

March 31st, 2017
Clean Air Council Meeting

# **Minister Glen Murray, Minister of the Environment and Climate Change**

There is a focus to communicate Climate Change scientifically in the hopes that people would be more inclined to believe in Climate Change as the biggest threat to life on Earth. Climate change needs to be ***personal****—*relating Climate Change to how it would affect people’s lives is the key to promote change and action.

* Everyone here in this room knows the science and is passionate about doing something about Climate Change. The question that needs to be addressed and highlighted is “When is enough, *enough?”* Yes, Climate Change is a massive global problem but it can be changed starting with **personal changes and leadership**.
* The solutions to combat Climate Change when enacted at a personal level **are not difficult**; Ride your bike, drive an electric vehicle, use public transit, eat local food, and retrofit your home.

Climate change is a governance problem. One of the concerning issues democratic governments face in the future is trying to maintain democracy. Currently, there aren’t any policies set in place that will help address the resulting social crisis’s that Climate Change will produce—Historically, nations become militarized to protect themselves, which only increase the potential of warfare and separatism. **The solutions are found in the hands of leaders and those who are willing to challenge governments to do more. Unfortunately, governments take too long for substantial progress; there is untapped power in grassroots movements.**

* According to the latest IPCC business-as-usual predictions, the world is projected to see a global warming of 4 degrees Celsius, 1.5 degrees Celsius is the suggested cut off before seeing catastrophic environmental consequences, there is a huge gap between where we are heading and where we need to go. This gap isn’t insurmountable and we know what we need to address that gap but we need to broaden support across stakeholders to move in that direction.
* The Ontario Government has started to work with Ontario colleges to develop skills training programs relating to building Net Zero buildings—Net Zero Buildings (relating to GHG) is where we need to be headed. **The Ontario provincial government has taken 3 approaches to meet the goal of being Carbon Neutral by 2050**.
	+ 1. Retail: making energy efficient products and components available and accessible in the market.
	+ 2. Clustered Approaches: encouraging and supporting groups of organizations, institutions, and communities to work together in groups to drive more impactful change.
	+ 3. Financial Instruments: are being looked into, especially the model used in the UK, to supply government investment to retrofits—the home energy and commercial sector have the biggest potential for decreasing overall energy consumption.

Municipal Challenge Fund: **the 2.5-Billion-dollar investment will be used to fund complete programs/projects, half of this amount will be focused on Ontario Buildings**. Some retrofit examples that have been scalable are: Royale Park Homes in Barrie...

Ontario Climate Change Action Plan: Has been designed not be a one-solution-meets-all policy, the last section of the policy offers ranges as to what municipalities may want to do according to what suits best for their specific needs. **Be creative, if you find that what you would like to do is not made possible due to a regulation restriction contact the Ministry, have a plan, they will hear you out and see what can be made possible.** Municipalities are encouraged to think outside the box, gather other resources and be creative.

* In the 21st century, Climate Change is inspiring a revolution. There needs to be a more activist culture in order to increase innovation. Work with sectors outside the governmental realm to strengthen coalitions to work with government from the bottom up.
* **Be a leader, focus on outcomes.** It has been demonstrated that trading between the Commercial and the Industrial Sector has been successful, this could be translated the municipal model (transferring information, trading projects, etc.).
* **We need to build and support political champions at the municipal level.**
	+ Health concerns have been the leading force to drive positive changes, especially in topic relating to the declining urban landscape due to the lack of quality green space.

# **Marco Iacampo, City of Toronto, Home Energy Loan Program Evaluation (Single Family and Multi-Unit)**

LIC (Local Improvement Charges) were initially for linear infrastructure improvements (sidewalks etc) but the new amendment added features that allow municipalities to work with Individual property owners on a variety of energy and water efficiency, green energy, (as well as a number of other policy goals as well).

In the City of Toronto, there have been two programs developed: HELP Home Energy Loan Program and Hi-Rise (the first of its kind in Ontario, which has also received an international award). These programs were funded by a 20-million-dollar (10 million dollars each program) loan program by the City where home owners were able to apply for loans to undertake energy efficiency retrofits.

Third party consultants were brought in to evaluate the programs and provide improvements/refinements to the programs. The results for both programs showed that the program was able to achieve deep retrofits within the home (about 30%) which is a deeper reduction result than incentive programs have been able to achieve.

Some of the challenges encountered were that one of the eligible criteria used by the City was to ensure that their mortgage lender consented to the retrofit project. This slowed down the approval process and did result in those homeowners with CMHC insured mortgages not be eligible for the program. This process was chosen because it was a new program and did lend itself to an education opportunity to understand the barriers that existing mortgage and lending rules place on such programs as well as building awareness among financial institutions on these types of programs.

HELP (Home Energy Loan Program)

* Launched in 2014 and participants limited to a specific postal code area according to Enbridge program coverage. Later on, HELP extended to cover the entire City regardless of the Enbridge incentive.
* HELP resulted in a high percentage of projects that had a 20 year pay back period (based on present energy costs). The reason the payback period is so high is because there were previously unaccounted incidental non-energy related costs that needed to be made before major energy improvements could be undertaken.
* Most popular home improvement projects were windows, doors and insulation; often these measures are not undertaken with incentive programs alone.
* Saving Results: 65 GJ/project/year = 3 tonnes of CO2e gas removed annually (for more detailed breakdown, check slideshow).

Hi-Rise

* Also launched in 2014
* Funding offers were provided to the property owners that were in compliance with the mortgage rules—they also needed consent from their mortgage lenders.
* The payback period was roughly 18 years
* Savings results= 5,439 GJ/project/year=1,431 tonnes of CO2e/ year

Project Highlights

* Natural gas was the energy source that had seen the most amount of energy savings for both projects.
* The strengths that resulted from the program were; an increase in trust between the homeowner and the city, an increase in customer support due to the increase in customer engagement
* Collaboration with the utilities was essential

Recommended Improvements (Main Points)

* There needs ongoing work to promote the program, increase uptake and continue to build on the momentum.
* The Banks, especially RBC and TD were exceptional in streamlining the process of loan approval and assisting throughout the project’s timeline—more work needs to take place with other banks (especially the smaller ones) to make them more aware of how the other banks streamlined the process.
* There needs to be a change in the Federal policies relating to mortgage underwriting and mortgage insurance to increase support at financial institutions for these types of programs.
* To see more deep retrofits, there is a suggested loan cap of $75,000 for the single unit home, and up to $2 million for high rise multi-unit homes.
	+ The loan was designed to give the homeowner 10% of the loan upfront and 90% after the project completion, the homeowner would have to bridge finance until the second installment of the loan. The recommendation would be to increase the upfront loan from 10% to 30% to reduce the financial burden on the homeowner during the retrofit installation.
* Enable renewable energy to be one of the eligible measures to receive the loan.

Things to Consider:

* Would a loan loss reserve fund eliminate the need for the federal mortgage change rules? I don’t think it would negate the need for those rules to change but it would reduce the financial institutions concerns if there was a loan loss reserve in place. From a national perspective those federal changes would be important to overcoming barriers. Pursuing both is important.
* Was there some insights gained on how the LICs influenced the sale process of homes that had an LIC attached to them when they were sold? There were only a few examples so can really draw conclusions in half the examples the LIC was cleared up by the past owner and in the other half they were taken on by the new owner.
* Although it was not a primary focus when analysing the results of the program, there seemed to be recognition of increased home value after the LIC was implemented but no quantitative results could be pulled from the examples. (The PACE program in the US showed that result as well).
* There is an increased interest in renewable resources. Now with the MicroFit Program coming to a close, this program could be a viable solution to increase solar panel installation in homes.
* Homeowners are inclined to consider LICs Retrofit Projects due to the increased quality of life the retrofits imply (increased comfort) and not necessarily only on the rate of return of energy cost savings.

**Valérie Sanderson, Association québécoise pour la maîtrise de l'énergie (AQME), Quebec Pilot on Home Energy Retrofit LIC program: Program Design and Lessons Learned Update**

Started in July of 2016.

FIME: the collaboration between municipalities, AQME, energy distributors, construction organizations, EcoHabitation and Quebec’s Energy Transition.

Program Characteristics:

* The program goal was to achieve a minimum 20% in energy savings.
* Consists of a partnership between 3 organizations and the homeowner (AQME, Ecohabitation, and the Municipality)
	+ The presence of a third party organization specialized in the technical aspect of the LIC Retrofit program is essential to strengthen trust between the municipality and the homeowner.
1. **AQME** is a non-profit organization that oversees operations to ensure efficient collaboration with the municipality by providing the municipality with tools and resources. They are responsible for overseeing and implementing improvements to make the processes more efficient. The goal is to meet the 20% energy savings and eventually reach a platform that can expand (scale-up) to work with larger municipalities.
* AQME provides marketing tools and social medial tools for the municipality to use in order to increase the awareness of the LIC to community members.
* A website was created to provide a one-stop-shop for homeowners to get all the required information and documentation needed to apply for the municipal loan and other subsidies that could be applicable.
* A software is currently being developed to automate the entire process, providing information and guidance at every step of the project’s lifespan until completion.
1. **Municipalities** have a closer/connected relationship with the community members. Its main responsibility is to secure a fund and administer its loan and the subsequent LICs.
* A tax by-law has to be downloaded within the participating municipality in order for the LIC to work (provides structure for the program to work).
1. **EcoHabitation** is the “Technical Coach” for the municipality and the homeowner throughout the Project’s lifespan.
* Ecohabitation is a non-profit organization that provides certification programs for LEED and have been sought after for their expertise in home renovation by the public and private sector.
* They are responsible for developing the renovation plan with the homeowner, they ensure that the home would achieve the minimum 20% energy reduction, and are a resource that keeps contractors accountable.
	+ There are two in-home visits from this organization ($500 for consulting and developing the plan, $200 for EnerGuide rating). Municipalities have a choice of paying for it themselves or adding it to the homeowner’s loaned amount. These two in-home visits **are mandatory** and are part of the contract agreement signed by AQME with EcoHabitation.
* Homeowners are responsible for acquiring contractors to do the work—Contractors must be licensed.

Results:

Since this project started out last July, out of the 31 participants (10 participants for each municipality), they have only received results from 6 participants. The average energy savings has been almost 30% with a 15 year return on investment, which has been great news so far. The average loan amount is $12,000 per project.

Changing Landscape in Quebec:

New Provincial government organization called “Energy Transitions Quebec”

* An effort for the Province of Quebec to meet the energy targets; there are high expectations for the organization but it is uncertain what their methodologies are besides increasing synergies between organizations and institutions. It has only been recently created so there is still a lot more to learn about what it will do and how it will do it.

Next steps:

Spring 2017, new registrations open to all municipalities of Quebec (10-15 new municipalities) into the program.

FIME is looking for more funding opportunities and greater collaboration with key players, especially now that the political climate has changed and they are open to assist in the environmental agenda.

Looking to develop a commercial version of this program—IDEEFICC—currently undergoing feasibility studies.

**Joint Actions**

1. **Home Energy Retrofit Program Development (see slides for summary of recommendations)**

Action Item: CAP will be pulling together a Steering Committee of municipalities to serve to work with the CC Organization to provide input and support to the development of a home energy retrofit program. Will send out an email seeking folks who may be interested in being part of that Steering Committee.

1. **CAP will be drafting up a letter on behalf of the Clean Air Council to Minister Mauro (MMA) providing support for the changes added into the proposed Municipal Act/COTA. That will be sent out for CAC review on Friday April 7th, 2017.**
2. **Upcoming CAC Meetings: Do folks have any feedback on gaps missing topics that are a high priority for your jurisdiction?**
* April 28 CAC Meeting (Green Infrastructure Road Map Workshop)
* May 19th Green Development Workshop
* June date TBD Green Fleets Workshop (will be at the new EV Discovery Centre at Dufferin and Finch)
* May 26th Clean Air Council Workshop – Community Energy and Net Zero Communities
* June 8th Clean Air Council Summit
* June 23rd Clean Air Council Meeting (Theme: Climate Change Actions Modelling)
* June 27th Environmental Educations Programs Workshop
* September 22 Clean Air Council Meeting (Bio and Renewable Gas)
* October 20th Growth Plan Implementation & Performance Monitoring Workshop
* October 27 CAC Meeting (Regional Transportation)
* November 24 CAC Meeting (Community Energy Financing)
1. **June 27th Environmental Educations Programs Workshop**

The goals of the workshop are to:

* hear how the inventory can be made to be of most use to target audience (teachers and ecoteams)
* highlight the programs that lend themselves to transferability
* address transferability issues and interest
* identify gaps in programming and see about the interest in joint development of programs to address gaps.

**QUESTION? Missing Goals??**

1. **Clean Air Council Summit Draft Agenda**

9:00 Welcomes

9:30 Federal Announcement

* Hon. Catherine McKenna, Minister of Environment and Climate Change (tbc)

10:00 Provincial Announcements

* Hon. Glen Murray, Minister of Environment and Climate Change (tbc)
* Hon. Bill Mauro, Minister of Municipal Affairs (tbc)
* Hon. Glenn Thibeault, Minister of Energy (tbc)

10:45 Break

11:00 Municipal Announcements (3 minutes per jurisdiction) (we are actually budgeting 5 to give us wiggle room but please try and keep it to 3 minutes so that it goes over to 5 rather than 5 that goes over into 7)

12:15 Clean Air Council Declaration Progress Report Update and Next Steps

12:30 Lunch (in Members Lounge)

**Updates to the Agenda will take place as federal and provincial ministers get confirmed. Municipal representatives will be notified re: municipal politicians that get confirmed for the CAC Summit.**

**What is an Announcement?** An announcement is being defined as an action that is going to be undertaken in the future (as opposed to one that was undertaken in the past and the announcement is simply stating that action or reporting on results of that action). Ideally that announcement is something that relates to implementation as opposed to plan development announcements. Having said that while we are hoping the announcements relate to plan/project/program implementation we will still accept announcements related to plan/policy development announcements. The Announcements can speak to Climate Change and/or Air Quality actions.

1. **Discussion paper on Clean Fuel Standard:** Environment and Climate Change Canada released a [discussion paper](http://www.ec.gc.ca/lcpe-cepa/default.asp?lang=En&n=D7C913BB-1) on the Clean Fuel Standard on February 24th. Interested parties may submit comments by mail, email or fax, on or before April 25, 2017.  The purpose of the discussion paper is to facilitate consultations by seeking early views to help inform the development of the regulatory framework in advance of developing a Clean Fuel Standard. The Clean Fuel Standard will be a modern, flexible, performance-based approach that would incent the use of a broad range of lower carbon fuels, alternative energy sources and technologies, such as electricity, hydrogen, and renewable fuels, including renewable natural gas.

**Clean Air Council Action:** While the federal Clean Air Standard is very important (it accounts for almost 30% of the federal ghg reduction commitments), the CAC will not make a submission due to time constraints and lack of expertise in this area. CAP will work to bring organizations that make submissions to the federal standard to the CAC to gather intel from them on their recommendations and build the collective understanding of this sector and what role municipalities can play in it.

1. **Land Use Plan Support**
* There has been a number of media articles and pressure from the development community to link up crazy real estate increases with the growth plan. We all know the reasons behind the crazy real estate increases is not that simple at all as there are many things that are leading to that (and its not related to a shortage of land in the way that BILD has been trying to make it) out to be.
* **Action:** CAP will be sending a letter to Minister Mauro speaking to support for the Proposed Growth Plan and referencing (and providing as an attachment) the CAC submission that was provided to the Proposed Growth Plan.