



## Legislation Text

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**TAMRMS#:** B06

### **Bylaw 26/2021 Clean Energy Improvement Program Bylaw (1st Reading)**

Presented by: Christian Benson, Manager, Environment

#### **RECOMMENDATION(S)**

1. That the information provided in the April 19, 2021 Agenda Report Bylaw 26/2021 Clean Energy Improvement Program Bylaw be received for information.
2. That Bylaw 26/2021, being the Clean Energy Improvement Tax Bylaw, be read a first time.
3. That the Public Hearing on Bylaw 26/2021 be scheduled for May 17, 2021.

#### **PURPOSE OF REPORT**

The report summarizes and presents Bylaw 26/2021 for consideration by Council. It provides the framework and direction to establish a Clean Energy Improvement Plan Program:

- A Clean Energy Improvement Tax Bylaw under Part 10, Division 6.1 of the Municipal Government Act (MGA); and
- A framework to take the necessary steps to establish a Clean Energy Improvement Program (CEIP), in order to give interested and qualifying St. Albert property owners the opportunity to make clean energy improvements to their properties (thereby reducing St. Albert's carbon footprint) for which the costs initially fronted by the City are paid or reimbursed over time through an annual special purpose property tax levy.

Attached to this Report is a St. Albert Clean Energy Improvement Market Study (completed in partnership with the Municipal Climate Change Action Center) and the proposed Clean Energy Improvement Tax Bylaw for consideration.

#### **ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN**

Strategic Priority #6: Environmental Stewardship: Explore innovative environmental and conservation opportunities.

Seek innovative practices to protect environmental footprint, to ensure the vitality of our natural resources for future generations.

## **ALIGNMENT TO LEVELS OF SERVICE DELIVERY**

Environmental Strategy and Policy Development In partnership with related agencies, environmental strategies, policies and actions are developed to protect the environment.

- Greenhouse gas emissions and energy management: Targets are developed to reduce greenhouse gas emission for the corporation and the community. Data is collected, summarized and reported for corporate and community greenhouse gas emission annually.

## **ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION**

On March 15, 2021 Council passed the following motions:

CB-21-014

That Administration be directed to prepare for Council's consideration:

- a) A Clean Energy Improvement Tax Bylaw under Part 10, Division 6.1 of the Municipal Government Act; and
- b) A motion to authorize the CAO to take the necessary steps to establish a Clean Energy Improvement Program, in order to give interested and qualifying St. Albert property owners the opportunity to make clean energy improvements to their properties (thereby reducing St. Albert's carbon footprint) for which the costs initially fronted by the City are paid or reimbursed over time through an annual special purpose property tax levy.

## **BACKGROUND AND DISCUSSION**

The Clean Energy Improvement Program (CEIP) is a financing program designed to make residential and non-residential energy efficiency and renewable energy upgrades more accessible. CEIP leverages an innovative financing solution known as Property Assessed Clean Energy (PACE), which allows property owners to access flexible, long-term financing through their municipality. Repayment is facilitated through an added charge to the participant's regular property tax bill.

*Bill 10: An Act to Enable Clean Energy Improvements* was passed on June 6, 2018. This bill amended the MGA to authorize municipalities to complete a borrowing to finance projects and recover costs through the municipal property tax system. The attendant regulation (*Clean Energy Improvements Regulation*) came into force on January 1, 2019. Energy Efficiency Alberta (EEA) was named in the regulation as the province-wide administrator of the Clean Energy Improvement Program. On June 11, 2020, however, the Government of Alberta announced that EEA would be dissolved on September 30, 2020, and that provincial administration of CEIP will be transferred to the Municipal Climate Change Action Centre (MCCAC), including technical EEA staff and program infrastructure to ensure continuity in program development.

On February 11, 2021 the Minister of Environment and Parks designated the Alberta Municipal Services Corporation (AMSC) as program administrator for the purposes of the Regulation. MCCAC is a program branch of the Alberta Urban Municipality Association (AUMA) and not a legal entity, therefore the AMSC is legally deemed the program administrator.

The attached Market Study and Program Overview for the City of St. Albert report was developed in collaboration between the MCCAC and the City. It will be used as a resource for the bylaw adoption process for CEIP and for related funding applications. This report includes details on the design and forecasted uptake for the Program; identifies opportunities to access financing and grant funding; and outlines the administrative processes for CEIP in the City of St. Albert.

## **STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT**

The Environmental Advisory Committee (EAC) received a presentation in November 2020 from MCCAC on CEIP and produced a recommendation advising City Council to direct Administration to develop a CEIP bylaw and program. EAC's advice is attached to this agenda report.

A cross-functional Administrative team has been initiated, including representatives from Finance, Environment, Assessment, Legal, Community Services and Economic Development. This internal project team will assess any potential organizational impacts and help to design a St. Albert specific CEIP in 2021.

## **IMPLICATIONS OF RECOMMENDATION(S)**

### Financial:

Funding for CEIP may be procured from a third party. Administration is recommending working with the Federation of Canadian Municipalities (FCM), as the FCM provides low interest loans as well as up to 50% additional funds in the form of grants to accommodate a municipal CEIP.

In accordance with the MGA (section 252(2)), money borrowed for CEIP does not impact a municipality's debt limit.

### Legal / Risk:

A clean energy improvement cannot be made to any property unless Council passes a clean energy improvement tax bylaw. Bylaw 26/2021 as presented complies with the requirements of the MGA and the Regulation with respect to establishing a clean energy improvement program in the City of St. Albert.

The MGA (section 390.3(5)) requires Council to hold a public hearing with respect to a proposed clean energy improvement tax bylaw before giving second reading. Accordingly, a public hearing may be set for May 17, meaning the electors would have 60 days after the last date on which the proposed bylaw is advertised to file a petition in accordance with section 231(4) of the MGA.

Homeowners eligible for the program will be required to enter into a clean energy improvement agreement with the City before any improvements will be made, and a clean energy improvement tax may be imposed on a property following the signing of a clean energy improvement agreement.

The Government of Alberta has officially signed the Ministerial Order designating the Alberta Municipal Services Corporation (AMSC) as the program administrator for CEIP. The program

administration will largely be the responsibility of the AMSC.

Program or Service:

An internal CEIP project team has been developed to develop a program that limits the impact to staffing and service levels. Through program design, Administration recommends a contract for a 0.5 FTE to accommodate the program intake for CEIP. This position will be evaluated after the first year of CEIP and adjusted as needed.

Organizational:

CEIP will be administered in part between the City's Environment Branch and the AMSC.

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

If Council does not wish to support the recommendation, the following alternatives could be considered:

Alternative 1. Direct Administration to cease all work related to a Clean Energy Improvement Program.

Alternative 2. Provide feedback to Administration on Bylaw 26/2021 or program details and have Administration return at a later date.

Report Date: April 19, 2021

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