Commercial Property Assessed Clean Energy District

Meeting Date: July 11, 2018
#: 5-2.
Title: Commercial
Date Submitted: June 29, 2018
Staff Presenter: Rosemarie Russo, Sustainability Director
Attachment(s): C-PACE Resolution, C-PACE Participation Agreement &
Support for a National Revenue Neutral Carbon Fee Resolution
Options: Sign the Carbon Fee Resolution or review and vote at a later meeting
Recommended Motion: NA

Background/Summary:: The Administration recommends that City Council
adopt the provided Resolution relating to a C-PACE Local Entity Participation
Agreement (the "Participation Agreement") between Moab Corporation and
the Governor's Office of Energy Development (OED)and a resolution
acknowledging Support of a National Revenue - Neutral Carbon Fee
Resolution. The C-PACE resolution requests and authorizes OED to conduct a
C-PACE program and district (the "Utah C-PACE District") and the
Participation Agreement allows OED to offer and administer Utah C-PACE
District within city limits and perform all of the duties described in the
Participation Agreement.

The City has a number of ambitious community energy, air quality and climate
change goals. These goals include transitioning to net-100% renewable
electricity for the entire community by 2032 along with reducing energy -
related greenhouse gas emissions 80% by 2040.
Over 50 % of emissions tracked in the community's annual carbon footprint
are related to electricity and natural gas used at non-residential sites,
including commercial and industrial properties. Reducing energy waste
through efficiency and conservation plus the adoption of cleaner technologies
like renewable energy and electric vehicles are all keys to mitigating carbon
pollution. Commercial Property Assessed Clean Energy (C-PACE) financing
was created to better connect property owners, managers and tenants

nationally with funding opportunities for onsite energy projects and can help
advance energy goals locally in Moab and throughout Utah.
In addition to traditional commercial and industrial property types that are
eligible for C-PACE in Utah, multifamily rental properties with five or more
units can also utilize the program. Financing can be leveraged for
improvements to existing properties and also certain investments in new
construction. For new construction, eligible improvements can be financed as
long as the building is designed to exceed the current international energy
conservation code required in Utah (2015 IECC, ASHRAE 90.1-2013) by at
least 5%.

A complete list of eligible improvement types along with C-PACE
rules and requirements are available in the User Guide' published at
UtahCPACE.com.

Other tangible steps for the City to move toward its energy efficiency and
renewable energy goals is supporting regional and national efforts include our
National Renewable Energy Lab Grant, the proposed Revenue Neutral Carbon
Fee Resolution, and on -going Green to Gold adoption rates.
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Utah C-PACE User Guide Version 1.0. Published May 4, 2018.
http s: //utahcpace. com/municipalities/municipalities-how-it-works/

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RESOLUTION 31-2018
A Resolution Concerning the Authorization of the Governor's Office of
Energy Development (OED) to Conduct the Commercial Property
Assessed Clean Energy District (Utah C-PACE District), within Moab as
the Governing Body ("Governing Body")

RECITALS
A. Utah Code Ann. § 11-42a (2017) (the "Statute") establishes the
GOVERNOR'S OFFICE OF ENERGY DEVELOPMENT (OED), an independent
body corporate and politic of the State of Utah and establishes the Utah C-
PACE District and provides for the creation of new energy improvement
financing, which the District has named "C-PACE" or Commercial Property
Assessed Clean Energy.

B. Pursuant to Section 11-42a-106 of the Utah Code, OED may only
"establish and administer" the C-PACE District in the Governing Body if the
Governing Body authorizes it do so by resolution.

C. The Governing Body wishes to authorize OED to administer projects
through the C-PACE District in the Governing Body.

D. OED and Governing Body have agreed on the terms of the C-PACE
Governing Body Participation Agreement in the form attached hereto (the
"Participation Agreement").

E.. Reducing energy waste through efficiency and conservation plus the
adoption of cleaner technologies like renewable energy and electric vehicles
are all keys to mitigating carbon pollution. C-PACE financing was created to
better connect property owners, managers and tenants nationally with
funding opportunities for onsite energy projects and can help advance energy
goals locally in Moab.

THEREFORE, THE GOVERNING BODY RESOLVES:
The Governor's Office of Energy Development shall be authorized to conduct
the C-PACE District in the Governing Body in accordance with the
Participation Agreement.

The Governing Body hereby: (a) adopts the above recitations as findings of the
Governing Body ; (b) authorizes the Governing Body Attorney, in consultation
with the Chair, to make such changes as may be needed to the Participation
Agreement in order to correct any nonmaterial errors or language that do not
materially increase the obligations of the Governing Body; (c) authorizes the
Chair to execute the Participation Agreement following review and approval
by the Governing Body Attorney; and (d) authorizes the Chair, Vice Chair, or
designee to execute any and all other necessary letters, orders, or documents
as may be required to facilitate the successful implementation of the C-PACE
District in the Governing Body.
Budget Impacts: None

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Clean Energy District and Revenue -Neutral Carbon Fee —Approved

Motion and Vote: Councilmember Derasary moved to approve Proposed Resolution #31-2018 — A
Resolution Concerning the Authorization of the Governor's Office of Energy Development to
conduct the Commercial Property Assessed Clean Energy (C-PACE) District within Moab and Proposed Resolution

#32-2018 — A Resolution Urging Congress to Levy a Revenue -Neutral Fee on the Carbon in Fossil Fuels.

Councilmember Knuteson-Boyd seconded the motion. Sustainability Director Russo described the C- PACE program and noted more than 100 local governments have passed legislation in support of it. She noted several opportunities for this low -rate loan program, including affordable housing, water conservation, solar installations and more. The motion passed 4-0 aye with Councilmembers Jones, Derasary, Knuteson-Boyd and Duncan voting aye.