



# CASTLEGREEN FINANCE

FINANCING SUSTAINABLE ENERGY PROPERTIES

House Energy and Digital Infrastructure Committee  
Vermont House of Representatives  
Vermont State House  
115 State Street  
Montpelier, VT 05633-5301

RE: S. 138

Representative James and Members of the Energy and Digital Infrastructure Committee:

I am writing on behalf of CastleGreen Finance to express our firm's strong support for Senate bill S.138, An Act Relating to Commercial Property-Assessed Clean Energy Projects, with a slight amendment to the Senate version. Our firm provides private capital for sustainable and resilient commercial real estate projects through Commercial Property Assessed Clean Energy (C-PACE) programs across the U.S.

Senate bill S.138 would update Vermont's existing PACE framework — established under 24 V.S.A. § 3261 et seq. in 2009 — with a focus on bringing the statute in line with other states that have passed PACE legislation. The bill establishes a statewide framework for commercial PACE financing that local governments may adopt to offer this tool to the businesses and property owners in their communities. The voluntary program allows building owners to access financing from private lenders for capital-intensive energy efficiency, renewable energy, water conservation, and resiliency projects. C-PACE financing is available from qualified private lenders at no out-of-pocket cost to the property owner, and critically, it uses no public or taxpayer dollars.

Our firm also supports a proposed amendment to S.138 addressing the treatment of "assessed value" in 24 V.S.A. § 3276(f). As proposed, the amendment would clarify that the combined amount of the C-PACE assessment and any outstanding mortgage obligations may not exceed 90 percent of the appraised real property value, as stabilized or as complete.

In §3276(f), the term "assessed value" should be replaced as follows:

**(f) The combined amount of the assessment plus any outstanding mortgage obligations for the property shall not exceed 90 percent of the ~~assessed~~ appraised real property value of that property, as stabilized or as complete.**

This clarification is particularly important for new construction projects, where reliance on land-only assessed value would unnecessarily constrain financing proceeds and limit the practical use of C-PACE. Aligning the statute with appraised value reflects real-world underwriting standards, preserves appropriate lender protections, and ensures that Vermont's C-PACE program can effectively support new development and redevelopment projects.

C-PACE programs are well-established and active in more than 38 states and the District of Columbia, including neighboring states such as New Hampshire, Connecticut, Massachusetts, and New York. Nationally, more than \$10 billion in C-PACE financing has been invested in nearly 3,000 projects.

Without access to C-PACE, Vermont's commercial property owners and developers are missing a significant opportunity to tap private financing for building improvements that increase energy efficiency, reduce operating costs, strengthen building resilience, support job creation, and advance the State's climate goals — all at no cost to local governments. At a time when federal energy incentives face uncertainty, S.138 offers Vermont businesses a reliable, voluntary, and market-based pathway to invest in sustainable improvements. Local governments and economic developers across Vermont are also missing this valuable tool to retain and recruit businesses in communities statewide. That is why we respectfully ask for your favorable consideration and swift passage of Senate bill S.138, including the proposed amendment addressed above.



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CastleGreen Finance strongly supports the passage of S.138 in Vermont. If you have any questions about the legislation or C-PACE financing more broadly, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read 'A B Samai'. The signature is fluid and cursive.

Amanda B Samai  
Managing Director  
CastleGreen Finance, LLC