

## Clean Energy Improvement Program Bylaw Amendment

### RECOMMENDATION(S):

That Council:

Give three readings to Bylaw 16M2023, being the proposed bylaw to amend the Clean Energy Improvement Program Bylaw 53M2021.

### HIGHLIGHTS

- This report brings forward an amendment to the Clean Energy Improvement Program Bylaw 53M2021 (the “Bylaw”). The amendment removes a minor technical inaccuracy in the type of security required to support the borrowing of money for the purpose of financing clean energy improvements and clarifies the language in the Bylaw with respect to the authority of The City of Calgary (“The City”) for such financing pursuant to Section 390.3(1) of the *Municipal Government Act* (Alberta), R.S.A. 2000, c. M-26 (the “MGA”).
- **What does this mean to Calgarians?** The amendment does not impact the Clean Energy Improvement Program (the “Program”) process to date or the applications currently in the queue. The clarifying language in the amendment will allow The City to finalize its loan and grant arrangements with the Federation of Canadian Municipalities, which will enable The City to offer residential property owners the maximum amount of Program financing contemplated in the Bylaw.
- **Why does this matter?** Calgarians have shown their enthusiasm for the Program and this minor amendment will enable The City to maximize available funding for the Program.
- Background and Previous Council Direction are included as Attachment 1.

### DISCUSSION

The Bylaw requires the amendment to clarify the language with respect to The City’s authority to borrow money for the purpose of financing clean energy improvements and to remove a technical inaccuracy in the type of security required to support the financing. The proposed amendment does not materially affect the Bylaw in principle or substance as a borrowing was always contemplated. Despite the language in the Bylaw, the provision of a debenture to support the Federation of Canadian Municipalities financing is not required and the language in the Bylaw is therefore being amended. The remaining terms of the proposed borrowing as stated in the Bylaw have not changed. The proposed amendment is required to finalize and draw upon The City’s loan and grant arrangements with the Federation of Canadian Municipalities.

This Bylaw amendment does not impact the applications currently in the queue, as The City has allocated \$5 million from the Fiscal Stability Reserve which can be used until the loan and grant arrangements with the Federation of Canadian Municipalities can be finalized and drawn upon. The need for this amendment was only identified after the Program launch. Finalizing this Bylaw amendment will enable The City to reopen the Program to additional participants.

The sections of the MGA pertaining to the Program were introduced in 2018 and did not include detailed direction, templates, or guidance on the required clean energy improvement tax bylaw. Municipalities across Alberta have used the first bylaws that were passed in 2019 (Town of Devon and Town of Rocky Mountain House) as templates and adjusted based on their internal

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interpretation of the legislation. Other municipalities have had to make minor amendments since the initial passing of their program bylaws due to differences in interpretations of the legislative requirements (e.g., City of Leduc and Town of Rocky Mountain House).

### **EXTERNAL ENGAGEMENT AND COMMUNICATION**

- |                                     |   |                          |   |
|-------------------------------------|---|--------------------------|---|
| <input type="checkbox"/>            | Public engagement was undertaken        | <input type="checkbox"/> | Dialogue with interested parties was undertaken     |
| <input checked="" type="checkbox"/> | Public/interested parties were informed | <input type="checkbox"/> | Public communication or engagement was not required |

A public notice was published in the Calgary Herald (2023 March 28 and 2023 April 4) informing the public of the proposed Bylaw amendment and the public hearing. The proposed Bylaw amendment was scheduled to be heard at the 2023 June 20 public hearing to allow for the 60-day petition period after the last advertisement date to elapse.

### **IMPLICATIONS**

#### **Social**

The amendment to the Bylaw will allow The City to access \$10 million in financing from the Federation of Canadian Municipalities - for a total fund of \$15 million - for financing clean energy improvements. The Federation of Canadian Municipalities' allocation to the fund allows more Calgarians to experience the benefits of upgraded homes, including 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 32 percent of Calgary's community greenhouse gas emissions, and a significant portion of the buildings that will exist in Calgary in 2050 have already been built today. The amendment to the Bylaw will allow The City to allocate the planned maximum of \$15 million for residential homeowners to reach the energy saving and emission reduction goals of the Program.

#### **Economic**

The borrowing authorized by the amendment to the Bylaw will be invested by residential homeowners into their properties to generate 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.

#### **Service and Financial Implications**

##### **Other: Authority to borrow**

The proposed amendment is required to finalize and draw upon The City's financing arrangements with the Federation of Canadian Municipalities in the amount of up to \$15 million. This includes a \$10 million loan to be used to finance clean energy improvement projects and a

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\$5 million grant to support the Program operations. The City must draw down on the loan to access the grant funds.

### **RISK**

- The Program launched on 2023 January 31 and the intake of new applications was paused on 2023 February 1 due to the high volume of applications received in such a short period of time.
  - The City has allocated \$5 million from the Fiscal Stability Reserve to finance a portion of the Program, which can support the initial projects in the queue. This allocation from the Fiscal Stability Reserve is the municipal contribution to the Program, which contribution is required under the terms of the Federation of Canadian Municipalities' loan and grant.
- Without the proposed amendment to the Bylaw, The City will not be able to access the \$10 million in financing and the accompanying grant through the Federation of Canadian Municipalities.
- Calgarians have shown immense enthusiasm for the Program and the reopening of the Program would be greatly impacted if the proposed amendment is not approved and The City is not authorized to make the contemplated borrowing pursuant to the Bylaw.

### **ATTACHMENT(S)**

1. Previous Council Direction and Background
2. Proposed Bylaw 16M2023

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Stuart Dalgleish	Planning and Development Services	Approve
Carolyn Bowen	Planning and Development Services	Approve
Les Tochor	Corporate Planning & Financial Services	Approve