

**REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 16, 2020**

SUBJECT Community Efficiency Financing Program Grant

ISSUE SUMMARY

To seek support to submit an application to the Federation of Canadian Municipalities (FCM) Community Efficiency Financing grant program to study a regional accessible energy retrofit financing program.

BACKGROUND

The new Federation of Canadian Municipalities Community Efficiency Financing (CEF) grant program provides funding to local governments to plan, implement and scale up innovative financing models for residential energy projects. FCM has stated that multiple municipalities and partners are encouraged to collaborate on regional opportunities. As such, staff have received requests from local government staff to lead a regional application.

A Board resolution must accompany an application to the CEF, and is due October 30, 2020.

This CEF application would build upon past work, including:

- Oil to Heat Pump program, which contributed to hundreds of heat pump installations in the region between 2015 and 2018.
- Current CRD and municipal heat pump incentive top-ups through Better Homes BC.
- Transition 2050 Residential Retrofit Acceleration Project, supported by the FCM, which was launched in 2019 to accelerate retrofits in the region through industry-government collaboration, strategic planning and piloting solutions to non-financial barriers to climate-friendly retrofits.
- Bring it Home 4 Climate, a pilot program under Transition 2050 launched in August 2020 to coach homeowners on how to make their homes climate-friendly.
- BC Hydro Community Energy Manager Network initiative focused on retrofit financing and clarifying municipal authority regarding existing buildings.
- Various energy retrofit related studies and programs led by local governments in the region (including the Saanich Property Assessed Clean Energy (PACE) pilot).

The CEF project would support the design of a regional accessible energy retrofit financing program, which would identify: an accessible retrofit financing mechanism, program design components, greenhouse and economic benefits, and public and private partners. Outputs would directly inform the regional energy retrofit program scoping previously presented to the Board on May 13, 2020.

ALTERNATIVES

Alternative 1

The Environmental Services Committee recommends to the Capital Regional District Board:

That approval be given to submit an application to the Federation of Canadian Municipalities Community Efficiency Financing grant program to study a regional accessible energy retrofit financing program.

Alternative 2

That this report be referred back to staff for additional information.

IMPLICATIONS

Environmental & Climate Implications

Existing buildings account for more than 30% of greenhouse gas (GHG) emissions in the capital region, most of which is the result of burning either natural gas or heating oil for space and hot water heating. Reducing emissions from buildings is in line with the CRD's declaration of a Climate Emergency, the Regional Growth Strategy's (RGS) goal of achieving a 68% reduction in emissions by 2038, and the 2017 Regional Climate Action Strategy.

A successful application will enable the CRD to project a GHG emissions saving potential associated with an identified retrofit financing mechanism and program design.

Intergovernmental Implications

CRD is working with CRD Climate Action Inter-Municipal Working Group and additional municipal staff to support the development of the grant application. Should the CRD be successful in obtaining the funds, staff will continue to work with an inter-municipal project team to execute the study.

Financial Implications

Successful applicants will receive up to 80% of eligible costs, to a maximum of \$175,000 grant. Should the application be successful, the project would be added to the 2021 work plan for the Climate Action Program. The remaining 20% of project costs would come from in-kind support and existing budgets.

CONCLUSION

Targeting GHG emission reductions from buildings is in line with CRD climate goals and strategies. The CRD has identified FCM's CEF grant program as an opportunity to further understand a regionally accessible energy retrofit financing program as a means to support the reduction of greenhouse gas emissions.

RECOMMENDATION

The Environmental Services Committee recommends to the Capital Regional District Board:

That approval be given to submit an application to the Federation of Canadian Municipalities Community Efficiency Financing grant program to study a regional accessible energy retrofit financing program.

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