

Clean Energy Improvement Program for Residential Properties: Rebate and Innovations

Council
April 8, 2024

Outline of Presentation

- Clean Energy Improvement Program (CEIP) - Overview
- CEIP - Council Direction/Decisions and Completed Steps to Date
- CEIP - Recent Changes - Competitive Process
- Decisions and Options
 1. Rebate: 10 per cent of total financing
 2. Innovation 1: Capacity Building - Energy Coach
 3. Innovation 2: Deeper Retrofit - Reserve 20 per cent of financing for older homes
- CEIP Financial Overview - Residential and Non-Residential Streams
- Next Steps

CEIP - Overview

(See RFD pages 1 - 2)

- CEIP - a program that reduces property owner's upfront costs to install energy efficiency and renewable energy upgrades by adding the financing to the owner's property tax bill over the lifespan of the upgrade
- Financial Parameters
 - Municipality: Must contribute 20 per cent of total program costs, with FCM loan and grant covering the remaining 80 per cent
 - FCM grant: Calculated at lesser of 50 per cent of the FCM loan or the total operating costs (administrative costs of ABMunis* + COSG, inclusive of rebate and innovations)

**provincial program administrator*

Council Direction/Decisions and Work Done To Date (see RFD pages 2 - 4)

May 15, 2023 Governance and Priorities Committee

- Supported applying to implement residential CEIP in Jan 2025
 - Explore inclusion of financial incentive (rebate)
- Supported implementing non-residential CEIP in Jan 2026

June 26 / September 11 2023 Council

- Clean Energy Improvement Tax Bylaw Implemented
- Maintain \$1M maximum value for non-residential project costs
- Assess opportunities to link the value of financial incentives to total project costs of the upgrade

September 2023 - February 2024

- COSG invited to ABMunis Cohort
 - Administration submitted preliminary application and received approval to proceed with full application

CEIP - Recent Changes

(See RFD page 4)

- In mid-2023, FCM announced that the funding would be divided into two streams
 - **Not Competitive Seed Stream:** Underserviced jurisdictions
 - **Competitive Growth Stream:** All other jurisdictions (those heavily subscribed to date such as Alberta)
 - Priority given to applications that propose innovations in their application such as:
 - Higher GHG reductions
 - Target deeper energy retrofits
 - Deploy new capacity development activities
- The new competitive element means that all municipalities in the Growth Stream, including COSG, face a possibility that their application for funding will not be successful

Decisions and Options

Decision 1 - Rebate

(See RFD pages 4 - 6 and Appendix 2 - Table 1)

Option 1 - Offer rebate of 10 per cent of applicant's project financing (Recommended)

- Optimizes mix of FCM grant and loan and COSG borrowing from third party lender
- Utilizes \$305,330 of FCM grant if fully subscribed
- No cost to COSG or applicant as costs will be covered by FCM grant
- Covers administrative costs while providing maximum reduction of costs to property owners
- 10 per cent value is consistent with ABMunis' advice and Council's input
 - Maximizes residents' likelihood of participating in CEIP
 - Maximizes likelihood of homeowner undertaking larger upgrades, which maximizes energy efficiencies

Option 2 - Do not offer a rebate

Decision 2 - Capacity Building Innovation Options

(See RFD pages 6 - 7)

Option 1 - Include Energy Coach Innovation (Recommended)

- Significant value-add to COSG applicants (tried and tested in Leduc)
- Administration staff gain expertise related to climate resiliency
- Uses minimal amount of FCM grant to offset staff time (< five per cent of the FTEs time)
- Enhances likelihood of COSG application being successful

Option 2 - Do not include Energy Coach Service

Decision 3 - Deeper Retrofit Innovation Options

(See RFD page 5 - 7 and Appendix 2, Table 2)

Option 1 - Reserve 20 per cent of total financing and rebate for older homes (built in 2000 or earlier) (Recommended)

- Older homes more likely to benefit from deeper retrofits which can result in greater energy efficiencies
- Flexible - easy to release funds to all applicants if uptake is low
- No cost
- Enhance likelihood of COSG application being successful

Option 2 - Do not reserve any financing for older homes

Next Steps

(See RFD pages 7 - 8)

- April - October 2024: submit full application and await decision
- December 2024: Complete program design
 - Develop communications plan and marketing materials, engage public and contractors
- January 2025: **Launch CEIP for residential properties**
- Spring 2025: Prepare for launch of non-residential CEIP
- January 2026: Annual report to Council and **launch CEIP for non-residential properties**

Questions?

