



## REQUEST FOR DECISION

**MEETING DATE:** July 8, 2024

**TITLE:** Clean Energy Improvement Program - Rebate

**DIVISION:** Strategic and Communication Services

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### SUMMARY:

To seek Council's support to amend the previously approved rebate for inclusion in the City of Spruce Grove's (COSGs) Community Efficiency Financing (CEF) full application and program design for the residential stream as part of the Clean Energy Improvement Program (CEIP).

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### PROPOSED MOTION:

THAT the motion RCM-088-24 on April 8, 2024, be amended to reduce the rebate from 10 per cent to 7.5 per cent of total project financing for the residential stream in the Community Efficiency Financing full application.

### BACKGROUND / ANALYSIS:

COSG submitted the full application for CEIP on May 3, 2024 after Council endorsed the application components on April 8, 2024.

In the latter part of June 2024:

- COSG was informed by Alberta Municipalities they had found an error in their administrative cost template that Alberta Municipalities had provided to COSG and other municipalities. Alberta Municipalities' portion of the program administration costs are higher than what they had indicated. Administrative costs form a core part of the budget that was submitted in the application.
  - Alberta Municipalities found that their actual administrative costs are \$82,623.40 higher than what was included in the budget COSG submitted in early May 2024 as part of the application, meaning the overall budget would need to be revised to make up this shortfall.

- COSG also received feedback from the Federation of Canadian Municipalities (FCM) on the full application. This is a regular step in the process to give a municipality an opportunity to strengthen the application, prior to it being sent forward for peer review and decision. A key point of feedback was that:
  - The COSGs rebate of ten per cent is high compared to other municipalities; and
  - Given the competitive nature of CEF, it would be beneficial to provide additional support to the main innovation COSG was promoting with the Energy Coaching.

### **OPTIONS / ALTERNATIVES:**

It is recommended that COSGs FCM application be amended as follows:

- Reduce the rebate from 10 per cent to 7.5 per cent.
  - This will address FCM's feedback by bringing COSG's rebate into closer alignment with other Alberta municipalities, while still offering a substantial rebate to COSG residents.
- Allocate \$19,064 towards technical training and hours of work to support the COSGs Climate Change and Environment Specialist who will carry out the Energy Coaching role.
  - It is expected that devoting these additional resources to the Energy Coaching innovation will be viewed favourably by FCM.

Similar to the initial budget, in the revised budget:

- The COSG maximizes the amount of FCM grant available; and
- All costs of the rebate, innovation (Energy Coach), and administration will be covered by the FCM grant for the first four years of the program.

### **CONSULTATION / ENGAGEMENT:**

The proposed changes have been discussed with Alberta Municipalities.

### **IMPLEMENTATION / COMMUNICATION:**

- Mid July 2024: Resubmit CEIP application following July 8, 2024 Council decision on rebate change
- Summer / Fall 2024: Wait for FCM decision
- Late fall 2024 / Early 2025: Complete program design
  - Complete necessary agreements (the City with each of FCM and ABMunis)
  - Assemble internal CEIP team (Climate, Finance and Tax, Information Systems, Communications, Planning and Development) to develop internal processes (e.g. tax roll)
  - Develop communications plan and marketing materials, engage residents and contractors

- Late January 2025 (may be slightly later if FCM decision takes longer): **Launch CEIP for residential Spruce Grove properties**
- Spring 2025: Prepare for launch of non-residential CEIP
- January 2026: Annual report to Council and **launch CEIP for non-residential Spruce Grove properties**

**IMPACTS:**

n/a

**FINANCIAL IMPLICATIONS:**

The net impact to the CEIP budget resulting from the above amendments , along with other minor amendments, is nil as the program budget remains balanced, FCM grant funding is maximized, and the program would continue to be funded by participants.