

PROPERTY ASSESSED CLEAN ENERGY (PACE)

FREQUENTLY ASKED QUESTIONS

What is PACE & how does it benefit my municipality?

The [Property Assessed Clean Energy \(PACE\)](#) legislation is a program that lets Albertans make affordable energy efficiency or renewable energy upgrades to private property (residential, commercial, and agricultural) with no money down. The cost of the upgrade is recovered from the property owner through property taxes. [Bill 10: An Act to Enable Clean Energy Improvements](#), creating the PACE program, passed on **June 6, 2018** and is expected to come into force in early 2019.

PACE makes it easier for Albertan municipalities to help residents make affordable energy efficiency or renewable energy upgrades to private property by removing some of the obstacles for both municipalities and property owners. PACE creates a framework to help municipalities administer a program for energy efficiency or renewable energy upgrades, and helps property owners by reducing financial barriers to making these upgrades. PACE is designed with flexibility allowing municipalities' choice in implementation. This program will help create green jobs and stimulate local economies.

Who can participate in PACE?

PACE is a voluntary program for Alberta municipalities and property owners (residential, commercial, and agricultural). Municipalities wishing to participate in PACE will set up a program in their community, where local property owners can access the program. PACE is only accessible for property owners residing within a municipality with a PACE program in place.

Is participation in PACE mandatory?

No. Under the legislation, municipalities' and property owners participation in PACE is completely voluntary. Each municipality has a choice to decide if they would like to offer the program, and each property owner has a choice if they would like to participate if offered by the community.

How can my municipality participate in pace?

To participate in PACE, municipalities need to pass a PACE bylaw and work with Energy Efficiency Alberta to deliver the program to residents. The provincial government is working with Energy Efficiency Alberta to design a PACE program which includes clarifying administrative roles and creating tools to assist municipalities in implementing the program. These details are currently being worked out, and are expected to come into force in early 2019.

Who administers the PACE program?

Municipalities that wish to participate will work with Energy Efficiency Alberta to deliver the program to residents. Energy Efficiency Alberta may administer the program on the behalf of your municipality, including covering the administrative work and finding third-party funding.

How are costs for efficiency or renewable energy upgrades covered?

Upgrades made to private property (residential, commercial, and agricultural) can be made with no money down. The property owner and municipality enter into an agreement where the cost of the upgrade is recovered from the property owner through municipal property taxes. A municipality may borrow from a third-party lender to cover the upfront costs of the projects and will recover these costs from the property taxes collected.

How does selling a property with a PACE upgrade work?

The property owner can pay off the outstanding amount of the improvement at any time. PACE repayments remain with the property, so any new owner of a property with a PACE agreement would take on the repayments.

Does a PACE bylaw affect my municipal borrowing limit?

No, borrowing made by a municipality to pay for the costs associated with the energy improvements as part of the PACE program does not affect the municipal borrowing limit.

What happens if a homeowner defaults on the PACE tax?

Tax recovery methods already available to a municipality through the *Municipal Government Act* can be used to collect defaulted tax payments.

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