



MD-PACE Information Sheet

Q. What is Commercial Property Assessed Clean Energy (C-PACE)?

A. C-PACE is a government policy based on the principle that commercial energy projects – such as installing solar equipment or improving a building’s heat recovery system – are public benefits like sewers, roads, and bridges. C-PACE authorizes counties to work with private capital providers to provide upfront financing to commercial property owners for qualifying improvement projects and to collect the repayment through a special surcharge (like those for other public improvements) on the property’s tax bill.

By lowering that property’s energy expenses, C-PACE makes the building more inviting to tenants and, consequently, more valuable. And with C-PACE, there are no upfront costs: capital providers working with C-PACE pay for 100% of a project and are repaid by the surcharge over an extended period that can exceed 20 years.

Q. What is MD-PACE?

A. The MD-PACE program is an initiative undertaken by the Maryland Clean Energy Center, an instrumentality of the state of Maryland, to sustain a statewide commercial Property Assessed Clean Energy (C-PACE) program.

Maryland passed policy enabling C-PACE in 2014. Since property taxes are collected at the county and city level, the Maryland C-PACE law requires that local ordinances also be passed to take advantage of C-PACE financing. Since 2014, 16 jurisdictions in Maryland have passed enabling ordinances to adopt C-PACE in their jurisdiction. The MD-PACE program allows counties in Maryland to join a statewide, standardized C-PACE program with full administrative support at no cost.

Q. Who is the Maryland Clean Energy Center?

The Maryland Clean Energy Center (MCEC) is an instrumentality of the state created with an economic development mission. The mission of MCEC is to advance the adoption of clean energy solutions along with energy efficiency products, services and technologies to help create jobs. MCEC works to leverage private sector investment to implement public sector energy goals to enable homeowners and businesses as well as institutional and municipal consumers reduce their energy costs. One of MCEC’s core responsibilities is the sponsorship and administration of the MD-PACE program.

Q. Why should I care about C-PACE?

A. C-PACE drives private sector investment in your community, creates energy efficiencies and energy jobs, and helps your county meet efficiency and clean energy standards.

Q. How can counties adopt MD-PACE?

A. For counties to opt in to MD-PACE, their legislative body must first pass an ordinance to empower the county to sign an agreement with the Maryland Clean Energy Center. The second step is for the county to work with MCEC, as the statewide administrator for the MD-PACE program, to set up the program.

Q. What are the costs to the county?

A. The MD-PACE program administers county programs at no cost to the county. MCEC works with local tax collectors to accommodate MD-PACE on the tax bill and receives revenue through closing and servicing fees for C-PACE projects.

Q. What are the risks to the county?

A. A county is responsible for collecting MD-PACE assessments, **not** guaranteeing their collection. The county must also ensure that the MD-PACE assessments are separately accounted for and cannot be utilized for any other purposes. If a building owner is deficient or delinquent on their MD-PACE assessment, the county is not responsible to cover the shortfall. The county only remits payments to the program's servicing agent that are actually paid by building owners and are not liable for any deficiency or delinquency. A delinquent C-PACE surcharge is collected by the County in the same manner as real property taxes, pursuant to the enabling C-PACE legislation in Maryland.

Q. How does my County join the MD-PACE program?

A. It's simple. Contact info@md-pace.com for information on how your County can participate in this statewide program.

To Learn More...

Visit the MD-PACE website at www.md-pace.com

Contact info@md-pace.com for additional information.



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