

What is PACE?

PACE Canada
#200, 12120 – 106 Ave. 780.482.5467
Edmonton, AB contact@paceCanada.green
T5N 0Z2 www.paceCanada.green

Property Assessed Clean Energy is an innovative financing tool which property owners can use to implement energy efficiency and renewable energy measures with no money down, and with the financing repaid through their property tax bill. PACE investment capital comes from private investors seeking long term low risk investments. Properly structured, the municipality should have only three simple tasks – register the tax lien, collect, and then remit the annual payments to a 3rd party PACE Administrator. All other tasks should be handled by an Administrator who approves contractors, projects, upgrade types allowed, and finds the investors. This simple approach ensures that any municipality, no matter its size, can affordably participate in delivering a PACE program to its constituents.



The Basics:

The key eligibility qualifications for the building owner to qualify for PACE financing are: 1) they must own the property, 2) they must be paying (or be able to pay) property taxes, 3) they must have sufficient equity in the property, 4) they must have a clean tax and mortgage payment history (no delinquency payments) and of course 5) they are implementing qualifying measures.

PACE Canada's Vision:

Based on best-practices established in the USA, PACE financing programs in Canada should embody the following characteristics.

1. PACE is voluntary and opt-in for all parties – building owners, contractors, municipalities, and investors.
2. PACE financing can be used to pay for measures which: 1) reduce energy consumption, 2) generate renewable energy, 3) reduce water consumption, 4) reduce waste through installation of long-life durable finishes and systems, 5) and any other “public good” measures identified by the program legislation.
3. PACE covers 100% of a project's hard and soft costs (fees, design, interest, project cost, etc.).
4. PACE provides long repayment terms and fixed rates (terms limited to life of upgrade or maximum 30 years)
5. PACE financing is secured via a tax lien on the property, and transfers to the new owner on the sale of the property (unless paid out at time of resale).
6. PACE financing is repaid via an assessment that appears on the property tax bill (like school taxes).
7. In the event of payment default or foreclosure, the outstanding PACE financing balance **does not** become due and payable; only the past due tax payments are owed (non-acceleration clause).
8. PACE can be stacked/used in conjunction with rebate and/or incentive programs.
9. PACE investment capital typically comes from private sources, thus eliminating capital supply constraints.
10. PACE is available for all qualifying buildings including: single detached residential, multi-family residential, commercial buildings, institutional buildings, and agricultural buildings and applications.
11. PACE is available for both retrofits and new construction projects.
12. PACE is retroactively available to owners to refinance existing qualifying PACE projects (for the remaining life).

Our Action Request:

Help us lobby for the best possible PACE programs for Canada. Find out more by visiting our website and register as a supporter of our vision. (www.paceCanada.green). Volunteer to help by calling our office.

The PACE program has been in operation in the USA since 2009. The industry association for PACE in the USA is PACENation, a national non-profit association that advocates for PACE financing “to enable millions of American property owners to increase the efficiency and resilience of their homes and businesses”. The data below is from their website: pacenation.org/pace-market-data/. A second industry association, the [C-PACE Alliance](#) represents the specific interests of the PACE financing organizations and is an excellent resource for investors.

There are two very distinct markets for PACE financing: C-Pace (commercial) and R-Pace (residential). Like kittens and tigers, R-PACE and C-PACE share common DNA, but the similarities stop there; there are major differences when it comes to implementation processes and approvals for each market. Based on the market data illustrated below, the average PACE financing per project has been about **\$500,000** for C-PACE and **\$25,000** for R-PACE. The largest single C-PACE financed project to date is \$25 million. The C-PACE Alliance has documented a summary of best practices for C-PACE, to read the document select the link “[Elements of a Well-Designed C-PACE Program](#)”.

