
TO: Mayor Kogon and Members of Council

SUBMITTED BY: Andrew Fisher, Manager of Planning & Strategic Priorities

DATE: October 22, 2018

SUBJECT: PACE Bylaw – Second Reading

ORIGIN: Strategic Priority – Net Zero / Community Energy Strategy

LEGISLATIVE AUTHORITY: Municipal Government Act (MGA), section 81A (1) *The council may make by-laws imposing, fixing and providing methods of enforcing payment of charges for the financing and installation of any of the following on private property with the consent of the property owner: (a) equipment installed pursuant to an expenditure under clause 65 (aca): providing for, financing and installing energy-efficiency equipment on private property including, without restricting the generality of the foregoing, solar panels...*

RECOMMENDATION: That Council give second reading of the Town of Amherst Bylaw B-8 Respecting Charges for the Property Assessed Clean Energy Program.

BACKGROUND: The proposed Bylaw to enable a Property Assessed Clean Energy (PACE) Program allows municipalities to offer financing to homeowners for energy efficiency retrofits that are paid back via their tax bill over a period of up to 10 years. All costs to provide the program are paid for by participants, and there are no costs to property owners who do not participate. The same or similar program is already in place in other NS municipalities such as: Bridgewater, District of Lunenburg, Richmond County, HRM, and others. The Municipality of the County of Cumberland via the Cumberland Energy Authority is adopting the same program.

The program will work as follows:

1. customer registers for the program;
2. administrator (EfficiencyNS or Clean Foundation) confirms eligibility with the Town (tax accounts in good standing);
3. customer signs a PACE agreement;
4. customer books a certified energy audit;
5. customer chooses efficiency retrofit from audit report;
6. customer acquires quotes for retrofit and submits them to the administrator;
7. administrator assesses which costs are eligible based on the program's savings to debt ratio;
8. customer sends the administrator invoices from the contractor;
9. municipality pays the contractor, and the customer begins repayment.



The process for the Town to offer the program is to pass the proposed Bylaw, and enter into an agreement with Efficiency Nova Scotia or the Clean Foundation to administer and assist in marketing the program. There are other potential administration options but Efficiency and Clean are used by most municipalities. The established programs offered by both the aforementioned organizations are essentially the same with only minor differences.

The Town's responsibilities include providing the financing, confirming customer eligibility, and applying the appropriate tax liens. There is also a start-up cost (ie. on-boarding fees) of approximately \$14,000 payable to the administrator that covers setup of the program with Town staff, and a communications and marketing package. The Town can apply to the Provincial Department of Energy who offers a program to cover the start-up cost.

The Town must also determine the total amount to be used for financing the program, and/or number of residences that may participate in a given year. It is important to note that interest charged to the customer is intended to at least cover the Town's cost to finance the program.

DISCUSSION: The PACE program outlined above has become a common offering amongst NS municipalities, as it offers its residents a relatively low-cost way to finance energy efficiency retrofits. Aside from the initial start-up cost that can potentially be covered by the province, the Town's major financial responsibility is the total amount that can be financed. Other costs would be attributed to staff time to assist in communication of the program, verifying customer eligibility, and managing the loan repayment.

This initiative supports Council's priority to develop a community energy strategy, as the program is a common component of such strategies in other jurisdictions. This program was identified as one of the ways the Town can partner with the Cumberland Energy Authority, who plan to provide a dedicated staff member that would help customers to navigate the various programs intended to reduce their energy costs. Alternatively, the Town can offer the program independently from the Energy Authority.

FINANCIAL IMPLICATIONS: A start-up fee of approximately \$14,000 that may be covered by the NS Department of Energy. The Town must provide the up-front capital to finance the program.

COMMUNITY ENGAGEMENT: Public notice of second reading of the proposed bylaw through the Amherst Newspaper.

ENVIRONMENTAL IMPLICATIONS: Increased efficiency and adoption of renewable energy reduces GHG emissions.

ALTERNATIVES: 1) Do not adopt the Bylaw; 2) Defer second reading and direct staff to provide more information.

ATTACHMENTS:

- Draft PACE Bylaw.
- Frequently Asked Questions
- Sample Customer Agreement
- Sample Town/Administrator Agreement