



Powers Distributing

Beer distributor uses PACE financing

In January 2016 Powers Distributing, a beer distributor in Orion Township, teamed up with Levin Energy Partners, Newman Consulting Group, Petros PACE Finance, and Michigan Solar Solutions to complete Michigan's first refinanced PACE project – and the first PACE project in Orion Township and Oakland County.

Under Michigan's PACE statute, facility upgrades that qualify for PACE financing can also be refinanced, allowing companies such as Powers Distributing to obtain long-term financing for recently completed clean energy projects. From 2013 to 2015, Powers affixed more than 16,000 square-feet of solar panels on the roof of its recycling center and installed LED lighting. Petros PACE Finance arranged 100% ("no money down") private financing. Newman Consulting Group served as PACE consultant. Michigan Solar Solutions installed the solar panels. Powers Distributing will realize over \$350,000 in positive cash flow over the 20 year of the project.

January 2016

✓ Project Quick Stats

PACE District: Orion Township

Property Owner: Powers Distributing

PACE Contractor: Newman Consulting Group

PACE lender: Petros PACE Finance

Amount Financed: \$435,000

Net Savings: \$350,000

Energy Conservation Measures:

- LED lighting
- 95 kW solar system

Project Term: 20 years

Impact: Each year, the Powers PACE project will replace 360,000 kilowatt hours of traditional electricity. That's equal to avoiding the burning of 267,000 lbs. of coal or the carbon soaking capacity of 203 acres of forest.

Lean & Green Michigan

Lean & Green Michigan™ helps commercial, industrial and multi-family property owners take advantage of PACE to finance energy projects, eliminate waste and save money through long-term financing solutions that make energy projects profitable. Lean & Green Michigan™ is a public-private partnership that works with local governments, contractors, property owners, and lenders to invigorate Michigan's PACE statute with a market-based approach to energy finance and economic development.

Project Partners



PACE Financing

Commercial building owners spend \$200 billion per year on utilities, yet 30% of this is waste. The energy projects that could make these properties efficient often require significant up-front capital and take years to achieve profitability. Commercial loans typically have a tenor of 3-5 years, making the annual repayment greater than the energy savings. PACE changes all this by allowing property owners to finance energy efficiency and renewable energy projects via a property tax special assessment.

Orion Township's elected leaders created a countywide PACE district in December 2015 by joining the statewide Lean & Green Michigan PACE program. Since the County will enforce the PACE assessment just like any other property tax obligation, lenders feel secure in providing fixed-interest loans with terms of up to 25 years. The result is 100% up front financing to facilitate energy-saving projects. In addition, these projects create good jobs, and communities upgrade their building stock, increasing the local tax base over time.

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