




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

March 12, 2025

TO: Kate Stewart, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: 2024 Annual Report on the County's Commercial Property Assessed Clean Energy Program

Enclosed please find the annual report on the County's Commercial Property Assessed Clean Energy (C-PACE) program, which was created to assist qualifying commercial property owners in making energy and resiliency improvements to their buildings. This annual reporting requirement is described in the Montgomery County Code Chapter 18A, Article 5, Section 18A, § (b-c) which stipulates that:

"The Executive must submit an annual report to the County Council by March 15 of each year describing program participation, number and dollar value of surcharge billed and collected, and other relevant information pertaining to the prior calendar year.

The report must include details about outreach and education efforts by the designated program manager to encourage and disseminate information related to contracting with minority-owned businesses, including marketing strategies, promotions, availability of online directory, and website presence."

In January 2021, the County established a Memorandum of Understanding (MOU) with the Montgomery County Green Bank (Green Bank) to manage the day-to-day administration of the C-PACE program. The Green Bank's trusted status with capital providers, building owners, and energy service contractors, along with their suite of other strong financial and technical assistance products for building owners, made this transition of program management a logical

next step for the County's C-PACE program. The County extended this MOU with the Green Bank through December 2025.

Starting in 2024, the Green Bank became a small C-PACE capital provider to help stimulate the market and close gaps for smaller-sized transactions of \$2.5 million or less. Whereas the Green Bank traditionally engages other lending partners in financial transactions, it decided to permit small C-PACE transactions without other capital providers to demonstrate the efficiency and benefits of executing C-PACE loans. This approach was intended to lead to a growing interest from other capital providers in (a) purchasing participation in the Green Bank's C-PACE transactions and (b) engaging in their own C-PACE transactions. Both propositions are proving themselves to be true in 2025 when the Green Bank originated a C-PACE transaction from which a Community Development Finance Institution (CDFI) purchased a participation, and the Green Bank began hearing about new pipeline from other C-PACE capital providers.

From September 2024 to December 2024, the County billed and collected payments from the sixth cycle of C-PACE assessment collections due on the property tax bills. The total amount billed for all C-PACE assessment payments in 2024 equaled \$186,947. One account has been paying its property tax bill late and is currently past due. As with all delinquent taxpayers, this account owner has received late payment notices from the Department of Finance in October 2024 and January 2025; a tax sale notice will be posted in April 2025 if taxes remain outstanding. As of February 21, 2025, the total collections of \$121,646.63 have been remitted to the Green Bank for servicing with the C-PACE capital providers. In 2025, the new C-PACE loan with the Unitarian Universalists Church of Silver Spring (UUCSS) will be added to the borrower's tax bill.

Table 1: C-PACE Portfolio as of the end of December 2024

Building Name	Property Type	City	C-PACE Financed Amount	Loan Term (yrs)	Project Completion Date	First Surcharge Due Date
Wildwood Medical Center	Office	Bethesda	\$638,849	20	2/21/2018	9/30/2018
Rockville Motel Associates	Commercial	Bethesda	\$1,611,899	20	10/28/2020	9/30/2021
Unitarian Universalists Church of Silver Spring	Non-Profit/Faith-Based	Silver Spring	\$965,000	20	N/A	9/30/2025

In 2024, the Green Bank successfully closed its first self-funded C-PACE transaction that provided financing for UUCSS as listed in Table 1. The \$965,000 C-PACE loan was deployed to support a comprehensive energy efficiency and solar installation project at UUCSS, financing a significant portion of the total \$2.18 million project cost. The project included energy conservation measures such as LED lighting upgrades, heat pumps, insulation, window replacements, and a 25-kW solar photovoltaic (PV) system. These improvements are projected to

reduce 66,307 kWh of energy use annually, cut greenhouse gas emissions by 46 metric tons of CO₂ per year, and result in \$16,084 in annual energy cost savings.

The Green Bank has been committed to expanding awareness and adoption of C-PACE financing through targeted outreach, education, and stakeholder engagement. Throughout the year, the Green Bank engaged commercial property owners, lenders, developers, energy service providers, and local government agencies to raise awareness of C-PACE as a low-cost, long-term financing option for building upgrade projects. To drive participation, in-person and virtual outreach events were held across the county, complemented by enhanced digital marketing efforts, website improvements (MCGreenBank.org), and social media campaigns featuring success stories.

In addition, the Green Bank has prioritized inclusive economic participation by promoting opportunities for minority-owned businesses and projects in Low Income/Disadvantaged Communities (LIDAC) and Equity Emphasis Areas (EEA). The Technical Assistance Program serves to connect building owners to resources to assess their property and identify C-PACE-eligible building upgrades. The Green Bank also focused on ensuring minority-owned vendors can participate in the Technical Assistance program. The originations and communications teams have consistently integrated these priorities into marketing strategies, including market series events, business development efforts, and industry conferences such as the C-PACE Alliance Conference. Looking ahead, Green Bank will continue leveraging the UUCSS transaction as a model to promote C-PACE benefits, particularly for nonprofits and properties in EEA/LIDAC communities.

In February 2025, the Montgomery County Council unanimously approved modified Building Energy Performance Standards (BEPS) regulations. These regulations establish energy performance targets for existing buildings, aiming to reduce greenhouse gas emissions and promote energy efficiency. The C-PACE program is poised to play a crucial role in assisting property owners to meet these new BEPS standards by providing accessible financing options for necessary upgrades without requiring significant upfront capital.

If you have any questions on the C-PACE program or information provided in this annual report, please contact Nancy Feldman, Chief, Division of Fiscal Management, Department of Finance at extension 7-8887 or Lindsey Shaw, Section Chief, Buildings and Transportation Programs, Department of Environmental Protection at extension 7-7754.

ME:lb

cc: Richard Madaleno, Chief Administrative Officer, Office of the County Executive
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