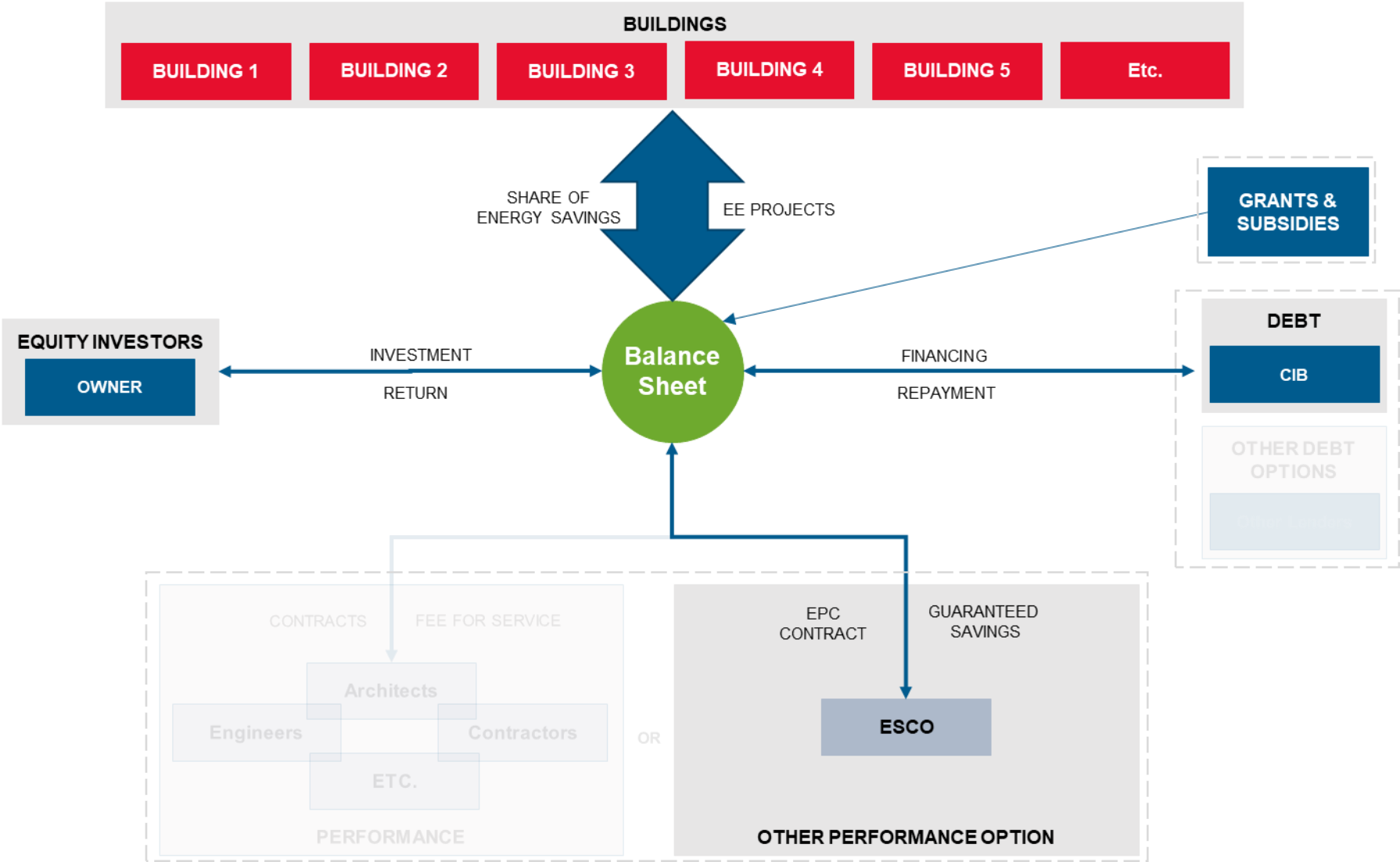
Commercial Finance

Commercial Finance variation questions:

- Funding/Financing Sources
 - Question 1: Other lenders?
 - Question 2: Other sources of funding (e.g. grant)?
- Project Execution and Performance
 - Question 3: Who performs the work and on what terms?

All variations in one chart

Variation Example



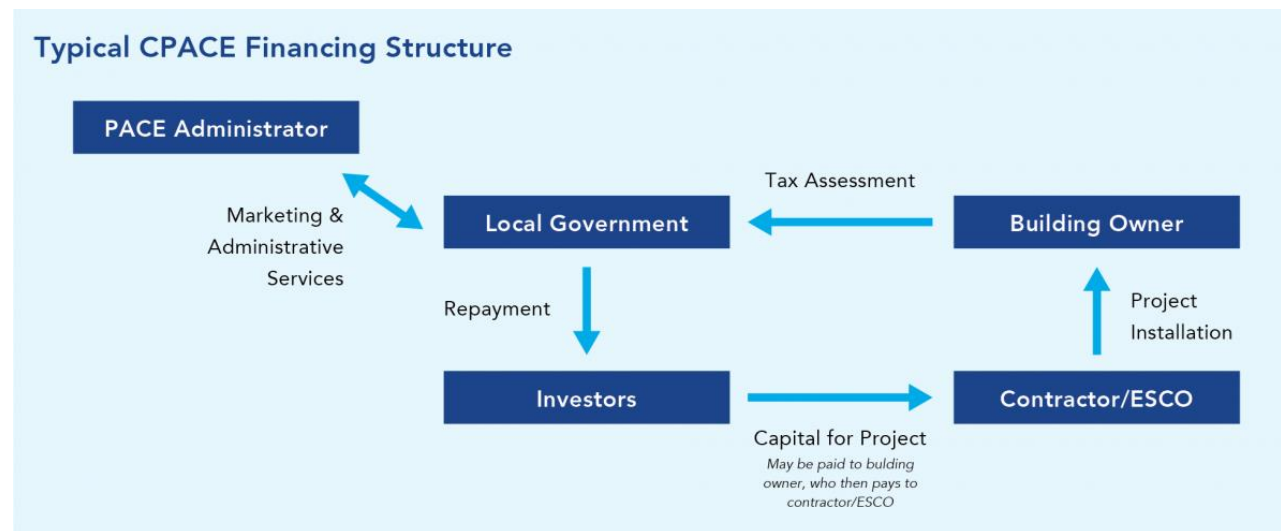
Commercial PACE Programs

Novel financing approaches based on unique repayment mechanisms may also emerge as potential applicants to the Financing Initiative, such as Commercial Property Assessed Clean Energy (CPACE), which is repaid via property taxes. Provincial legislation and local implementation rules establish the parameters for C-PACE administration and funding.

Elements that may vary include:

- Whether the PACE Administrator is the Local Government or a third party; and
- The Investor[s] is a single, pre-selected public or private financing source, or an open market in which various private lenders compete to provide capital.

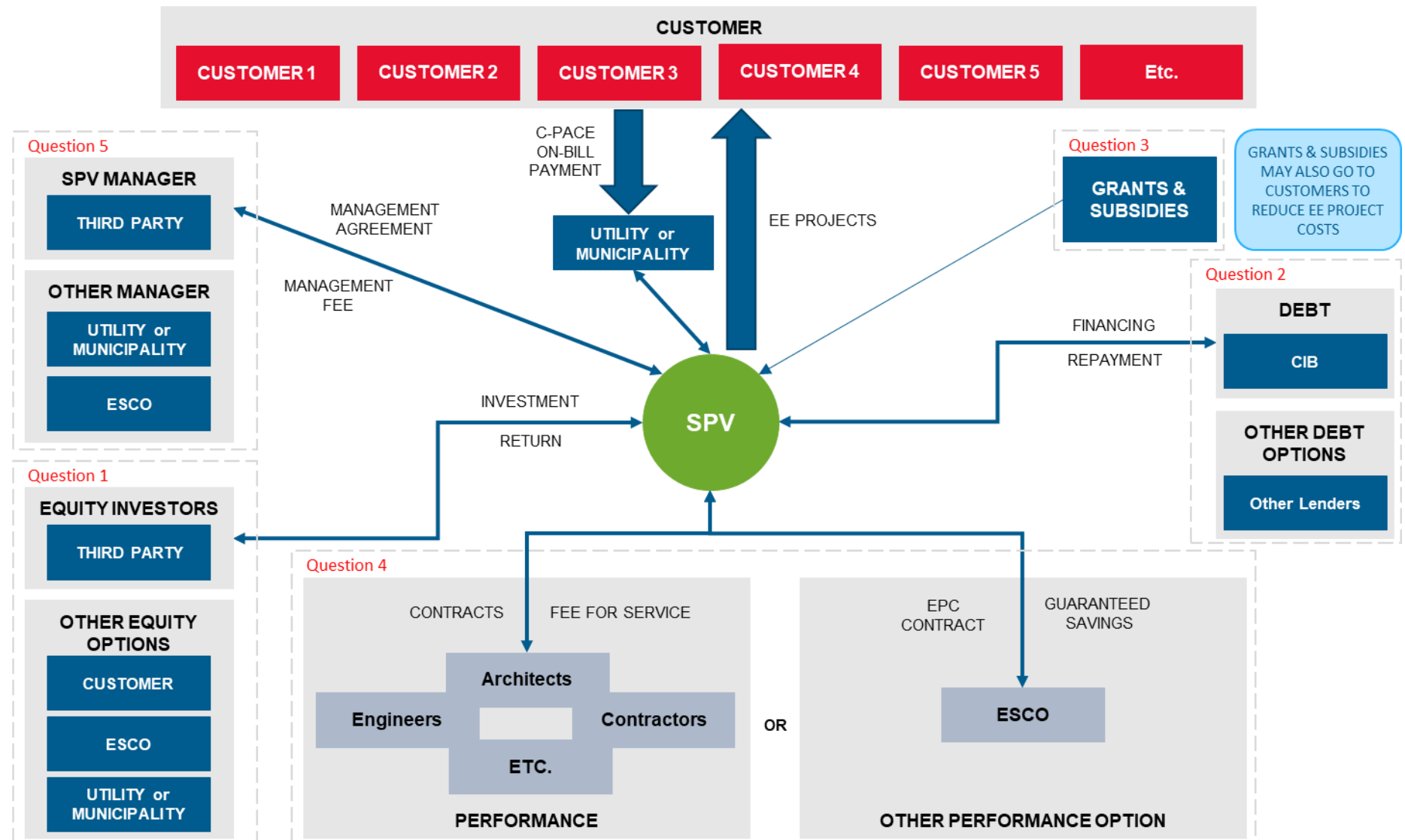
A typical C-PACE financing structure is outlined below:



C-PACE variation questions:

- Funding/Financing Sources
 - Question 1: Source of Equity Investment?
 - Question 2: Other lenders?
 - Question 3: Other sources of funding (e.g. grant)?
- Project Execution and Performance
 - Question 4: Who performs the work and on what terms?
- SPV Management
 - Question 5: Who manages the SPV?

C-PACE/On-Bill Aggregator: All variations in one chart



C-PACE/On-Bill Aggregator: Variation Example

