

Solar Colchester Property Assessed Clean Energy (PACE) Policy

Purpose

The purpose of this Policy is to establish the Municipality of the County of Colchester's financial contribution to the Solar Colchester Program, which includes determining an annual contribution, setting a lending rate, and defining the types of properties eligible to participate. This Policy accompanies the *Solar Colchester PACE By-law*.

Principles Supporting Policy

1. As part of a plan to reduce community greenhouse gas emissions, the Municipality aims to contribute to the affordability of renewable energy generation and energy efficiency.
2. Allowing residents of Colchester to finance solar installations and efficiency upgrades at a low interest rate over a period of time will give property owners time to recoup project costs through energy savings.
3. The Solar Colchester program will support local economic development opportunities in the clean energy sector.

Terms of Policy

1. The Municipality of the County of Colchester will contribute an established budget amount annually to finance solar and energy efficiency projects through the Solar Colchester Program. The budget shall be approved during annual budgeting process, and additional funds will be borrowed from the Federation of Canadian Municipalities' *Green Municipal Fund* as per the Municipality's Community Efficiency Financing contract.
2. The intent of the Solar Colchester program is to operate under a user-pay model from participating residents, which includes the municipality's cost of borrowing to fund the program.
3. Any new operating costs for the Solar Colchester program will be funded by either a grant from the Federation of Canadian Municipalities or equivalent Provincial/Federal sources, an administration fee charged to participants, or an interest differential on loans to participants.
4. The Municipality of the County of Colchester will finance up to \$30,000 for each project or 25% of the assessed value of the home (whichever is less). Any rebates collected by the Municipality on behalf of the homeowner will be applied to the outstanding loan amount.
5. Projects should strive to meet a 1:1 savings to loan ratio: the total cost of the upgrades and/or retrofits, program fees, and cost of borrowing should be less than or equal to the estimated energy savings over the financing period.

6. Funding will be set up as a receivable from participating property owners and will constitute a lien on properties.
7. As described in the *Solar Colchester PACE By-law*, only owners of Qualifying Properties may participate in the program. To be considered a Qualifying Property, a property must:
 - a. be located within the boundaries of the Municipality of the County of Colchester;
 - b. not be owned by the government;
 - c. not have any outstanding work orders from the Municipality;
 - d. not be in arrears on its property taxes;
 - e. be a residential building with no more than four rental units;
 - f. meet any additional criteria prescribed in the Participant Agreement.
8. Notwithstanding any provisions in section 9, the CAO of the Municipality of Colchester retains the right to approve or refuse any application to the Municipality's Solar Colchester PACE program on any grounds they deem relevant.
9. The owner of a Qualifying Property may finance their solar project at a fixed interest rate as determined by the Director of Finance or CAO, depending on the source of funding, for the duration of the loan up to 15 years or as prescribed in the *Solar Colchester PACE By-law*.

Clerk's Annotation for Official Policy Book	
Date of Notice to Council Members of Intent to Consider (7 days minimum): <u>September 10, 2021</u>	
Date of Passage of Current Policy: <u>September 29, 2021</u>	
I certify that this Policy was adopted by Council as indicated above.	
<u>Rob Simonds</u> Municipal Clerk	<u>October 14, 2021</u> Dated

Amended September 2021
Amended June 2021
Date Originally Approved February 2019