

Governor Phil Murphy

# Governor Murphy Signs Legislation Establishing the Garden State C-PACE Program

08/24/2021

**TRENTON** – Governor Phil Murphy today signed legislation (A-2374) which establishes the Garden State Commercial Property Assessed Clean Energy (C-PACE) Program. The program will facilitate the funding of clean and renewable energy infrastructure at commercial properties throughout the state, furthering the Administration’s commitment to battling climate change.

“C-PACE programs have been proven to be successful in many states,” **said Governor Murphy**. “Establishing a C-PACE program in New Jersey is a decision that will lead to more businesses and landlords embracing renewable energy, climate resiliency technology, and other clean energy measures that improve our communities while saving money for New Jerseyans.”

“The plan to create the Garden State C-CPACE program aligns with Governor Murphy’s clean energy vision by helping businesses, non-profits and multi-family residential developers or property owners overcome the financial hurdles of implementing energy efficiency, renewable energy and climate resiliency measures,” **said New Jersey Economic Development Authority CEO Tim Sullivan**. “The NJEDA team is excited for the opportunity to reduce the financial burden of making these critical investments by alleviating upfront costs and lowering debt service payments. This will help property owners to preserve precious capital resources for other important projects.”

Primary sponsors for A-2374 are Assemblyman Raj Mukherji, and Senators Bob Smith and Kip Bateman.

“More property owners would likely be willing to make environmentally beneficial improvements to their property if they were able to access the financing to do so. The C-PACE program makes it easy for owners to make these changes by eliminating upfront costs and providing a competitive long-term financing option,” **said Assemblyman Raj Mukherji**. “By offering this opportunity to property owners throughout the state, we can help residents take advantage of cost-saving measures that would also benefit the environment and resiliency of New Jersey. The program is a win-win for everyone involved.”

“New Jersey needs to start upgrading its buildings to become greener and more efficient. We also need to upgrade our physical and energy infrastructure in order to withstand powerful storms like Superstorm Sandy,” **said Senator Bob Smith, Chair of the Senate Environment and Energy Committee**. “Through C-PACE, municipalities will be able to provide initial financing for improving the sustainability and efficiency of buildings or properties. It is only a matter of time until we are confronted with another catastrophic storm, and when that occurs, we have to be ready.”

“Countless commercial property owners across the state are ready to embrace renewable energy, but upfront costs are an obstacle,” **said Senator Kip Bateman**. “The legislation signed today will help mitigate the fiscal concerns and provide owners with flexible, long-term financing alternatives. In 2011, New Jersey adopted one of the nation’s most aggressive renewable energy portfolio standards, and this will make clean energy more accessible and affordable for all New Jerseyans.”

A-2374 requires the New Jersey Economic Development Authority (NJEDA) to establish a Garden State Commercial Property Assessed Clean Energy (“C-PACE”) Program to facilitate the financing of C-PACE projects. The bill also allows certain local governments to establish their own local C-PACE programs to facilitate the financing of C-PACE projects. A C-PACE project is defined as (1) the acquisition, construction, capital lease, installation, or modification of an energy efficiency improvement, renewable energy system, electric vehicle charging infrastructure, flood resistant construction

improvement, or hurricane resistant construction improvement; (2) a microgrid or district heating and cooling system in which a property owner participates for the duration of the C-PACE assessment; or (3) a power purchase agreement with respect to a renewable energy system affixed to a property. The properties that are eligible for C-PACE financing are industrial, agricultural, or commercial properties; residential properties containing five or more dwelling units; common areas of condominiums and other planned real estate developments; and properties owned by a tax-exempt or nonprofit entity, including, schools, hospitals, institutions of higher education, and religious institutions.

"C-PACE is the most popular energy efficiency program you haven't heard of and it will make a huge impact to turbo charge green financing for energy efficiency investments. We need all hands on deck to keep pace with our state energy efficiency mandates and climate goals -- the C-PACE program will help us to boost energy efficiency," **said Doug O'Malley, director of Environment New Jersey.** "We applaud Governor Murphy for signing this legislation and his work with prime sponsors Sen. Smith and Asm. Mukherji and we urge NJEDA to move forward with the rule-making process as quickly as possible."

"We applaud the Assembly's leadership in passing C-PACE legislation and thank Governor Murphy for signing it into law. New Jerseyans need this program now more than ever," **said Emma Horst-Martz, Advocate with NJPIRG.** "With climate change causing more intense and frequent storms, higher temperatures, and more costly utility bills, businesses and organizations can now use the C-PACE program to finance energy efficiency improvements on their buildings. Advocates have been working towards this day for a long time and we look forward to a swift rulemaking process at the Economic Development Authority so our communities can start benefiting from the program."

"PACENation is delighted to welcome New Jersey to the C-PACE family," **said PACENation Executive Director Colin Bishopp.** "With today's bill signing by Governor Murphy, New Jersey becomes the thirty-eighth state to embrace C-PACE as a crucial financing option for property owners. The Garden State C-PACE program administered by NJ Economic Development Authority will create local jobs, reduce carbon emissions, and facilitate thousands of building upgrades that might not have been possible otherwise. Congratulations to everyone involved."

## Governor Phil Murphy

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