



## UPCOMING PUBLIC HEARING(S) - PROPOSED BYLAWS AND REPORTS

December 6, 2021

### **PUBLIC SUBMISSIONS**

To submit comments on the item below, click the *Public Submission Form* link. Please include the bylaw number, public hearing date, and your name with your submission.

***Public Submission Form***

1. **Bylaw 53M2021 - Clean Energy Improvement Tax Bylaw**



## Clean Energy Improvement Program Bylaw

### **RECOMMENDATIONS:**

That the Priorities and Finance Committee recommend that Council:

1. Direct Administration to publicly advertise the proposed Bylaw 53M2021; and
2. Direct Administration to bring the proposed Bylaw 53M2021 to Council for Public Hearing and three readings no later than 2021 Q4.

### **RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, 2021 SEPTEMBER 07:**

That Council:

1. Direct Administration to publicly advertise the proposed Bylaw 53M2021; and
2. Direct Administration to bring the proposed Bylaw 53M2021 to Council for Public Hearing and three readings no later than 2021 Q4.

## **HIGHLIGHTS**

- **What is the Bylaw?** The Clean Energy Improvement Tax Bylaw (Bylaw) establishes a Clean Energy Improvement Program (CEIP) in Calgary, authorizes The City to borrow up to \$15 Million for financing clean energy improvements, and enables clean energy improvements to be made to eligible properties. The *Municipal Government Act* requires public advertisement of the Bylaw.
- **What does this mean to Calgarians?** Enabling CEIP in Calgary will allow eligible Calgary homeowners to access financing to complete clean energy improvements on their homes and repay through their property tax bill. This program will also generate projects for local energy efficiency and renewable energy contractors.
- **Why does it matter?** This program supports homeowners to finance energy saving improvements in their homes to decrease their greenhouse gas emissions, save money, and improve comfort and liveability. The program will be foundational to establishing low carbon financing programs in Calgary.
- The Economic Resilience Task Force (ERTF) has identified green investments and low carbon financing as a pillar for economic recovery after the COVID-19 pandemic. The ERTF requested a low carbon financing program be launched in 2022.
- Similar programs to CEIP have been successful in the United States and in Canadian municipalities (e.g., City of Toronto). Three municipalities in Alberta (Towns of Rocky Mountain House and Devon and the City of Edmonton) will be launching CEIP in 2021.
- This program will provide the homeowner with access to capital and preferred interest rates for clean energy improvement projects (e.g., insulation, windows, HVAC equipment, solar photovoltaic installations). Additionally, CEIP is unique in that the repayment of financing is tied to the home that receives the clean energy upgrades through its property taxes. In the event the owner sells the property, the repayment obligation can stay with the property and the new homeowner would take on the repayment while benefiting from the energy and cost savings of the improvement.
- In partnership with The City and the program administrator (the Alberta Municipal Services Corporation), the program design and program delivery processes will be established to open the program to homeowner applications in fall 2022.
- Strategic Alignment to Council's Citizen Priorities: A healthy and green city

## **Clean Energy Improvement Program Bylaw**

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- The proposed Bylaw is included in Attachment 1. Attachment 2 is an overview of the program design for The City of Calgary and Attachment 3 is an overview of CEIP provided by the program administrator.

### **DISCUSSION**

Low carbon financing programs have been identified as an action to reduce greenhouse gas (GHG) emissions and improve the performance of buildings in the community. Administration has evaluated options for implementing a low carbon financing program within the next year, as green investments and financing were one of the programs identified by the ERTF to respond to the economic challenges of COVID-19. CEIP was determined to be the program best suited to move ahead for two main reasons:

1. The provincial program administrator - the Alberta Municipal Services Corporation (AMSC) - has completed most of the program design and will complete the technical program administration tasks (e.g., application reviews).
  - a. Administration will be required to develop the financial processes for the program (e.g., financing agreement, repayment tracking), while the AMSC has designed and will manage the public-facing documents and processes (e.g., application form reviews, contractor training, CEIP website).
2. The Federation of Canadian Municipalities (FCM) is providing a limited term program that includes a loan and grant program targeted to municipalities launching community efficiency financing programs (approximately \$50 Million is allocated per year until 2026).

Passing an enabling bylaw is the first step to launch CEIP in a municipality. It authorizes the municipality to borrow for financing clean energy improvements and to use the property tax system as the repayment mechanism. Municipalities may borrow from a traditional lending organization such as a bank or credit union or through government funded lending organizations like the Green Municipal Fund (GMF). The Bylaw will enable The City to borrow up to \$15 Million for the program, which is anticipated to support up to 750 residential properties' clean energy improvements (assuming an average project cost of \$20,000).

Through the GMF, FCM is offering the following for four years of program delivery:

1. A loan of up to \$10 Million for residential financing programs (with an interest rate expected between 1% and 3% which will be passed down to the participants); and
2. An accompanying grant of up to \$5 Million to be used to offset operation costs for the municipality and the program administrator. FCM requires a portion of the grant funds to be used as a loan loss provision that will be set aside to pay down a portion of an outstanding Clean Energy Improvement Tax amount in the event a participant defaults on their payments. Claims made to the loan loss reserve are subject to the Green Municipal Fund's Municipal Loss Reserve Policy.

The City collects payments from homeowners through the property tax system and must repay the loan to the capital lenders over time, like a loan from a traditional bank, however, the grant from FCM does not need to be repaid. FCM's loan and grant can cover up to 80 per cent of the program costs (financing and operation costs), 20 per cent at minimum must be matched by The City of Calgary through in-kind, cash, or financing contributions. It is anticipated The City will source the majority of the 20 percent matching requirement from an external lender (e.g., Province of Alberta, bank).

### Clean Energy Improvement Program Bylaw

Funding Type	Source	Amount	Note
Financing/Loan	FCM	\$10 Million	Primary Lender
Financing/Loan	City of Calgary	\$5 Million	Secondary Lender
<b>Maximum Financing/Loan</b>		<b>\$15 Million</b>	
Grant (non-repayable)	FCM	\$5 Million	Operation Costs (e.g., staff time, marketing) & Loan Loss Provision

Program development and delivery will involve efforts from across the organization. Environmental and Safety Management, Finance, Assessment, Roads (local improvements), Communications, Law and the AMSC (the program administrator) will work together to develop processes for program delivery through early 2022. It is anticipated FCM's review of the funding application will take five to six months. A full timeline of the program development process is included in Attachment 2.

The first four years of program delivery can be supported by the FCM loan and grant and will be considered a pilot phase. If the program is successful in the first few years, Administration will explore the feasibility of increasing the amount that can be borrowed for the program and scale up the number of retrofits completed. Over the course of Q3 and Q4 of 2021, Administration is conducting research on complementary programs to CEIP for residential properties and alternative options to provide high-impact low carbon financing to commercial properties.

### STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
  - Public Communication or Engagement was not required
  - Public/Stakeholders were informed
  - Stakeholder dialogue/relations were undertaken
- Public engagement was determined to not be required at this stage as the public will be able to provide feedback on the Bylaw during the Bylaw's public advertisement and public hearing process.
  - While direct public engagement was not completed, responses gathered through the public engagement process for the Environment Strategy (completed in January 2021) were considered during the development of this Bylaw.
    - Calgarians said that completing home renovations is one of the actions they would take to reduce their environmental impact and a major barrier they face is the cost of the upgrades and the lack of access to affordable financing. Several upgrades were identified that they would be interested in completing, many of which are included in CEIP as eligible upgrades.
  - Additionally, Administration sent a survey to targeted stakeholders and technical experts in March 2021. This survey was initiated to gather feedback on the state of low carbon financing in Calgary and identify opportunities and interest for stakeholders to participate.
    - The majority of responses supported the development of low carbon financing programs in Calgary and identified interest in participating either as an applicant, contributor, or partner of the program.

## **Clean Energy Improvement Program Bylaw**

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- The ERTF received proposals for green investments and financing programs and projects to generate economic activity after COVID-19. CEIP was a strong proposal received by the ERTF and updates have been provided to the ERTF as Administration has developed the Bylaw.
- A webpage will be available on calgary.ca for the public to view information on CEIP and keep up to date as the program is developed and moves towards launch.

## **IMPLICATIONS**

### **Social**

Programs that support climate mitigation have long-term social benefits as these programs will help to minimize the detrimental effects of climate change. Energy efficiency upgrades provide more than energy savings and GHG reductions. Upgrading properties can lead to better air quality within the property (reducing cardiovascular and respiratory issues), better indoor temperature regulation and thermal quality, and more comfortable spaces.

### **Environmental**

Residential buildings contribute 29 percent of Calgary's community GHG emissions, and a significant portion of the buildings that will exist in Calgary in 2050 have already been built today. Calgary's Climate Mitigation Action Plan identifies innovative low carbon financing programs as an action to improve building performance and reduce GHG emissions. CEIP provides a financing repayment mechanism to directly support homeowners to complete energy saving and emission reduction upgrades in their homes.

### **Economic**

The Bylaw will authorize The City to borrow up to \$15 Million to finance clean energy improvements. This capital will be invested by homeowners into their properties generating energy and cost savings. It will lead to increased job opportunities for local energy efficiency and renewable energy contractors. The investments will also generate jobs throughout the supply chain (e.g., manufacturing), through additional spending in the economy due to increased income of workers, and through increased energy savings for participants. Attachment 2 provides information on the economic benefits of energy efficiency programs.

### **Service and Financial Implications**

#### **Other:**

*Include actual figure*

A detailed program budget and analysis of the financial implications of the program will be included in the report when the proposed Bylaw is submitted to Council for three readings in Q4 2021. An illustrative example of the program budget has been included in Attachment 2.

The FCM grant is anticipated to off-set the administrative costs of the program for the first four years of program delivery. After the grant is exhausted, the legislation allows municipalities and the program administrator to charge an administration fee to the participants.

The *Municipal Government Act* states that borrowings made for financing clean energy improvements does not count against the debt limit or debt service limit of The City. The Bylaw

## Clean Energy Improvement Program Bylaw

will enable The City to borrow up to \$15 Million for the program. Administration will apply to FCM to secure the available \$10 Million loan once the Bylaw is passed. The City will engage another lender (e.g., bank, Province of Alberta) for up to \$5 Million. The costs of borrowing (i.e., the interest rate) are passed down to the participant and are captured in the Clean Energy Improvement Tax on the participant's property tax assessment.

### **RISK**

Risk associated with implementing the program will be expanded on in the report when the proposed Bylaw is submitted to Council for three readings in Q4 2021.

There is some reputational risk associated with the advertisement of the Bylaw. During the bylaw advertisement period, there may be confusion within the public of the intent of the Bylaw (e.g., confusion on who the new Clean Energy Improvement Tax may affect, or the voluntary nature of participation) or expectations will be set for launch of the program. This potential risk will be mitigated by providing communications materials, social media communications, and the development of a webpage with details about the Bylaw and the program. The anticipated timeline and milestones required before a program launch will be made clear in communications. Additionally, staff will be available to answer the public's questions.

In programs across North America, property-tied energy efficiency financing programs have had low rates of defaults. Eligibility criteria for properties and participants have been included in the Bylaw to reduce the risk of defaults through the program. Municipalities can use the property tax recovery process outlined in the *Municipal Government Act* to recover defaulted payments. Additionally, a portion of the grant offered by FCM is used as a loan loss provision that can be used in the event a participant defaults on payments.

This type of program is new to Alberta and program uptake is unknown. Municipalities in eastern Canada have seen moderate to high uptake in their similar programs (e.g., Halifax has financed over \$18 Million in solar projects over the past nine years with uptake limited by their amount of capital allocated to the program). The City and the AMSC will implement a waitlist system in the event program uptake is higher than the capital allocations of the program.

### **ATTACHMENT(S)**

1. Attach 1 – Proposed Clean Energy Improvement Tax Bylaw 53M2021
2. Attach 2 – City of Calgary's Clean Energy Improvement Program Background
3. Attach 3 – AMSC CEIP Overview

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Michael Thompson	Utilities and Environmental Protection	Approve
Carla Male	Chief Financial Officers Department	Approve
Christopher Collier	Utilities and Environmental Protection	Approve

**Clean Energy Improvement Program Bylaw**

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Les Tochor	Chief Financial Officers Department	Approve
City Solicitor	Law	Consult
City Clerk	City Clerk's Office	Consult



**BYLAW NUMBER 53M2021**

**BEING A BYLAW OF THE CITY OF CALGARY  
TO ESTABLISH A CLEAN ENERGY  
IMPROVEMENT PROGRAM**

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**WHEREAS** Council considers it desirable to create a Clean Energy Improvement Program;

**AND WHEREAS** section 390.3 of the *Municipal Government Act*, RSA 2000, c. M-26 (the “Act”) provides that a municipality may pass a Clean Energy Improvement Tax bylaw to establish a Clean Energy Improvement Program;

**AND WHEREAS** a Clean Energy Improvement Tax bylaw authorizes a municipality to make a borrowing for the purpose of financing Clean Energy Improvements and enables those improvements to be made to eligible properties;

**AND WHEREAS** the Clean Energy Improvement Tax bylaw authorizes Council to impose a Clean Energy Improvement Tax in respect of each qualified Clean Energy Improvement made to a property to raise revenue to pay the amount required to recover the costs of those Clean Energy Improvements;

**AND WHEREAS** the Minister of Environment and Parks has designated the Alberta Municipal Services Corporation as the Program Administrator for the purposes of the Clean Energy Improvements Regulation, A.R. 212/2018;

**AND WHEREAS** section 390.3 of the *Act* further permits a municipality to make a borrowing for the purpose of financing clean energy improvements, and may do so with the context of a Clean Energy Improvement Tax bylaw, notwithstanding the provisions contained in section 251 of the *Act*;

**AND WHEREAS** it is estimated that \$5 million of the cost of the Program (as defined herein), or such other amounts as may be available by grant providers, will be funded through sources other than debenture borrowing and Council has decided to pass a bylaw pursuant to Section 390.3(4)(b) of the *Act* to borrow the sum of \$15 million from the Province of Alberta or other financial institutions or capital markets by the issuance of debentures.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF CALGARY ENACTS AS FOLLOWS:**

**Short Title**

1. This Bylaw may be cited as the “Clean Energy Improvement Program Bylaw”.

## PART 1 – DEFINITIONS AND INTERPRETATION

2. (1) In this Bylaw, unless context otherwise requires:
- (a) “*Act*” means the Municipal Government Act, RSA 2000 c. M-26;
  - (b) “*Administration Fee*” means an administration fee as defined in section 1(a) of the *Regulation*;
  - (c) “*Agreement*” means a clean energy improvement agreement executed between The City of Calgary and the *Owner* of a property under section 390.4 of the *Act* and section 10 of the *Regulation*;
  - (d) “*City*” means the municipal corporation of The City of Calgary, or where the context requires means the area contained within the boundaries of The City of Calgary;
  - (e) “*City Manager*” means the person appointed by The City of Calgary Council as its Chief Administrative Officer;
  - (f) “*Clean Energy Improvement*” means a permanent clean energy improvement as defined in section 390.1 of the *Act* and listed by the *Program Administrator* under section 3(1) of the *Regulation*;
  - (g) “*Clean Energy Improvement Tax*” means a tax imposed on a property in the *City* under Division 6.1 of the *Act* that is intended to repay the cost of a *Clean Energy Improvement* under an *Agreement*;
  - (h) “*Owner*” means a person or persons applying to take part in the *Program* and who are shown as the owner of a property on a certificate of title maintained by the Registrar under the *Land Titles Act* RSA 2000, c. L-4;
  - (i) “*Person*” means an individual or a business entity including a firm, partnership, association, corporation or society;
  - (j) “*Program*” means a clean energy improvement program established and operating under Division 6.1 of the *Act*;
  - (k) “*Program Administrator*” means the Alberta Municipal Services Corporation, or its successors or assigns, or any other entity designated by the Minister pursuant to section 2 of the *Regulation*;
  - (l) “*Province*” means the Province of Alberta; and

- (m) “*Regulation*” means the *Clean Energy Improvements Regulation* AR 212/2018.
- (2) Each provision of this Bylaw is independent of all other provisions and if any provision is declared invalid for any reason by a Court of competent jurisdiction, all other provisions of this Bylaw remain valid and enforceable.
- (3) Nothing in this Bylaw relieves a *Person* from complying with any provision of any federal or provincial law or regulation, other bylaw or any requirement of any lawful permit, order or licence.
- (4) Headings or sub-headings are inserted for ease of reference and guidance purposes only and do not form part of this Bylaw.
- (5) Where this Bylaw cites or refers to any act, regulation, code or other bylaw, the citation or reference is to the act, regulation, code or other bylaw as amended, whether amended before or after the commencement of this Bylaw, and includes reference to any act, regulation, code or other bylaw that may be substituted in its place.
- (6) All Schedules attached to this Bylaw form part of this Bylaw.

## **PART 2 – THE CITY’S CLEAN ENERGY PROGRAM**

3. (1) A clean energy improvement *Program* for the *City* is established under this Bylaw and the *City Manager* is responsible for implementing the *Program*.
- (2) The *City Manager* may enter into *Agreements* on behalf of the *City* under the *Act* and *Regulation* respecting the *Program* including agreements with the *Program Administrator*.
- (3) The *City Manager* may delegate any of the powers, duties, or functions provided to the *City Manager* in this Bylaw to any employee of the *City*.

## **PART 3 – PROGRAM ELIGIBILITY**

### **Applications to Program Administrator**

4. (1) An *Owner* of a property that is eligible under this Bylaw may apply to the *Program Administrator* to finance a *Clean Energy Improvement* on that property.
- (2) The *Program Administrator* may charge a fee in relation to the application, pursuant to the *Regulation*.

- (3) An *Owner* may submit one application per year per eligible property.

### Eligible Properties

5. (1) The following privately owned residential properties located within the *City* are eligible to apply under the *Program*:
- (a) single and semi-detached houses;
  - (b) row houses;
  - (c) townhomes; and
  - (d) residential portions of mix-use buildings and multi-unit residential buildings, provided that such buildings are both under three storeys and have a footprint of 600 meters squared (6,458 feet squared) or less.
- (2) For greater certainty, manufactured homes, mobile homes, non-residential properties, and designated industrial properties are not eligible for the *City's Program*.
- (3) A property that is exempt from taxation under Part 10 of the *Act* may apply to the *Program* and if approved for an *Agreement* must pay the *Clean Energy Improvement Tax* as set out on the statement of account provided to the *Owner* by the *City* or as otherwise set out on a tax bill or on the *City's* tax roll.

### Eligible Improvements

6. The *Clean Energy Improvements* listed in Schedule "A" to this Bylaw are eligible for the *City's Program* unless that improvement has been removed from the list of eligible improvements maintained by the *Program Administrator*.

## PART 4 – CLEAN ENERGY IMPROVEMENT AGREEMENT

7. (1) The *City Manager* may enter into an *Agreement* with an *Owner* whose application to the *Program Administrator* was approved.
- (2) The *City Manager* may require information from an *Owner*, in the form and manner specified by the *City Manager*, to ensure an *Agreement* with that *Owner* would comply with the *Act*, *Regulation*, and this Bylaw.
- (3) For greater certainty, the approval of an *Owner's* application by the *Program Administrator* does not require the *City Manager* to enter into an *Agreement* with that *Owner*.
8. The *City Manager* must not enter into an *Agreement* where:
- (a) the *Owner* is in tax arrears on the property;
  - (b) there is an existing *Agreement* in place for the property and the costs of that *Agreement* have not been placed on the tax roll;

- (c) the costs of a proposed *Agreement* would cause the *City* to exceed the amount of borrowing authorized under this Bylaw;
  - (d) the *Owner* is in bankruptcy or receivership;
  - (e) the property is going through foreclosure;
  - (f) there are development compliance issues or safety code issues associated with the property;
  - (g) the *Program Administrator* has not approved an *Owner's* application for a *Clean Energy Improvement*;
  - (h) the *Owner* has not confirmed that the property's mortgagors have approved participation in the *Program*;
  - (i) there is a dispute with the *Owner* about whether the *Owner* is abiding by the terms of any other grant of financial assistance that the *Owner* has received from any level of government;
  - (j) the *Owner* has fallen into tax arrears within the previous five years on the property; or
  - (k) the *Owner*, the property, or the terms of the proposed *Agreement*, do not otherwise meet any of the requirements under this Bylaw, the *Act*, or the *Regulation*.
9. The *City Manager* may consider the following when considering the proposed terms of an *Agreement*, or when considering whether to refuse to enter into an *Agreement*:
- (a) whether a *Person* related to the *Owner* is in bankruptcy, or receivership;
  - (b) whether the *Owner* owns any interest in another property that is going through foreclosure;
  - (c) whether a *Person* related to the *Owner* owns any interest in a property that is going through foreclosure;
  - (d) whether the property is the subject of some form of ongoing or anticipated litigation in relation to its ownership;
  - (e) whether the *Owner* is participating in the *City's* Property Tax Assistance Program or the Government of Alberta's Seniors Tax Deferral Program;
  - (f) whether the property is not being used primarily for residential housing purposes; or
  - (g) whether there is any other reason, in the *City Manager's* sole opinion, to refuse to enter into the *Agreement*.
10. A *Clean Energy Improvement* must be completed within the time limit set out in the *Agreement*.

## PART 5 – CLEAN ENERGY IMPROVEMENT TAX

11.
  - (1) The *City Manager* may impose a *Clean Energy Improvement Tax* on a property that is subject to an *Agreement* in order to raise revenue to recover the cost of that improvement.
  - (2) The *Clean Energy Improvement Tax* shall be displayed as a separate item on any tax notices.
  - (3) The *City Manager* may impose the *Clean Energy Improvement Tax* at any time following the signing of that *Agreement* but in no case later than the next annual tax notice following payment being authorized by the *City* to a contractor for the improvement.
  - (4) The amount of the tax must be calculated under the *Agreement* and recovered on an annual basis over a term comprised of the number years specified in the *Agreement*.
  - (5) The term in the *Agreement* must not exceed the probable lifespan of the *Clean Energy Improvement* as designated by the *Program Administrator* under section 3(2)(a) of the *Regulation*, to a maximum of 25 years.
  - (6) Where more than one *Clean Energy Improvement* is made to a property the *City Manager* must impose a *Clean Energy Improvement Tax* in respect of each improvement made to the property and the probable lifespan of the improvements may not be greater than a weighted average of the probable lifespan of each improvement as determined by the *Program Administrator*.
12. The following costs must be included in the calculation of the *Clean Energy Improvement Tax*:
  - (a) the outstanding capital cost of undertaking the *Clean Energy Improvements*;
  - (b) the cost of professional services needed for the *Clean Energy Improvements*;
  - (c) the *Administration Fee*;
  - (d) the cost of financing the *Clean Energy Improvements*; and
  - (e) any other incidental costs to the undertaking of the *Clean Energy Improvement* and to the raising of revenue to pay for it specified in the *Agreement*.
13. If an *Owner* wishes to make early, full repayment of an amount financed by a *Clean Energy Improvement Tax*, the amount owing must be calculated at the time of the request, based on the terms of the *Agreement*.
14. An *Owner* must append the *Agreement* to any contract of sale for the property but the failure to do so does not invalidate the *Agreement* or affect the imposition of the *Clean Energy Improvement Tax*.

**PART 6 – AUTHORIZED BORROWING**

15. Pursuant to section 390.3(4)(b) of the *Act*:
- (a) For the purposes of the *Program*, the proper officers of the *City* are hereby authorized to issue one or more debentures on behalf of the *City* to a maximum sum of \$15 million.
  - (b) The *City* shall repay the indebtedness over a period not exceeding twenty-five (25) years, with interest being calculated at an interest rate fixed by the lender on the date of the borrowing, up to a maximum rate of 8% per annum.
  - (c) The indebtedness shall be repaid by the *City* through the *Clean Energy Improvement Tax* that shall be collected from *Owners* pursuant to the respective terms of their individual *Agreements*, and pursuant to the *Act*.
  - (d) The indebtedness shall be contracted on the credit and security of the *City*.
  - (e) The net amount borrowed under this Bylaw shall be applied only to the purposes specified by this Bylaw and for no other purpose.

**COMING INTO FORCE**

16. This Bylaw comes into force on the day it is passed.

READ A FIRST TIME ON \_\_\_\_\_

READ A SECOND TIME ON \_\_\_\_\_

READ A THIRD TIME ON \_\_\_\_\_

\_\_\_\_\_  
MAYOR

SIGNED ON \_\_\_\_\_

\_\_\_\_\_  
CITY CLERK

SIGNED ON \_\_\_\_\_

**SCHEDULE "A"**

**LIST OF ELIGIBLE CLEAN ENERGY IMPROVEMENTS**

Air source heat pump replacing gas furnace
Attic or roof insulation
Combined heat and power
Drain water heat recovery
ECM motor for residential furnace
Foundation insulation
Ground source heat pump replacing natural gas furnace
Heat and energy recovery ventilation
Heat pump water heater
High-efficiency air source heat pump
High-efficiency central air conditioner
High-efficiency combination heater
Energy-efficient door
High-efficiency gas boiler
High-efficiency gas furnace
High-efficiency storage water heater
Energy-efficient window
Indoor lighting control
Lighting fixture
Solar PV systems
Pipe and duct insulation
Rim joist insulation
Smart thermostat
Solar thermal water heating
Tankless gas water heater
Wall insulation