

Efficiency Maine C-PACE Program Process Manual

Overview:

The Efficiency Maine C-PACE Program Process Manual summarizes the steps of applying for and receiving a loan through the Efficiency Maine C-PACE Program referred to herein as the "Program". The Process Manual defines several key terms and describes the roles of the property owner, contractor, lender (capital provider), municipalities and the program administrator. Efficiency Maine Trust is the administrator for the Program and will be referred to herein as the "Trust".

The Process Manual outlines steps and program requirements relating to:

1. How to become a participant of the Program; and
2. How an individual project moves through the stages of obtaining financing through the Program.

Although the document defines a clear pathway for projects, the Program does NOT require that the stages be followed in this precise way. Efficiency Maine recognizes that different project types led by different stakeholders may adopt unique processes to best accomplish their goals. Nevertheless, it should be noted that any specific requirements listed in this document (e.g., stage prerequisites, documents) are firm for all projects, as are onboarding requirements related to becoming a participant in the Program.

Document Outline:

1. Program Guidelines
2. Roles and Responsibilities
3. Program Stages
 - a. Stage 1: Project Opportunity
 - b. Stage 2: C-PACE Application
 - c. Stage 3: Financial Close
 - d. Stage 4: Project Development & Quality Check
 - e. Stage 5: Project Completion
 - i. Default
 - ii. Transfer
 - f. Stage 6: Finance Completion
4. Program Documents
5. Additional Resources
6. Definitions

1 - Program Guidelines

[Click here](#) to view the complete Efficiency Maine C-PACE Program Guidelines, detailing the rules and key processes for the Program.

2 - Roles and Responsibilities

See below for a summary of roles in the Program process and, where applicable, prerequisites to establish qualifications or eligibility before participating in the program.

Program Administrator:

Description: The Administrator of Efficiency Maine C-PACE is the Efficiency Maine Trust or its agent. It will be referred to as Efficiency Maine in all Program Documents.

Primary Role: Efficiency Maine oversees program design, adherence to technical, financial, and quality assurance guidelines, and marketing. It also will disseminate resources (such as the Model C-PACE Ordinance template for Participating Municipalities, and other reference documents linked in Section 7, below) to support participants in program implementation.

Property Owner:

Description: Any person or entity that holds the title to a Qualified Property that pursues a Qualified Project and enters an agreement with a Registered Capital Provider within the Program.

Primary Role: Identify Improvement Contractor to work with to develop and implement a Qualified Project; Enter an agreement with a Registered Capital Provider within the Program.

Improvement Contractor:

Description: The Improvement Contractor (or “Contractor”) is the individual or entity, selected by the Property Owner and/or Capital Provider, responsible for preparing the scope of work and performing the installation of the Qualified Project. There are no prerequisites to qualify as an Improvement Contractor within the Program.

For clarity, although it is not required in the Efficiency Maine C-PACE Program, other Efficiency Maine Programs may require a contractor to become a “Qualified Partner” prior to participating in or receiving incentives from such other Programs.

Primary Role: To install a Qualifying Project to mechanical completion and operation as proposed in the project application and as agreed upon with Capital Provider and Property Owner.

Capital Provider:

Description: Any entity that agrees to provide capital to complete a Program project and that has successfully registered with Efficiency Mainer through the Program Qualifying Process for Capital Providers.

Primary Role: Capital Providers will enter into a lending agreement with the Property Owner and/or Improvement Contractor and provide the capital for the project. The Capital Provider also will enter an agreement with the Participating Municipality and should expect to manage the Program activities and coordinate efficiently with Property Owners, Improvement Contractors, and Local Municipalities to fulfill all required Program responsibilities. The Capital Provider must notify the Participating Municipality and Efficiency Maine in the event of any delinquency.

Prerequisites for Participation: If a Capital Provider wishes to participate in the Program, it may submit the [Capital Provider Application](#) to [placeholder email or Link]. The applicant must meet all minimum Program Qualifications (see Additional Resources). If the Capital Provider is approved by Efficiency Maine, it would then become a Registered Capital Provider. Efficiency Maine will maintain a publicly accessible list of Registered Capital Providers on Efficiency Maine's website. To find out more see Additional Resources, below.

Participating Municipality

Description: A municipality located in Maine that passes an enabling ordinance and enters an agreement with Efficiency Maine is a Participating Municipality in the Program.

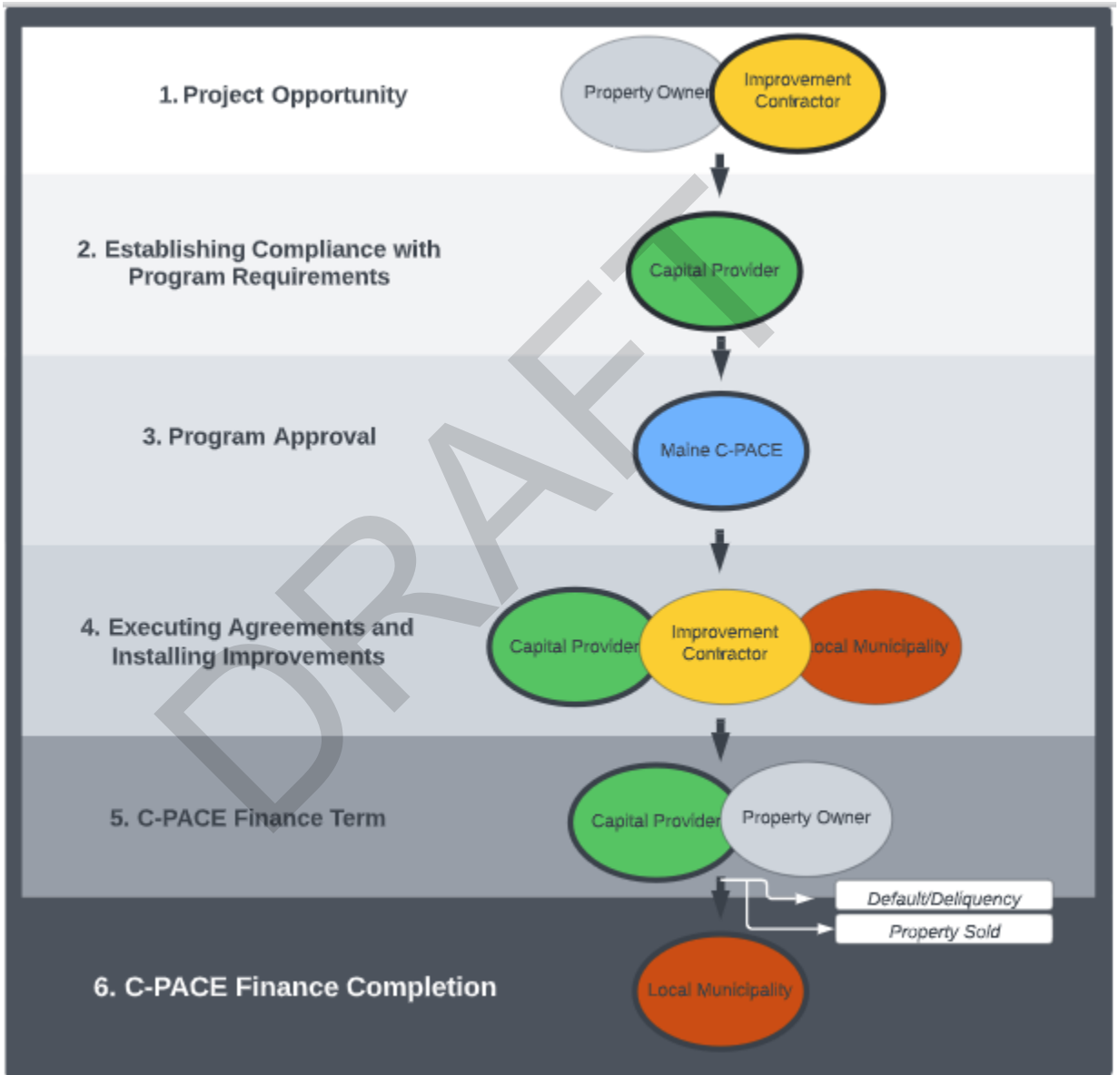
Primary Role: When a Qualifying Project reaches the point of securing financing, the Participating Municipality will enter a [Commercial Pace Agreement](#) with a Property Owner and Capital Provider; ensure all required legal documents are filed at the county level (e.g., Notice of a Commercial PACE Agreement, Mortgage Lender Consent); and manage delinquency tasks when applicable and so notified by the Capital Provider.

Prerequisites for Participation: To become a Participating Municipality, a municipality must first adopt an enabling ordinance (a C-PACE Ordinance) authorizing participation in the Program. Next, the municipality must execute a [Municipality C-PACE Participation Agreement](#) with Efficiency Maine. For a sample enabling ordinance and process please see [Additional Resources, below](#).

3 - Program Stages

The project stages highlight the typical pathway forward for Program Partners pursuing an Efficiency Maine C-PACE project. The stages will detail the necessary requirements to move through the process.

Stages overview:



Stage 1: Project Opportunity

Stage Prerequisites: N/A

Activities: See Table, below

Trust	Property Owner	Improvement Contractor	Capital Provider	Participating Municipality
n/a	<ol style="list-style-type: none">1. Works with Improvement Contractor to get a price quote for a Qualified Project.2. Coordinates with Improvement Contractor to select Registered Capital Provider to use for the project.	<ol style="list-style-type: none">1. Provides a price quote and scope of work to the owner of a Qualified Property.2. Coordinates with Property Owner to select a Registered Capital Provider to use for the project.	n/a	n/a

Documents: n/a

Stage Completion Benchmark: The Qualified Property Owner and/or the Improvement Contractor have approached a Registered Capital Provider with a Qualified Project.

Stage 2: Establishing Compliance with Program Requirements

Stage Prerequisites: A Qualified Property Owner, an Improvement Contractor, and a Registered Capital Provider have agreed to pursue a Qualifying Project within the Program.

Activities: See Table, below

Trust	Property Owner	Improvement Contractor	Registered Capital Provider	Participating Municipality
			<ol style="list-style-type: none"> 1. Verify that a property is a Qualified Property. See Program Guidelines or Additional Resources. 2. Verify that a project is a Qualified Project. See Program Guidelines or Additional Resources 3. Collect SIR Certification Document signed by a Technical Reviewer 4. Contact each Financial Institution that holds a Lien, Mortgage, security interest or other encumbrances on the Qualified Property and obtain a signed Mortgage Lender Consent document from each Financial Institution 5. Obtain a Title Report for Qualified Property 6. Obtain the current tax assessor property card 7. Assemble all the requirements necessary to submit an application. (See Section 5 Application) 8. Fill out the Program Application Form 9. Pay the Application fee. Capital Provider may also broker the payment of the application fee from either the Improvement Contractor, the Property Owner, or any other party. 10. Submit the Program Application to [Placeholder email or Link] 	

Documents:

[Application Form](#)

[Project Completion Pledge](#)

[SIR Certification](#)

Title Report

Capital Provider certification

[Mortgage Lender consent](#) (if applicable)

Current Tax Assessor Property Card

Stage Completion Benchmark: A completed application has been sent to Efficiency Maine C-PACE.

DRAFT

Stage 3: Program Approval

Stage Prerequisites: An Application has been received by Efficiency Maine C-PACE

Activities:

Efficiency Maine C-PACE	PROPERTY OWNER	Improvement Contractor	Capital Provider	Participating Municipality
1. Review Application 2. If accepted, Issues Notice of Approval to the Applicant 3. If rejected, [Issue Notice of rejection] to the Applicant				

Documents:

[Application Form](#)

[Notice of Approval](#)

[Notice of Rejection](#)

Stage Completion Benchmark: A [Notice of Approval](#) has been issued from Efficiency Maine C-PACE to the Applicant

Stage 4: Executing Agreements and Installing Improvements

Stage Prerequisites: Applicant has received [Notice of Approval](#)

Activities:

Efficiency Maine C-PACE	PROPERTY OWNER	Improvement Contractor	Capital Provider	Participating Municipality
	<ol style="list-style-type: none"> Execute Commercial PACE Agreement 	<ol style="list-style-type: none"> Implements project construction/installation 	<ol style="list-style-type: none"> Closes Financing with Property Owner & Improvement Contractor Set up direct billing & collections with property owner Facilitates and executes Commercial PACE Agreement with Participating Municipality Record the following documents with the Qualified Participating Municipality and pay any recording fees <ol style="list-style-type: none"> Notice of a Commercial PACE Agreement Mortgage Lender Consent 	<ol style="list-style-type: none"> Execute Commercial PACE Agreement Execute and notarize Notice of a Commercial PACE Agreement

Documents:

[Mortgage Lender Consent](#)

Stage Completion Benchmark: [Notice of a Commercial PACE Agreement](#) has been Recorded

Stage 5: Project Complete

Stage Prerequisites: Notice of a Commercial PACE Agreement has been Recorded

Activities:

Efficiency Maine C-PACE	PROPERTY OWNER	Improvement Contractor	Capital Provider	Participating Municipality
	1. Makes regular finance payments as agreed upon with Registered Capital Provider		1. Notifies Participating Municipality and Efficiency Maine C-PACE when all payment obligations have been made by the Property Owner 2. In the Case of Default (see below) 3. In the Case of Transfer (see below)	

Default Process: Capital Provider must notify Efficiency Maine when there is a delinquency in an Approved Project. There are two default pathways within the Program:

- i. If the Property Owner is delinquent on both the C-PACE Financing AND any payment obligations payable to the Participating Municipality
- ii. If the property Owner is only delinquent on C-PACE Financing and NOT any payment obligations payable to the Participating Municipality.

Please refer to the Program Guidelines for further information on the Default Process.

Transfer Process: Capital Provider must notify Efficiency Maine whenever there is a Transfer of a C-PACE Lien. During the Term of C-PACE Financing, a Property Owner may wish to sell the property. In such a case, the following options are available:

- i. The Property Owner and the Buyer can negotiate to pay off the balance of the C-PACE Financing and remove the C-PACE Lien from the Property. Or;
- ii. The Buyer would be obligated to take over the payments of the C-PACE Financing. In this instance, the Capital Provider and Buyer may wish to update the Notice of Commercial Pace Agreement and file it at the registry of deeds thus updating the C-PACE Lein to reflect the current owner of the property.

Please refer to the Program Guidelines for further information on the Transfer Process.

Documents: n/a

Stage Completion Benchmark: Participating Municipality has been notified that all payment obligations have been made by the Property Owner.

DRAFT

Stage 6: Finance Completion

Stage Prerequisites: Participating Municipality has been notified that all payment obligations have been made by the Property Owner.

Activities:

EMT	PROPERTY OWNER	Improvement Contractor	Capital Provider	Participating Municipality	Technical Reviewer
				1. Remove any Leins related to the Program from the Property Record	

Documents: n/a

Stage Completion Benchmark: Efficiency Maine C-PACE Leins have been removed from the Property Record

4 - Program Documents

Attached below is a reference to each document required throughout the process.

Doc #	Document Name	Document Purpose	Signers
1	Capital Provider Application Form	To receive an application from Capital Providers requesting to achieve qualification status.	Capital Provider
2	Capital Provider certification	To provide Capital Providers with their Qualification Status	Efficiency Maine C-PACE
3	SIR Certification	To verify the Savings to Investment Ration is >1	Technical Reviewer
a	Proof of Technical Reviewer Credentials	To verify credentials of Technical Reviewer	N/A
4	Mortgage Lender Consent	To verify notice and consent from other mortgages, liens and/or encumbrances on the property	Each and every organization holding a mortgage, lien or encumbrance Signed and notarized by the
5	Notice of a Commercial PACE Agreement	Provide a public record that there is an assessment on the property	Participating Municipality
6	Commercial PACE Agreement	[3-way contract between property owner, lender, and municipality spelling out the financing terms]	Property Owner, Muni, Lender
7	Notice of Approval	To provide approval of an application by Efficiency Maine C-PACE to an Applicant	Efficiency Maine C-PACE
8	Notice of Rejection	To provide a lack of approval by Efficiency Maine C-PACE to an Applicant and provide details on the nature of the disapproval	Efficiency Maine C-PACE
9	Title Report	Provide proof of the property owner and other mortgages and encumbrances	N/A

10	Current Tax Assessor Property Card	Provide proof that the property is up to date on its required taxes	N/A
11	Application Form	Provide basic project information to be reviewed by Efficiency Maine C-PACE	Applicant
14	Municipality C-PACE Participation Agreement	A Master Agreement between Efficiency Maine C-PACE and Participating Municipality	Participating Municipality, Efficiency Maine C-PACE

DRAFT

5 - Additional Resources

Technical Reviewer Resources

Program Partner Lists

[Efficiency Maine Qualified Partner List](#)

SIR Calculation aid and guidance

[Qualified Project Requirements](#)

[Qualified Property Requirements](#)

Model Ordinance template

[Qualification Guidelines for Lenders.docx](#)

Benefits of participating in the C-PACE Program

6 - Definitions

“Program”- refers to the program administered by the Efficiency Maine Trust, pursuant to the Efficiency Maine C-PACE Act (35-A M.R.S. §§10201 *et seq.*) to facilitate Commercial Property Assessed Clean Energy loans;

“Qualified”- Meeting the requirements of the Program Guidelines and approved by the Program.

“Qualifying Project”- A Project that meets the criteria outlined in the Program Guidelines;

“Qualified Property”- A Property that meets the criteria outline in the Program Guidelines;

“Registered Capita Provider”- A Capital Provider that has been recognized by Efficiency Maine C-PACE as a Registered Capita Provider after receiving the Capital Provider Application from the Capital Provider;

“Capital Provider Application”- The Application submitted by a Capital Provider to be approved by Efficiency Maine C-PACE as a Program Partner. Such approval would render the Capital Provider as a Registered Capita Provider;

“Application”- An application from a Program Partner to Efficiency Maine C-PACE seeking a Notice of Approval for a specific project;

“Applicant”- Any Program Partner that submits a completed Application to Efficiency Maine C-PACE;

“Technical Reviewer”- any engineer or certified product / industry expert professionally capable of performing the necessary duties;

“C-PACE Lien” - means a means a lien secured against a Qualifying Property that is created by a C-PACE Assessment and the recording of a Notice of C-PACE Agreement in the Registry of Deeds.

“Participating Municipality” - means a Maine municipality that has adopted a Commercial PACE Ordinance authorizing participation in a Commercial PACE Program.

“Property Owner” - means an owner of a Qualifying Property.

“Trust” or “Efficiency Maine” or “EMT” - means the Efficiency Maine Trust, an independent quasi-state agency of the State of Maine.

DRAFT