



## **Alberta Utilities Commission**

### **Notice of non-compliance**

**June 17, 2025**

**Alberta Utilities Commission**

Decision 30068-D01-2025

Alberta Utilities Commission

Notice of non-compliance

Proceeding 30068

June 17, 2025

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Eau Claire Tower  
1400, 600 Third Avenue S.W.  
Calgary, Alberta T2P 0G5

Telephone: 310-4AUC (310-4282 in Alberta)  
1-833-511-4AUC (1-833-511-4282 outside Alberta)

Email: [info@auc.ab.ca](mailto:info@auc.ab.ca)

Website: [www.auc.ab.ca](http://www.auc.ab.ca)

The Commission may, no later than 60 days from the date of this decision and without notice, correct typographical, spelling and calculation errors and other similar types of errors and post the corrected decision on its website.

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## **1 Decision summary**

1. PACE Bang Energy LP (PACE Bang) and 2518397 Alberta Ltd. intentionally breached a clear and unequivocal order of the Alberta Utilities Commission (AUC) directing it to pay local intervener costs to the Caroline Concerned Citizens Group (CCCG) in the amount of \$238,950.20. As a consequence of this breach, the Commission has ordered as follows:

- a. In addition to the unpaid local intervener costs in the amount of \$238,950.20, PACE Bang Energy LP on behalf of 2518397 Alberta Ltd. shall pay to the Caroline Concerned Citizens Group interest on those costs, calculated on a per annum, simple interest basis at the Bank of Canada policy interest rate plus 1 <sup>3</sup>/<sub>4</sub> per cent, starting on May 16, 2025. Payment shall be made to Ackroyd LLP on behalf of the Caroline Concerned Citizens Group. Written confirmation of such payment shall be provided by PACE Bang Energy LP to the Commission.
- b. Proceeding 28295 and Proceeding 29976 shall be suspended until PACE Bang Energy LP pays the unpaid local intervener costs of \$238,950.20 plus interest to the Caroline Concerned Citizens Group.
- c. The Commission will, on a case-by-case basis, apply enhanced scrutiny and impose security for costs for all current and future AUC applications by the PACE related entities, as defined in this decision, until
  - i. PACE Bang Energy LP pays the unpaid local intervener costs of \$238,950.20 plus interest to the Caroline Concerned Citizens Group, and
  - ii. The PACE related entities can demonstrate to the Commission's satisfaction that the PACE related entities are willing and able to comply with their ongoing financial obligations arising from the Commission's application processes.

## **2 Background**

### **2.1 PACE Bang's breach of Decision 29724-D01-2025**

2. PACE Bang filed an application to construct and operate a 14.67-megawatt (MW) power plant on privately owned land within the village of Caroline in Clearwater County and an application to connect that power plant to the local distribution system (collectively the Caroline

Solar project).<sup>1, 2</sup> The Commission established Proceeding 28295 to consider the applications (the Caroline proceeding).

3. The CCCG objected to the project. The Commission granted members of that group standing under Section 9 of the *Alberta Utilities Commission Act* and held a public hearing to consider the applications. The CCCG was represented by counsel and six experts to assist with its intervention. PACE Bang paid interim funding to the CCCG in the amount of \$84,666.56 during the proceeding.

4. The Commission conditionally approved the project but has not issued the associated power plant approval and connection order because some of the conditions set out in that decision have not been satisfied.

5. In Decision 29724-D01-2025 (the costs decision), the Commission awarded costs to the CCCG of \$323,616.76 less the interim funding previously approved with the total owing to the CCCG being \$238,950.20.<sup>3</sup> The Commission issued the costs decision which included the following order (costs order):

#### **Order**

29. The Commission approves Application 29724-A001, under sections 21 and 22 of the *Alberta Utilities Commission Act* and Rule 009, and orders as follows:

- (1) PACE Bang Energy LP (PACE), on behalf of 2518397 Alberta Ltd. shall pay intervener costs to Caroline Concerned Citizens Group (CCCG) in the total amount of \$238,950.20 within 30 days of this Order. Payment shall be made to Ackroyd LLP on behalf of the CCCG.<sup>4</sup>

6. In accordance with this costs order and Section 10(3) (previously Section 9(3)) of Rule 009: *Rules on Local Intervener Costs*, PACE Bang was required to pay the amount awarded to the CCCG by April 14, 2025. PACE Bang did not pay the CCCG's costs, as directed and instead, filed an application with the Commission to review and vary the costs decision and an application for permission to appeal the costs decision with the Alberta Court of Appeal.

7. PACE Bang subsequently filed a motion to suspend the costs decision pending the outcomes of its applications for review and permission to appeal. PACE Bang submitted that "if it were to pay the costs award", this would lead to further delays in the development of at least five projects and consequent harms that represent a financial burden impacting PACE [Bang's] operational flexibility, investment capabilities, relationships with key consultants and vendors, and the stability required for ongoing business activities.<sup>5</sup> In that motion, PACE Bang recognized that "should PACE [Bang] not pay the costs award, it would be in material breach of a

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<sup>1</sup> Application 28295-A001, Exhibit 28295-X0001, Caroline AUC Application.

<sup>2</sup> Application 28295-A002, Exhibit 28295-X0352, Interconnection application form.

<sup>3</sup> Decision 29724-D01-2025: PACE Bang Energy LP, on behalf of 2518397 Alberta Ltd., Caroline Solar Farm Costs Award, Proceeding 29724, March 14, 2025.

<sup>4</sup> Decision 29724-D01-2025, paragraph 29.

<sup>5</sup> Exhibit 29976-X0006, 20250416 Motion by PACE Bang Energy LP.

Commission order and potentially exposed to further enforcement proceedings.”<sup>6</sup> The Commission temporarily suspended the costs order while considering PACE Bang’s motion.<sup>7</sup>

8. The Commission denied PACE Bang’s motion and directed it to pay the CCCG’s intervener costs within seven days of the ruling (May 15, 2025).<sup>8</sup> PACE Bang did not pay the CCCG’s costs, as directed in the ruling. As of the date of this decision, those costs remain unpaid.

9. The CCCG notified the Commission that “[p]ayment of the costs was not made by PACE Bang within 7 days of the date of the May 8, 2025 Ruling.” The CCCG included the text of an email from PACE Bang’s counsel stating: “Section 25 of the AUC Act prescribes how orders of the AUC may be enforced – in other words, the Act prescribes the appropriate remedy. We suggest that the parties regulate [sic] themselves accordingly.”<sup>9</sup>

10. On May 28, 2025, the Commission issued a notice of non-compliance to PACE Bang (the notice) and initiated Proceeding 30068 to address that non-compliance. In the notice, the Commission listed the actions it could take to address PACE Bang’s non-compliance and provided PACE Bang with an opportunity to respond to the notice.<sup>10</sup>

11. PACE Bang filed its response on June 2, 2025. PACE Bang acknowledged that it had breached the costs order but submitted that the actions set out in the notice are unreasonable, arbitrary, punitive and contrary to the governing statutory scheme. PACE Bang argued that Section 25 of the *Alberta Utilities Commission Act* provides the express remedy for non-payment of a Commission costs order and that no further action is warranted or permitted under the statutory scheme.<sup>11</sup>

## 2.2 The ownership structure of PACE Bang and its related entities

12. A detailed depiction of the ownership structure of PACE Bang and other entities associated with it was filed by PACE Canada Development LP in Proceeding 29274.<sup>12</sup> The following chart taken from that application lists the various PACE related entities involved with projects and operations in Alberta.<sup>13</sup>

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<sup>6</sup> Exhibit 29976-X0006, 20250416 Motion by PACE Bang Energy LP, paragraph 30.

<sup>7</sup> Exhibit 29976-X0008, AUC letter - PACE Canada LP’s motion to suspend Decision 29724-D01-2025.

<sup>8</sup> Exhibit 29976-X0016, AUC-Ruling on PACE’s motion to suspend Decision 29724-D01-2025.

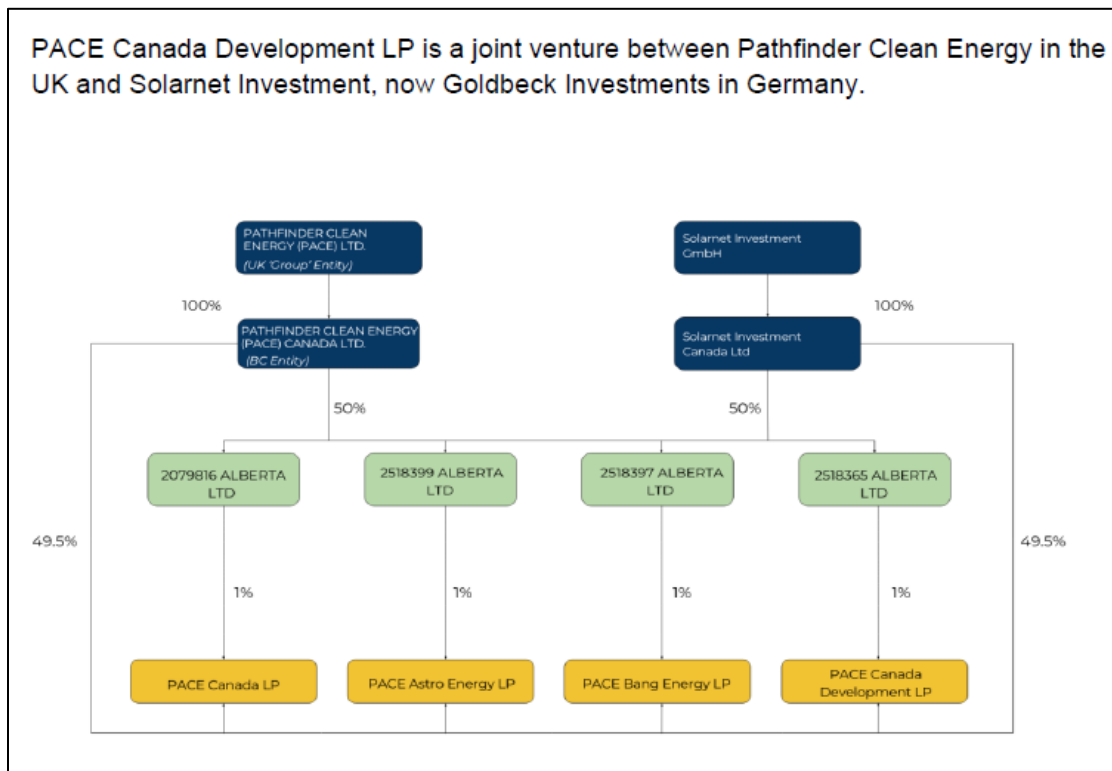
<sup>9</sup> Proceeding 29724, CCCG Post Disposition LT AUC.AUC\_cleaned, May 23, 2025 [no Exhibit number].

<sup>10</sup> Exhibit 30068-X0003, AUC notice – Notice of non-compliance and direction to show cause.

<sup>11</sup> Exhibit 30068-X0008, Submission from PACE re Notice of Non-compliance.

<sup>12</sup> Exhibit 29274-X0059, Harvest Sky - AUC Application.

<sup>13</sup> Exhibit 29274-X0059, Harvest Sky - AUC Application, page 9. Black box surrounding chart was added by AUC staff for clarity.



13. In accordance with this chart, all four of the PACE limited partnerships have the same two limited partners, Pathfinder Clean (PACE) Canada Ltd. (Pathfinder), and Solarnet Investment Canada Ltd. (Solarnet). Pathfinder and Solarnet each have a 49.5 per cent interest in each of the four limited partnerships. The remaining one per cent interest in each limited partnership is held by a different numbered company, which acts as the general partner in the limited partnership arrangement. Pathfinder and Solarnet, in turn, each own 50 per cent of each of the numbered companies.

14. PACE Bang, PACE Canada LP, PACE Canada Development LP, PACE Astro Energy LP, 2518397 Alberta Ltd., 2079816 Alberta Ltd., 2518365 Alberta Ltd., 2518399 Alberta Ltd., Pathfinder and Solarnet (the PACE related entities) shown in the above chart share common leadership. Corporate searches for the PACE related entities run by AUC staff on June 3 and 4, 2025, show that each numbered company has the same four directors: Robert Denman, Alexander Ross, Joachim Goldbeck and Matthias Lienekampf. R. Denman and A. Ross are also the sole directors of Pathfinder; J. Goldbeck and M. Lienekampf are the sole directors of Solarnet.

15. Under this structure, each limited partnership and each numbered company is directly or indirectly controlled by Pathfinder and Solarnet and their respective directors, R. Denman, A. Ross, J. Goldbeck and M. Lienekampf.

### 2.3 Involvement of the PACE related entities in the Caroline proceeding

16. The interconnected nature of this ownership structure of the PACE related entities was demonstrated by the ever-changing applicants for the Caroline Solar project. Three of the four PACE limited partnerships, two of the associated numbered companies and one individual were,

at one time or another, identified as applicants in the projects' proceeding. Claude Mindorff originally registered as the applicant for the Caroline Solar project in July 2023. PACE Canada Development LP then registered as the project applicant in August 2023 and replaced C. Mindorff as the applicant on the AUC's eFiling System. Finally, PACE Bang registered as the project applicant in eFiling in August 2024, replacing Pace Canada Development LP.

17. There was also a disconnect between the applicants, as registered and identified on eFiling, and the entities identified as the applicant in the filed materials. Specifically, PACE Canada LP was identified as the applicant, on behalf of 2079816 Alberta Ltd., in the original application<sup>14</sup> and remained the applicant named in the filed materials until August 2024. Finally, in August 2024, an application update identified that the applicant had changed from PACE Canada LP on behalf of 2079816 Alberta Ltd to PACE Bang on behalf of 2518397 Alberta Ltd.<sup>15</sup> With that update, PACE Bang was confirmed as the applicant in both eFiling and the filed materials.

18. The Commission finds that both the common ownership structure and the evident interchangeable nature of the PACE related entities reflected in the Caroline proceeding are strong indications of shared operational control of the PACE related entities.

19. Further evidence of this shared operational control is reflected in the motion filed by PACE Bang to stay the payment of the costs order. As noted above, PACE Bang argued that requiring it to pay the costs owing to the CCCG would result in further delays in the development of at least five projects. Because the only project that PACE Bang is the applicant for is the Caroline Solar project, the Commission concludes that this reference was to projects under development by other PACE related entities. This issue is further addressed below.

### **3 What actions should the AUC take to address PACE Bang's breach of the costs order?**

#### **3.1 The Commission has broad authority to enforce its decisions, orders and directions**

20. The Commission has broad authority to ensure compliance with its statutory scheme and enforce its decisions, orders and directions. In this section, the Commission summarizes that authority and its sources.

21. Section 63 of the *Alberta Utilities Commission Act* specifically addresses the remedies available to the Commission when it has determined, following a proceeding, that a person has contravened or failed to comply with, amongst other things, one of its decisions or orders. Section 63(1) provides as follows:

**63(1)** If the Commission, after a hearing or other proceeding, determines that a person has contravened or failed to comply with any provision of this Act or any other enactment under the jurisdiction of the Commission, any decision or order of the Commission or any Commission rule, ISO rule or reliability standard, the Commission may by order do either or both of the following:

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<sup>14</sup> Exhibit 28295-X0001, Caroline AUC Application, page 4.

<sup>15</sup> Exhibit 28295-X0248, Application Update from Pace, page 4.



- (a) impose an administrative penalty on that person;
- (b) impose any terms or conditions on that person that the Commission considers appropriate.

22. The Commission's specific authority to address non-compliance in Section 63 is bolstered by Section 11, which bestows upon the Commission all the powers, rights, privileges and immunities that are vested in a judge of the Court of King's Bench in relation to, amongst other things, the enforcement of its orders and the payment of costs. Such powers include broad procedural powers in relation to stays and adjournments and the power to compel attendance for questioning to enforce or assist in the enforcement of a judgment or order.<sup>16</sup>

23. The authority granted to the Commission under Section 23 of the *Alberta Utilities Commission Act* is consistent with, and supportive of, its enforcement authority under Section 63. Section 23(1) authorizes the Commission to order any person "to do any act, matter or thing, forthwith or within or at a specified time and in any manner directed by the Commission, that the person is or may be required to do under this Act or any other enactment or pursuant to any decision, order or rule of the Commission." Section 23(2) provides the obverse; it authorizes the Commission to order any person to cease doing any act matter or thing on a similar basis.

24. Section 41 of the *Hydro and Electric Energy Act* is also relevant. It authorises the Commission to cancel or suspend an approval or make any other order it considers suitable in the circumstances for a failure to comply with the provisions of that act, the regulations or the terms and conditions of an approval, permit or licence.

25. Finally, Section 8(2) of the *Alberta Utilities Commission Act* reflects the legislature's intent to empower the Commission to "do all things that are necessary for or incidental to the exercise of its powers and the performance of its duties and functions." Again, this broad authority is consistent with, and supportive of, the more specific powers available to the Commission in the provisions cited above.

26. Collectively, these provisions authorize the Commission to take the steps necessary to remedy PACE Bang's admitted non-compliance with the costs order and to impose terms and conditions to prevent its future recurrence.

### **3.2 Applicants are responsible for paying hearing costs in AUC proceedings**

27. Both the *Alberta Utilities Commission Act* and Rule 009 provide direction on responsibility for costs in AUC proceedings.

28. Section 21 of the *Alberta Utilities Commission Act* authorizes the AUC to "order by whom and to whom its costs and any other costs of or incidental to any hearing or other proceeding of the Commission are to be paid." Section 22 addresses the payment of costs to persons who meet the definition of local interveners. Both sections authorize the Commission to make rules respecting the payment of costs to interveners. The Commission enacted Rule 009 in accordance with the authority granted in Section 22 of the *Alberta Utilities Commission Act*.

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<sup>16</sup> *Rules of Court*, Alta Reg 124-2010, as amended; see also *Judicature Act* and *Civil Enforcement Act*.

29. Section 9 and 10 of Rule 009<sup>17</sup> make it clear that applicants are responsible for paying costs awarded to a local intervenor. Section 9(1)<sup>18</sup> states: “in a hearing or other proceeding that relates to a specific licensee, operator or approval holder, the licensee, operator or approval holder shall pay the costs awarded to a local intervenor.”

30. The Commission's authority to impose costs is a fundamental part of its adjudicative function,<sup>19</sup> and the requirement for an applicant to pay intervenor costs is a well-established element of the facilities application process.<sup>20</sup> The provision of local intervenor funding is intended to permit local intervenors to bring forward their concerns about a proposed resource development project. This is reflected in legislative debate regarding sections 21 and 22 of the *Alberta Utilities Commission Act* (then Bill 46). The legislature stated that the *Alberta Utilities Commission Act* “ensures that the landowners can bring their concerns forward about the development that affects them. Directly affected landowners will have access to intervenor funding if they choose to participate in the process.”<sup>21</sup> The legislature specified that “Sections 21 and 22 [of the *Alberta Utilities Commission Act*] deal with intervenor funding [...] In facility and infrastructure hearings, such as those for transmission lines, all landowners who are directly and adversely affected will continue to be eligible for funding to represent their interests.”<sup>22</sup>

31. Non-payment of intervenor costs ordered by the Commission threatens the overall functioning of the Commission’s processes and undermines the intent of the overall statutory scheme to require due process in consideration of the public interest. Non-payment of intervenor costs also threatens the principles underlying the *Alberta Utilities Commission Act* and the stated purposes of the *Hydro and Electric Energy Act*, which include “to provide for the economic, orderly and efficient development and operation, in the public interest, of hydro energy and the generation and transmission of electric energy in Alberta”<sup>23</sup> and “to secure the observance of safe and efficient practices in the public interest in the development of hydro energy and in the generation, transmission and distribution of electric energy in Alberta.”<sup>24</sup>

### 3.3 Interest is awarded on the amount owing while it remains unpaid

32. In the notice, the Commission directed PACE Bang to show cause why it should not award interest on the costs award at the Bank of Canada policy interest rate plus 1 ¾ per cent per annum from April 14, 2025, until payment is made.<sup>25</sup>

33. PACE Bang submitted that the costs owing to the CCCG are ineligible for interest because under Rule 023: *Rules Respecting Payment of Interest*, the balance owing has not been outstanding for 12 months or more, as required by Section 3(2) of Rule 023. It also submitted that the CCCG’s request for interest did not include interest calculation as required by

<sup>17</sup> Previously sections 8 and 9 of Rule 009: *Rules on Local Intervenor Costs*, effective May 2, 2016.

<sup>18</sup> Previously Section 8.1.1 of Rule 009: *Rules on Local Intervenor Costs*, effective May 2, 2016.

<sup>19</sup> *Alberta Utilities Commission Act*, sections 21 and 22, see also sections 8(2), 8(5), and 11.

<sup>20</sup> Rule 009: *Rules on Local Intervenor Costs*, Section 9(1).

<sup>21</sup> November 15, 2007 Alberta Hansard, page 2008, [P:\HANADMIN\TYPE\Archive\Hansard\November 15 Aft-52a.wpd](#)

<sup>22</sup> November 15, 2007 Alberta Hansard, page 2005, [P:\HANADMIN\TYPE\Archive\Hansard\November 15 Aft-52a.wpd](#)

<sup>23</sup> *Hydro and Electric Energy Act*, Section 2(a).

<sup>24</sup> *Hydro and Electric Energy Act*, Section 2(b).

<sup>25</sup> Rule 023: *Rules Respecting Payment of Interest*.

Section 3(4) of Rule 023. PACE Bang concluded that an award of interest was not appropriate at this time.

34. While the Commission referenced Rule 023 for the proposed rate of interest on the outstanding costs award, the Commission is not limited by the provisions of that rule when considering if the imposition of interest is appropriate. As noted above, Section 63 of the *Alberta Utilities Commission Act* authorizes the Commission to impose any term or condition it considers necessary when it has determined that a person has contravened or failed to comply with its decision or order. In the Commission's view, this confirms its authority to impose interest payments in response to PACE Bang's breach of the costs order.

35. The Commission has previously imposed interest based on Rule 023 in circumstances where Rule 023 did not directly apply. In Proceeding 790, the Commission ordered the payment of interest based on the rate specified in Rule 023 in relation to the payment of historical line losses. At the time, Rule 023 applied to utilities and the payee was the Alberta Electric System Operator, which was not a utility.<sup>26</sup> Parties to that proceeding sought permission to appeal the Commission's decision to apply interest calculated in accordance with Rule 023 on the basis of, amongst other things, fettering of discretion. The Court rejected this argument and found that the Commission's decision to apply Rule 023 in the circumstances was an exercise of discretion.<sup>27</sup>

36. The Commission finds that the payment of interest is appropriate in the circumstances and notes that interest is also available for unpaid costs should the CCCG decide to pursue enforcement in accordance with Section 25 of the *Alberta Utilities Commission Act*. In the Commission's view, it is appropriate to use the interest rate that it has endorsed in Rule 023 to be consistent with other instances where the Commission awards interest. The Commission therefore finds that PACE Bang on behalf of 2518397 Alberta Ltd. shall pay the CCCG interest on the outstanding amount of the costs order, calculated on a per annum, simple interest basis at the Bank of Canada policy interest rate plus 1 ¾ per cent, starting on May 16, 2025. Payment shall be made to Ackroyd LLP on behalf of the CCCG.<sup>28</sup>

### 3.4 The Caroline proceeding is suspended

37. In the notice, the Commission directed PACE Bang to show cause why it should not suspend processing of the approval and connection order in the Caroline proceeding.

38. PACE Bang submitted that such action would be punitive in nature and procedurally unfair. PACE Bang also submitted that such action "adds an additional condition to Appendix A of the Original Decision and makes the original decision conditional on *posteriori* [sic] factors, such as payment of a costs award."<sup>29</sup> Further, PACE Bang submitted that suspension of the Caroline Solar project decision amounts to circumventing the remedy provided under Section 25 of the *Alberta Utilities Commission Act*.<sup>30</sup>

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<sup>26</sup> Decision 790-D04-2016: Complaints regarding the ISO Transmission Loss Factor Rule and Loss Factor Methodology, Proceeding 790, September 28, 2016, page 19.

<sup>27</sup> *Milner Power Inc v Alberta Utilities Commission*, 2019 ABCA 127 (CanLII), paragraph 48.

<sup>28</sup> *Milner Power Inc v Alberta Utilities Commission*, 2019 ABCA 127 (CanLII), paragraph 29.

<sup>29</sup> Exhibit 30068-X0008, Submission from PACE re Notice of Non-compliance, paragraph 32.

<sup>30</sup> Exhibit 30068-X0008, Submission from PACE re Notice of Non-compliance, paragraphs 30-35.

39. PACE Bang on behalf of 2518397 Alberta Ltd. is the applicant in Proceeding 28295.<sup>31</sup> The CCCG costs of participation in the Caroline proceeding are the costs that PACE Bang has failed to pay. The CCCG would not have incurred intervener costs if not for PACE Bang's application and getting paid for their intervention is a right accruing to them because of their participation. The requirement for applicants to pay intervener costs is implicit in Section 22 of the *Alberta Utilities Commission Act* and explicit in Rule 009 and allows interveners with an interest in land to participate in proceedings where the outcome may directly and adversely affect that interest, without financial hardship.

40. The Commission finds that PACE Bang's liability to pay intervener costs is directly linked to the Caroline proceeding, and a condition necessary for the continued processing of the Caroline Solar project approvals. While the Commission establishes a separate proceeding for costs applications on eFiling, this is for administrative reasons. A costs proceeding is ancillary to the related original proceeding and should be regarded as one, overall process.

41. The Commission is not persuaded by PACE Bang's submission that suspension of the Caroline Solar project approval amounts to circumvention of Section 25 of the *Alberta Utilities Commission Act*. Section 25 states:

**25** An order of the Commission may be enforced by a written direction addressed to a civil enforcement agency, endorsed on or annexed to a certified copy of the order and signed by the Commission, and in the case of an order for payment of any money, costs, expenses or penalty, the civil enforcement agency receiving the direction shall levy the amount with its costs and expenses in a similar manner and with the same powers as if the order were a writ of enforcement issued out of the Court of King's Bench against the goods of the party to pay.

42. The *Alberta Utilities Commission Act* does not restrict the Commission's ability to address non-compliance solely through Section 25 for order enforcement. Instead, it grants the Commission broad authority under multiple provisions<sup>32</sup> to address acts of non-compliance.

43. In the Commission's view, the Commission has sufficient authority under the *Alberta Utilities Commission Act*<sup>33</sup> to suspend the processing of the Caroline Solar project approval and connection order. Given the fundamental connection between the Caroline proceeding and the costs order, the Commission finds that suspending the Caroline proceeding is reasonable. This action does not make the costs order conditional on *a posteriori* factors, rather, it is a valid exercise of the Commission's authority to impose conditions in response to a material breach of its costs order.

44. For the above reasons, the Commission finds it appropriate to suspend the Caroline proceeding until PACE Bang complies with the Commission's costs order plus interest.

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<sup>31</sup> Proceeding 28295, Caroline Solar Farm.

<sup>32</sup> *Alberta Utilities Commission Act*, see sections 8(2), 11, 12, 23(1) and 63(1)(b).

<sup>33</sup> *Alberta Utilities Commission Act*, Section 63(1)(b), 8(2).

### 3.5 PACE Bang's application to review the costs decision is suspended

45. In the notice, the Commission directed PACE Bang to show cause why it should not suspend processing of current applications filed by the PACE related entities or in which the PACE related entities are participants.

46. At present, only one other application commenced by PACE Bang is before the Commission: Proceeding 29976, PACE Bang's application for a review and variance of the costs decision. In light of PACE Bang's non-compliance with the costs order, the Commission has determined that it will suspend Proceeding 29976 until PACE Bang complies with the costs order plus interest.

47. The Commission's determination on other proceedings commenced by the PACE related entities is set out below.

### 3.6 Enhanced scrutiny of current and future applications by the PACE related entities and security for costs

48. In the notice, the Commission directed PACE Bang to show cause why it should not cease accepting and processing new applications from the PACE related entities and require the PACE related entities to provide security for costs in relation to pending and future applications filed by the PACE related entities.

49. PACE Bang submitted that delegated authorities must be exercised when an application is properly before a decision-maker and that "the Commission cannot 'ban' a particular party from appearing before it."<sup>34</sup> PACE Bang also contended that ceasing to accept and process applications from PACE related entities would require the Commission to pierce the corporate veil and that no facts justifying this approach are before the Commission.<sup>35</sup> In addition, PACE Bang submitted that if the Commission wishes to consider applications for security for costs, it should do so for each proceeding separately.<sup>36</sup>

50. The Commission has a broad public interest mandate. In every facilities application, it is required to ensure that an application to construct or operate a facility is in the public interest.<sup>37</sup> More broadly, the Commission must have regard for, and applicants must respect, the purposes of the *Hydro and Electric Energy Act* including the economic, orderly and efficient development and operation of electricity generation in Alberta.<sup>38</sup>

51. PACE Bang's non-compliance with the Commission's costs order raises significant concerns. First, an applicant's responsibility to pay reasonable local intervener costs is central to an intervener's ability to participate in proceedings and a fundamental feature of the AUC's application approval process. PACE Bang's disregard for this obligation undermines the certainty of the regulatory process. Second, PACE Bang's intentional breach raises concerns about compliance with current and future requirements and approvals. Third, PACE Bang's non-payment of intervener costs gives rise to an underlying concern about the financial viability of PACE Bang and its related entities. In the Commission's view, demonstrated financial viability

<sup>34</sup> Exhibit 30068-X0008, 20250602 Submission from PACE re Notice of Non-compliance, paragraph 42.

<sup>35</sup> Exhibit 30068-X0008, 20250602 Submission from PACE re Notice of Non-compliance, paragraphs 39-43.

<sup>36</sup> Exhibit 30068-X0008, 20250602 Submission from PACE re Notice of Non-compliance, paragraphs 44-46.

<sup>37</sup> *Alberta Utilities Commission Act*, Section 17.

<sup>38</sup> *Hydro and Electric Energy Act*, Section 2.

is essential when assessing whether a project is consistent with the economic, orderly and efficient development of generation in Alberta and if its approval is in the public interest. The Commission is further troubled by PACE Bang's lack of foresight in failing to account for intervenor costs awards when undertaking the financial planning for project developments.

52. The Commission has serious concerns that all the PACE related entities may lack the financial wherewithal to fulfill commitments made in project applications, including with respect to reclamation and the payment of intervenor costs. More broadly, the Commission is concerned about the capability of the PACE related entities to properly develop and manage power plant projects, including pending and future projects as well as projects already approved by the Commission, in accordance with governing regulatory requirements and consistent with the purposes of the *Hydro and Electric Energy Act*. The Commission's concerns about the PACE related entities are based on the evidence and information set out above and below, which suggests that enhanced scrutiny of all the PACE related entities is warranted.

53. First, PACE Bang has failed to comply with the Commission's costs order, and the evidence suggests that it is unable to do so due to its financial situation. In this proceeding, PACE Bang denied being in wilful default of its obligations and noted that "PACE [Bang] is actively working on fundraising to achieve financial close to this project and to collect the necessary funds to resolve its outstanding payment of the Costs."<sup>39</sup>

54. Second, as set out above, each of the PACE limited partnerships and their respective general partners, the numbered companies, are directly or indirectly controlled by Pathfinder and Solarnet and their respective directors, R. Denman, A. Ross, J. Goldbeck and M. Lienekampf. In addition, PACE Bang and its related entities have previously acted as though they are interchangeable applicants, as exemplified by the Caroline proceeding.

55. Third, PACE Bang's motion to suspend the costs decision suggested that if PACE Bang were required to pay the costs order, the development of five projects would be delayed, causing a range of consequent harms and impacting PACE Bang's operational and financial capacity to the end of 2025.<sup>40</sup> The Commission notes that the five projects referenced by PACE Bang cannot be projects for which 2518397 Alberta Ltd., the general partner of PACE Bang, is the approval holder because the Commission has issued no approvals on applications from PACE Bang, and only one decision: the Caroline Solar project. These five projects must therefore include projects for which PACE Canada Development LP and 2518365 Alberta Ltd., or PACE Canada LP and 2079816 Alberta Ltd., are the approval holders, such as:

- a. Proceeding 28643, Killam (Old Bear) Solar Farm, 2518365 Alberta Ltd. represented by PACE Canada Development LP.<sup>41</sup>

<sup>39</sup> Exhibit 30068-X0008, 20250602 Submission from PACE re Notice of Non-compliance, paragraph 37.

<sup>40</sup> Exhibit 29976-X0006, 20250416 Motion by PACE Bang Energy LP, paragraphs 26-27.

<sup>41</sup> Approval 28643-D01-2025, Killam (Old Bear) Solar Farm, Proceeding 28643, February 20, 2025, and Connection Order 28643-D03-2025, Connect Killam (Old Bear) Solar Farm to the FortisAlberta Inc. Distribution System, Proceeding 28643, February 20, 2025.

- b. Proceeding 29082, Peter Lougheed Solar Farm, 2518365 Alberta Ltd. represented by PACE Canada LP.<sup>42</sup>
- c. Proceeding 28641, Valhalla Solar Farm, 2518365 Alberta Ltd. represented by PACE Canada LP.<sup>43</sup>
- d. Proceedings 27178, 28297 and 29283, Hanna Solar Project, 2079816 Alberta Ltd. represented by PACE Development Canada LP [sic].<sup>44</sup>

56. This suggests to the Commission that, as stated by PACE Bang itself in its motion, the operations and finances of the PACE related entities are intertwined.

57. Finally, PACE Canada Development LP, is facing a potentially significant intervenor costs award in Proceeding 29951, Harvest Sky Solar Farm Costs Claim. In that proceeding, the Commission requested confirmation “that PACE Canada Development LP has the necessary funds to pay the local intervenor costs that may be awarded in Proceeding 29951 within 30 days of the Commission’s issuance of an order to that effect, and that it will comply with the Commission’s decision on the applications for local intervenor costs in Proceeding 29951.” While PACE Canada Development LP stated that it would comply with all legal obligations, it did not confirm that it has the necessary funds to pay any local intervenor costs awarded in that decision.<sup>45</sup>

58. The Commission therefore finds it reasonable to apply enhanced scrutiny to all current and future AUC applications by the PACE related entities, and for the Commission panel on any given proceeding to determine whether the PACE related applicant has the financial ability to move forward with and meet its regulatory obligations. The Commission similarly considers it reasonable for the Commission panel on any given proceeding to require the PACE related entities to provide up front security for costs. These measures shall continue until (i) PACE Bang complies with the Commission’s costs order plus interest; and (ii) the PACE related entities can demonstrate to the Commission’s satisfaction that they are willing and able to comply with their financial obligations arising from the Commission’s application processes.

59. For clarity, this enhanced scrutiny and the requirement to provide security for costs will apply in Proceeding 29272, Salt Flats Solar Farm, if and when PACE Canada Development LP and its general partner, 2518365 Alberta Ltd., request that the Commission lift the abeyance in that proceeding.

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<sup>42</sup> Approval 29082-D02-2024, 14.8-Megawatt Peter Lougheed Solar Project, Proceeding 29082, November 15, 2024 and Connection Order 29082-D03-2024, Connect the 14.8-Megawatt Peter Lougheed Solar Project to the FortisAlberta Inc. Electric Distribution System, Proceeding 29082, November 15, 2024, incorrectly identify the limited partnership as PACE Canada LP. The correct limited partnership is PACE Canada Development LP.

<sup>43</sup> Approval 28641-D02-2024, 9-Megawatt Valhalla Solar Farm, Proceeding 28641, August 16, 2024, incorrectly identifies the limited partnership as PACE Canada LP. The correct limited partnership is PACE Canada Development LP.

<sup>44</sup> Approval 29283-D02-2024, Hanna Solar Project Time Extension, Proceeding 29283, October 21, 2024, incorrectly identifies the limited partnership as PACE Development Canada LP [sic]. The correct limited partnership is PACE Canada LP.

<sup>45</sup> Exhibit 29951-X0027, 20250602 Response from PACE to AUC IR Costs Proceeding.

### 3.7 No amendment of costs order

60. In the notice, the Commission directed PACE Bang to show cause why it should not amend the costs order. The Commission considers that the numerous changes to applicants on the Caroline proceeding is indicative of shared ownership and control of all PACE related entities but has determined that it is not necessary to amend the costs order. The Commission is satisfied that PACE Bang on behalf of 2518397 Alberta Ltd. was the ultimate applicant for the Caroline Solar project and that 2518397 Alberta Ltd. is liable to pay the costs order, as submitted by PACE Bang. The Commission therefore finds that no amendment to the costs order is warranted.

### 3.8 No application to hold PACE Bang in contempt

61. In the notice, the Commission directed PACE Bang to show cause why it should not bring an application for contempt under Section 12 of the *Alberta Utilities Commission Act*. While the Commission has authority to do so, the Commission recognizes that this is PACE Bang's first instance of non-compliance with a Commission order and has determined that it will not proceed with a contempt application at this time. The Commission will consider the option of bringing a contempt application if PACE Bang's non-compliance with the costs order is not remedied, or if any PACE related entities fail to comply with a Commission order in future. In those circumstances, the Commission may bring the contempt application without any further notice to the PACE related entities.

## 4 Order

62. PACE Bang breached the Commission's order directing it to pay local intervenor costs to the CCCG in the amount of \$238,950.20.<sup>46</sup> PACE Bang admitted its breach in this proceeding. Based on the Commission's ruling dated May 8, 2025,<sup>47</sup> the Commission determines that the breach commenced on May 16, 2025.

63. It is hereby ordered that:

- a. In addition to the unpaid local intervenor costs in the amount of \$238,950.20, PACE Bang Energy LP on behalf of 2518397 Alberta Ltd. shall pay to the Caroline Concerned Citizens Group interest on those costs, calculated on a per annum, simple interest basis at the Bank of Canada policy interest rate plus 1 <sup>3</sup>/<sub>4</sub> per cent, starting on May 16, 2025. Payment shall be made to Ackroyd LLP on behalf of the Caroline Concerned Citizens Group. Written confirmation of such payment shall be provided by PACE Bang Energy LP to the Commission.
- b. Proceeding 28295 and Proceeding 29976 shall be suspended until PACE Bang Energy LP pays the unpaid local intervenor costs of \$238,950.20 plus interest to the Caroline Concerned Citizens Group.

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<sup>46</sup> Decision 29724-D01-2025, paragraph 29.

<sup>47</sup> Exhibit 29976-X0016, AUC-Ruling on PACE's motion to suspend Decision 29724-D01-2025.



- c. The Commission will, on a case-by-case basis, apply enhanced scrutiny and impose security for costs for all current and future AUC applications by the PACE related entities, as defined in this decision, until
  - i. PACE Bang Energy LP pays the unpaid local intervener costs of \$238,950.20 plus interest to the Caroline Concerned Citizens Group, and
  - ii. The PACE related entities can demonstrate to the Commission's satisfaction that the PACE related entities are willing and able to comply with their ongoing financial obligations arising from the Commission's application processes.

Dated on June 17, 2025.

**Alberta Utilities Commission**

*(original signed by)*

Carolyn Dahl Rees  
Chair