MGB ACADEMY · MISSOURI MUNICIPAL LEADERS TRACK

Eligible Improvements: Municipal Quick Reference

What qualifies, what the statutory test actually is, and how water and resiliency measures fit

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Officials field this question from property owners more often than any other: does my project qualify? This sheet gives you enough to answer at a first-conversation level and to know when to route the owner to the district.

The two statutory categories

The Act finances two things, and everything eligible falls inside one of them.

Energy efficiency improvement

Any acquisition, installation, or modification on or of property designed to reduce the energy consumption of that property. The statute lists examples, and the list is expressly not exhaustive:

Named in the statute	Also named
Insulation — walls, roofs, attics, floors, foundations, and heating and cooling distribution systems	Automatic energy control systems
Storm, multiglazed, heat-absorbing and heat-reflective windows and doors	HVAC distribution system modifications and replacements
Other window and door improvements designed to reduce energy consumption	Caulking and weatherstripping
Lighting fixture replacement or modification that increases efficiency without increasing overall illumination, unless the increase is needed to meet applicable building codes	Energy recovery systems and daylighting systems

Renewable energy improvement

Any acquisition and installation of a fixture, product, system, device, or combination on property that produces energy from renewable resources — including photovoltaic, solar thermal, wind, biomass, and geothermal systems. This list is also not exhaustive.

Water and resiliency measures

> THE RULE, STATED PRECISELY
>
> **Water and resiliency work qualifies when it is energy-tied.** The statutory category is a measure designed to reduce the energy consumption of the property. A water system upgrade that cuts pumping energy fits squarely. A water measure with no energy relationship does not have a category to sit in.

This is a real limit, and describing it accurately protects everyone. An owner who is told "water projects qualify" and then finds their project does not is an owner who stops trusting the program. An owner who is told "water projects qualify when they reduce energy use" can usually tell you in one sentence whether theirs does.

In practice, the measures that clear this test are the ones where reduced pumping, heating, treatment, or conveyance load is the point: high-efficiency pumps and motors, controls and variable-frequency drives on water systems, leak detection and pressure management that reduces pumping demand, and hot-water system efficiency work.

The approval test — and a correction worth knowing

Officials sometimes hear that C-PACE requires a savings-to-investment ratio above 1.0. That is not what the statute says, and the distinction matters when an owner is at the margin.

The statutory standard	Before entering an assessment contract, the board must find that there are sufficient resources to complete the project and that the estimated economic benefit expected from the project during the financing period is equal to or greater than the cost of the project. §67.2815.1, RSMo.
Savings-to-investment ratio (SIR)	An industry best-practice guideline, and MGB's working underwriting expectation. It is not the statutory requirement. Economic benefit is a broader test than energy savings alone.
Why the difference matters	Economic benefit can include avoided capital cost, extended asset life, avoided deferred-maintenance escalation, and other quantifiable value — not only the utility line. Projects that fail a narrow savings test sometimes clear the statutory one.

Term follows useful life

The financing term may run up to twenty years and may not exceed the weighted average useful life of the qualified improvements. A roof-and-HVAC package supports a long term. A lighting-only retrofit supports a shorter one. When an owner asks why their term came back shorter than twenty years, this is almost always the reason.

What to say when an owner asks

A SAFE FIRST ANSWER

If the work reduces the building's energy use or produces energy on site, it is very likely in scope. The district makes the eligibility determination and applies the economic-benefit test, so the next step is a conversation with Missouri Green Banc — not a decision at your counter.

Statutory references: §67.2800.2(8) and (14) (definitions of energy efficiency improvement and renewable energy improvement), §67.2800.2(1) (term and useful-life limit), §67.2815.1 (economic benefit finding), §67.2820 (application criteria and audits), RSMo. Summary only; eligibility determinations rest with the district.

Markets set in motion. It all starts with collaboration.

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