



Alex Ciccone, Chair
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February 4, 2022

Mayor Guthrie and Members of Council

RE: Agenda Item 5.3: Property Assessed Clean Energy Update – 2022-27

On behalf of Our Energy Guelph (“OEG”) I am writing to show support for the staff recommendation regarding item 5.3 on the City of Guelph’s February 7, 2022 Council meeting Agenda, being a recommendation staff be directed to finalize the funding opportunity for a Property Assessed Clean Energy program (“PACE”) with Federation of Canadian Municipalities and that staff be directed to develop, implement, and administer PACE.

Background

As Council will recall, OEG has a long history with PACE. The Community Energy Plan (2007) specified a goal of using energy efficiency to support the growth of residential, commercial and institutional sectors. In response to this, in 2014 the City developed the Guelph Energy Efficiency Retrofit Strategy (“GEERS”), a business plan to update 80% of existing building stock in the City. As the GEERS proposal moved forward, in 2017 City staff noted that the next steps for the program would come through the Community Energy Initiative (“CEI”) update process. Following its incorporation, OEG worked with the City to further the GEERS proposal, rebranding it as OEG’s PACE program.

PACE Funding Through FCM

OEG originally pursued a PACE program that could be led and implemented by OEG and co-administered with the City. OEG applied to the Federation of Canadian Municipalities (“FCM”) for \$15M in funding. Following FCM notification of award to OEG, that was subject to finalization of financing documentation, it was determined that FCM \$10M loan component required the full credit support of the City. During this time the Federal Government announced new financing programs to homeowners and consequently FCM materially improved its funding terms to make the \$10M loan component competitive with these newly announced programs.

OEG and the City worked closely with FCM to find the best solution to secure the improved FCM funding and in November 2021 FCM formally offered this funding opportunity directly to the City.

City Decision Point

At its February 7, 2022 meeting, the City is being presented with a decision to accept the FCM funding to establish a PACE program. This proposal is supported by a staff recommendation that staff be directed to move forward with and finalize this funding opportunity, and that staff be given the direction to develop, implement and administer the PACE program.

OEG Support

OEG fully supports this staff recommendation and fully supports the City accepting the FCM funding and moving forward to establish a PACE program.

PACE will address 8 of the 25 technical actions on the City's Pathway to Net Zero Carbon, and could account for more than half of the City's stated emissions reduction goals. **PACE represents a key component in achieving net zero.**

Given OEG's role in the early development of PACE and in working closely with the City in implementing the CEI, OEG is available to offer support and services to the City in implementing the City's PACE program. If desired, OEG is available to assist the City in marketing, providing a concierge service for the program, and assisting the community in navigating the other similar programs, all in order to help the community access funding and make tangible progress in reducing our collective carbon and GHG footprint as quickly as possible.

We look forward to the City's decision and would welcome the opportunity to assist the City and staff in the implementation of the PACE program.

Sincerely,

A handwritten signature in black ink that reads "alex" followed by a stylized, cursive "C" with a small upward-pointing arrow at the top right of the loop.

Alex Ciccone, Chair
Our Energy Guelph