

BC not keeping PACE with clean energy financing

by Doug Holmes

Alberta may be better known for its oil reserves but at the Federation of Canadian Municipalities (FCM) convention held recently in Calgary, the talk was all about the province's renewable energy boom.

Convention delegates were given a half-day tour of several City of Calgary micro and utility-scale solar installations, and there were discussions about the Alberta government's Clean Energy Improvement Program that gives municipalities the authority to provide Property-Assessed Clean Energy (PACE) financing to help property owners pay for energy improvements.

PACE programs provide flexible long-term loans for retrofitting existing buildings or adding clean energy upgrades like rooftop solar. In some jurisdictions, PACE financing can be obtained through a financial institution just like any other loan, except that borrowing is tied to the property, not an individual, and repayments are made through local government property taxes. If the property is sold, the outstanding balance is transferred to the new owner.

In Alberta, 28 municipalities so far have passed bylaws to provide PACE financing. In BC, none. That's because the BC government hasn't implemented legislation to allow it.

Local governments have passed resolutions to support PACE enabling legislation at four different Union of BC Municipalities (UBCM) conventions – in 2014, 2016, 2017 and 2019. In 2020, then Premier John Horgan issued mandate letters to the Minister of Energy, Mines, and Low Carbon Innovation and to the Minister of Municipal Affairs that included direction to provide energy efficiency incentives including PACE for residential and commercial buildings.

In February 2021, Summerland Council along with other councils across the province passed resolutions expressing support for the direction set out in the mandate letters.

At some point, responsibility shifted to the Minister of Environment and Climate Change Strategy and in October 2021 a commitment to proceed with a PACE program was made in the CleanBC Roadmap to 2030 plan to put the province on track to a net-zero economy.

Since then, however, there has been little movement towards enabling PACE.

Fast forward three years and BC municipalities are once again asking the provincial government to introduce enabling legislation because now on the table is \$300 million in federal funding available through the FCM for community energy financing programs. While Alberta municipalities are taking full advantage of this funding to develop their PACE programs, BC municipalities can only look on with envy.

Since first introduced in California in 2008, PACE financing has been embraced by 38 U.S. states and six Canadian provinces.

While the aim is to get people to reduce their individual greenhouse gas emissions, property owners are motivated to participate in these voluntary programs primarily to improve and invest in their homes and buildings without having to come up with high upfront costs and without having to worry about long amortization periods.

Summerland Council continues to support the idea of property-assessed financing and would like to give local residents and businesses the ability to take advantage of this opportunity. We will continue our lobbying efforts at this year's UBCM convention, where we have requested a meeting with the Minister of Environment.

Doug Holmes is mayor of Summerland