

Request for Decision

Title	Bylaw 1562/21 – Clean Energy Improvement Program Tax Bylaw – First Reading
Proposed Motion	That Council give first reading of Bylaw 1562/21.
Administrative Recommendation	Administration recommends that Council give first reading of Bylaw 1562/21 thereby allowing the Bylaw to proceed to Public Hearing, providing the public the opportunity to comment on the proposal.
Previous Council / Committee Direction	<u>May 25, 2021 Regular Council Meeting</u> Motion 300/21: That Council direct Administration to draft a Clean Energy Improvement Program Bylaw for Council consideration by the end of Q3 2021.
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • <i>Bill 10: An Act to Enable Clean Energy Improvements</i> was passed on June 6, 2018. The Act authorizes municipalities to complete a borrowing bylaw to finance projects and recover costs through the municipal property tax system. The accompanying regulation, the <i>Clean Energy Improvements Regulation</i>, came into force on January 1, 2019. • Alberta's Clean Energy Improvement Program (CEIP) provides financing to residential and commercial property owners to make energy efficiency and renewable energy upgrades more affordable. • In Alberta, the CEIP offers competitive financing to cover up to 100 per cent of project costs and makes repayment convenient through a property's tax bill. • The CEIP offers competitive rates with long repayment terms available (up to 20 years depending on the project type and lifetime), and can be prepaid at any time, penalty-free. • This type of financing ties the loan to the property, not the property owner. If the property is sold, the owed amount can be repaid, or the new owner assumes repayment. • Once a CEIP project is complete, a Clean Energy Improvement Charge is added to the participant's property tax bill, similar to a local improvement assessment. This new payment will remain on the property for the length of the term in the agreement. Property owners would continue to pay their property tax bill the same way they always have. • More than 10 municipalities in Alberta have now passed CEIP Bylaws; and two municipalities, Rocky Mountain House and Devon, have formally launched their programs.

	<ul style="list-style-type: none"> • If approved, the program would be made available for both residential and non-residential improvements. The residential program would launch first and be followed by the non-residential program. • Sturgeon County would be one of the first rural municipalities to make this type of program available to residents. • The Alberta Municipal Services Corporation (AMSC) would provide technical support throughout the development of the program. Once the program is in place, AMSC would lead core implementation tasks, including application and payment processing, website management, participant and contractor customer service, contractor onboarding, and marketing and engagement. • AMSC would complete the assessment of eligible upgrades in relation to the program. • AMSC would also manage quality assurance processes and program reporting requirements. Municipalities are responsible for overseeing repayment of the Clean Energy Improvement Charge and collaborating with AMSC on marketing plan and execution, and approval of applications. • The Edmonton Metropolitan Region Board passed a motion in 2021 to explore climate change strategic initiatives. One of the motions states: “Identify the steps needed to coordinate regional standards for climate resilient communities and building energy efficiency, and coordinate approaches to support job creation through energy efficiency and resilient construction and retrofits.” • An EMRB technical committee has been assigned to work on the motion; however, as of this date, there is no material information to report. It should also be noted that the motion references “identifying the steps...”. Subsequently, the EMRB Board will need to approve any next steps and, if relevant, administration will review and identify any material impact to the County. • <i>Municipal Government Act</i> requires that a Public Hearing be held before Council considers second reading of the Bylaw. If Council passes first reading at the March 8, 2022 Council meeting, Administration would proceed with advertising the Public Hearing. <p><u>Relevant Policy/Legislation/Practices:</u></p> <ul style="list-style-type: none"> • <i>Municipal Government Act</i>, RSA 2000 c.M-26 • <i>Bill 10: An Act to Enable Clean Energy Improvements</i> • <i>Clean Energy Improvements Regulation</i>, AR 212/2018
Implication of Administrative Recommendation	<p><u>Strategic Alignment:</u></p> <p>Environmental Stewardship – The implementation of a Clean Energy Improvement Program will support residents to make investments in reducing their environmental impact and making their buildings more climate resilient.</p> <p>Planned Growth – The Clean Energy Improvement Program will help improve County agricultural competitiveness, create diverse business opportunities, and support local green jobs.</p>

Organizational:

- Should the Bylaw be passed, there will be some impact on staff to support the development and administration of the program. The program would primarily impact the Financial Services area to provide the general oversight of the lending, revenue, and tax-related components of the program.
- The Communications department would develop any program marketing and website development.

Financial:

- The County will be required to secure funding for the program. Options may include grant funding through the Federation of Canadian Municipalities (FCM) and a line of credit. Borrowing to support the CEIP does not count against the County's debt limit.

Proposed funding to support the program, based on previous uptake of energy efficiency programs within the County is as follows:

	Year 1	Year 2	Year 3	Year 4	TOTAL
Residential	\$526,700	\$510,500	\$580,700	\$656,500	\$2,274,000
Non-Residential	\$1,000,000	\$1,000,000	\$1,250,000	\$1,250,000	\$4,500,000
TOTAL	\$1,526,700	\$1,510,500	\$1,830,700	\$1,906,500	\$6,774,000

Alternatives Considered

- Council could choose not to support first reading of the Clean Energy Improvement Program Bylaw.

Implications of Alternatives

- Residents would not have the opportunity to participate in a Clean Energy Improvement Program.

Follow up Action

1. Schedule the Public Hearing for Bylaw 1562/21, to occur at an April 2022 Council meeting (COO Office, March 2022).

Attachment(s)

1. Attachment 1: Bylaw 1562/21
2. Attachment 2: Clean Energy Improvement Program Municipality Backgrounder

Report Reviewed by:

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Strategic Alignment Checklist

Vision: *Offering a rich tapestry of historical, cultural, and natural experiences, Sturgeon County is a municipality that honours its rural roots and cultivates desirable communities. Uniquely situated to provide world-class agricultural, energy, and business investment opportunities, the County prioritizes responsible stewardship and dreaming big.*

Guiding Principles: Collaboration | Accountability | Flexibility | Excellence | Safety | Future Readiness | Affordability | Innovation

Community Outcome	Not consistent	Consistent	N/A
Planned Growth			
<ul style="list-style-type: none"> Internationally competitive to attract, grow and sustain diverse businesses; tenacious focus on new growth and innovation 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Modern broadband and digital capabilities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Low cost, minimal red-tape regulations 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Reliable and effective infrastructure planning; comprehensive land use and infrastructure planning 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Thriving Communities			
<ul style="list-style-type: none"> Beautiful, surprising places with high standards; integrated natural spaces & trail systems; healthy and resilient 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Engaging cultural, historical, and civic amenities; strong community identity and pride 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Safe, welcoming, and diverse communities; small community feel and personal connection; commitment to high quality of life 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environmental Stewardship			
<ul style="list-style-type: none"> Clean air, land, and water; Carbon neutral municipal practices; circular economy opportunities 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Conservation of natural areas and agricultural lands; enhanced greening and biodiversity; safekeeping ecosystems 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Sustainable development; partnerships with industry and others to drive emission reductions 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Collaborative Governance			
<ul style="list-style-type: none"> Predictable and stable external relationships; volunteer partnerships 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Meaningful connections with Indigenous communities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Ongoing community consultation and engagement; transparent and action-oriented decision making based on sound rationale 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Respectful and informed debate; clear and supportive governance processes 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Operational Excellence			
<ul style="list-style-type: none"> Engaged and effective people – Council, Admin and Volunteers; continuous learning and improvement mindset; nimble and bold, with strong leadership 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Quality cost-effective service delivery; robust procurement and operational practices and policies; asset management and performance measurement; careful debt and reserve stewardship; long-term financial planning and sustainability 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Future focused thinking to proactively respond to emerging opportunities and challenges 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Alternative revenue generation and service delivery models integrated strategic and business planning 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>