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### **New Legislation to Help Municipalities Combat Climate Change**

It may soon be easier for homeowners and business owners in the municipalities of Stratford and Charlottetown to access financing for energy efficiency retrofits and renewable energy generation, as well as for climate change adaptation, such as flood-proofing and lead water line replacement.

The municipalities, in partnership with PACE Atlantic CIC and Town of Wolfville, submitted an application to the Federation of Canadian Municipalities - Community Efficiency Financing Initiative. If successful, the funding will allow the participating municipalities, in coordination with PACE Atlantic, to offer below market-level interest rates on financing to homeowners and business owners. This would help the public take advantage of existing efficiencyPEI programs. Additionally, up to 30 percent of the financing, if approved, can be used for non-energy related initiatives that help people better prepare for climate change impacts.

In order for such a program to be successful on PEI, changes to provincial legislation were needed. Thanks to Jamie Fox, Minister of Fisheries and Communities and the Provincial Legislative Assembly, the municipalities are now one step closer to being able to implement a Property Assessed Clean Energy (PACE) financing program. Amendments have recently been made to the Municipal Government Act to enable and regulate how such programs may work on the Island.

“Our goal is to support residents in accessing the excellent rebate programs at efficiencyPEI by providing low-interest financing or grants through the PACE program, removing the financial barriers associated with the upfront costs of investing in energy retrofits and renewable energy,” said Charlottetown Mayor Philip Brown. “We couldn’t pursue this in earnest without legislative changes and we thank our provincial partners for their leadership and assistance in moving this initiative forward.”

A PACE program provides low-interest financing to homeowners and business owners to invest in energy efficiency upgrades and renewable energy. In other provinces, where property taxes are collected by the municipality, repayment of the financing is collected through a fee on the property tax bill. The Municipal Government Act amendments allow the municipalities to collect local improvement charges (LICs), which include programs like PACE.

Along with the joint funding application, the municipalities have the shared goal of improving efficiency in the built environment. It is an essential component of the Community Energy Plan in both Charlottetown and Stratford.

“This unique municipal consortium, that includes not only Charlottetown, but Wolfville in Nova Scotia, demonstrates that we have common goals in not just addressing climate change, but also encouraging local economic opportunities,” said Stratford Mayor Steve Ogden. “With some of the highest energy

costs in Canada, we can provide programming that complements the great work of efficiencyPEI and scale up retrofits with cost effective financing. We are hoping to get support from the Federation of Canadian Municipalities to kickstart this program early in 2021 and this PACE financing mechanism by the Province is a game changer in that it can operate at no cost to the municipality and taxpayers.”

In July, a Memorandum of Understanding between the three municipalities (Charlottetown, Stratford and Wolfville) was signed to submit the joint funding application to FCM’s CEF program in the amount of \$15 million. If the application is successful, the local PACE program, once launched, would support the local economy, while also reducing energy consumption and carbon emissions in participating homes and buildings. Homeowners that participate in the program would not be required to spend money upfront to complete energy efficiency retrofits. Cost savings achieved through the retrofits would be used to cover the costs of the retrofits. The intention would be for the program to be simple to use, removing barriers to completing retrofits and helping participants navigate efficiencyPEI programs and the PACE financing.

The City of Charlottetown and Town of Stratford intend to hold first reading of their respective bylaws in January, with second reading expected to follow in February.

For information on efficiencyPEI programs, visit: [www.energycpe.ca](http://www.energycpe.ca)

To learn more about the Federation of Canadian Municipalities - Community Efficiency Financing Initiative, visit: <https://fcm.ca/en/programs/green-municipal-fund/community-efficiency-financing>

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