

January 18, 2021



Dear Mayor and Council ,

We are writing on behalf of [PACE BC](#), a coalition of organizations working toward the adoption of Property Assessed Clean Energy (PACE) financing in British Columbia. You can learn more about [our vision for a third-party, province-wide BC PACE program here](#).

We are entering a critical window when it comes to tackling the climate crisis, and local governments are at the forefront of this endeavour. The building sector represents more than 30% of emissions in B.C. municipalities, and in order for cities to meet their community-wide emissions reduction targets over the coming decades, our existing building stock needs rapid decarbonization and extensive energy efficiency upgrades. However, currently only the most affluent of residents can afford alternative energy infrastructure or substantial energy efficiency retrofits, and high upfront costs still act as a major barrier to uptake at scale.

PACE programs allow property owners to borrow money they can invest into a broad spectrum of clean energy and resiliency improvements to their buildings. The loan is paid back on the owner's property tax bill, with the energy bill savings afforded by the improvements, often resulting in net gains for the property owner. While existing Canadian PACE programs have been piloted by municipalities and resulted in relatively limited uptake, American PACE programs have seen explosive results, financing hundreds of thousands of successful projects and creating tens of thousands of great green jobs. These highly successful programs are typically administered by third-party, non-governmental organizations and financed by private capital. These features dramatically reduce the fiscal and administrative burdens of PACE on local governments, removing the need for municipalities to contribute any upfront capital, project management capacity, or long-term administrative staff to the programs.

A critical first step toward establishing a robust and thriving PACE financial sector in B.C. is the enactment of PACE-enabling legislation by the province of British Columbia. PACE BC is encouraging the province to pass legislation that ensures the program :

- ★ Is voluntary and opt-in for all parties
- ★ Allows for capital investment from the private sector
- ★ May be administered by third-party organizations

¹ <https://pacenation.us/pace-market-data/>

- ★ Makes PACE available for a broad spectrum of building level improvements including most energy efficiency and resiliency upgrades, and renewable energy projects
- ★ Is available for both residential and commercial property owners
- ★ Is available for retrofits and new construction
- ★ Makes financing available for 100% of the projects hard and soft costs
- ★ Ensures loans are tied to the property, and not the individual borrower, such that in the event of a property sale, remaining loan payments become transferable to the new owner.
- ★ Protects consumers from predatory practices

We are asking municipalities in B.C. to express their support for this win-win proposition by passing a resolution in support of PACE and sending a letter of support for province-wide, third party enabling legislation to the B.C. government. A sample resolution is pasted at the bottom of this letter. If you have any further questions about PACE BC, the attached resolution or next steps for moving it forward, please feel welcome to contact Katie Harrison, at katie@forceofnaturealliance.ca.

Together, we can bring B.C. municipalities one step closer to delivering a deep and swift reduction in carbon emissions that is required of all of us in order to achieve our climate goals over the coming decade.

Sincerely,

The PACE BC Steering Committee:

SUPPORT FOR PACE FROM MUNICIPAL GOVERNMENTS

Sample Resolution & Letter to Ministry

PART 1: DRAFT RESOLUTION

Support for PACE BC from Municipal Governments

WHEREAS [your local government] has shown itself to be a climate leader by [list steps you have taken or are taking];

WHEREAS retrofitting buildings across B.C. is crucial to reducing green-house gas (GHG) emissions and meeting our provincial climate targets;

WHEREAS upfront costs of retrofitting homes and businesses for climate resilience are cost prohibitive to many of our property owners, and Property Tax Assisted Clean Energy (PACE) lowers barriers to implementing GHG reductions, adding value to buildings and making them more desirable places to live or work;

WHEREAS PACE BC is working with interested municipalities *across B.C.* to assist in the establishment of a successful province-wide PACE program that meets the needs of residents and that local governments of all sizes can participate in with minimal start up costs or staff time;

WHEREAS PACE and the resulting ecosystem of retrofitting programs would create well-paying green jobs during a just recovery from the COVID-19 pandemic and a just transition away from fossil fuel infrastructure-related jobs;

THEREFORE, BE IT RESOLVED THAT [your local government] write a letter to the Ministry of Environment, the Minister of Energy, Mines and Low Carbon Innovation, the Minister of Municipal Affairs, Minister of Housing and PACE BC expressing support for B.C. Legislation enabling PACE by third-party administration and confirming [your community's] interest in having a PACE program when it becomes available in B.C.

PART 2: DRAFT LETTER OF SUPPORT

Dear Minister Osborne, Minister Heyman, Minister Ralston and Minister Eby,

During the council meeting of [Date], the [local government] passed the following resolution:

[Insert above resolution]

We are entering a critical window when it comes to addressing the climate crisis, and our province's aggressive new climate targets require us to reduce emissions by 40% over the next decade. The majority of B.C.'s residential and commercial building stock is not energy efficient, and accounts for a significant percentage of province-wide GHGs. The [Pembina Institute has calculated](#) that in order to meet our climate targets, British Columbians will need to retrofit 3% of our building stock — that's 30,000 homes, 17,000 apartment units, and 3 million square metres of commercial space — every year until 2050.

Climate change is the greatest challenge of our time, and though local governments are at the front lines, we do not have all the tools we need to meaningfully tackle mitigation or adaptation, let alone both at once. We know that building operations are one of the biggest drivers of emissions [not everyone is urban so I removed that reference]; however, the start up costs and staff time required to establish community-wide retrofit programs are prohibitive for local governments smaller than Vancouver, and even then such programs have not demonstrated extensive uptake in Canada. This means that retrofits and building GHG reductions are available solely to property owners who can access considerable upfront financing, thereby excluding the majority of our community.

PACE programs with third party administration and opt-in bylaws for local governments have been implemented in the United States since 2009, and have created hundreds of thousands of projects and clean local jobs. In the wake of COVID-19, we feel that PACE and the resulting ecosystem of retrofitting programs would give our economy a boost and provide a path toward a just transition away from fossil fuel infrastructure, all while complementing Clean BC and Resilient BC. It will also support the B.C. Poverty Reduction Strategy, as energy poverty is a major concern for B.C. residents, and those with the lowest incomes will be most impacted by more extreme temperatures, trying to keep their homes cool or warm.

Upfront cost is one of the most significant barriers to retrofitting and the installation of renewable energy options by citizens, businesses and institutions despite the fact that these investments will save property owners money over the long term. PACE solves that problem by using an innovative financing instrument which permits building and land owners to upgrade their buildings with energy- and resource-saving retrofits, or install renewable energy systems, without putting any money down, and with the repayment of the financing done via an assessment on the building's property tax bill. The capital used to finance the PACE upgrades typically comes from private sources, such as insurance companies and pension funds, who are attracted by the long term secure investment PACE provides. This type of program is favoured compared to public funding in part because it is not subject to political will during changes in government. Therefore, the jobs provided and GHG reductions would not be affected by changes of elected decision-makers.

[Local government] requests that the British Columbia provincial government take immediate steps to enact PACE-enabling legislation as advocated for by PACE BC that ensures the program:

- ★Is voluntary and opt-in for all parties
- ★Allows for capital investment from the private sector
- ★May be administered by third-party organizations
- ★Makes PACE available for a broad spectrum of building level improvements including most energy efficiency and resiliency upgrades, and renewable energy projects

- ★ Is available for both residential and commercial property owners available for retrofits and new construction
- ★ Is
- ★ Makes financing available for 100% of the projects hard and soft costs
- ★ Ensures loans are tied to the property, and not the individual borrower, such that in the event of a property sale, remaining loan payments become transferable to the new owner.
- ★ Protects consumers from predatory practices

With gratitude,

[Mayor of your community or your Council]

HELP CITIES LEAD



CLIMATE CAUCUS

Dear Mayor and Council,

We are writing to request your support for the recently launched [Help Cities Lead Campaign](#). Help Cities Lead is an education and awareness campaign to accelerate building decarbonization through collaboration between the Province of British Columbia and local governments. The campaign is led by Climate Caucus and supported by local governments and environmental NGOs.

We are asking that Council:

- endorse the Help Cities Lead Campaign campaign; and
- commit to sending a letter of support to the Hon. Josie Osbourne, Minister of Municipal Affairs, the Hon. George Heyman, Minister of Environment and Climate Change Strategy (ECCS), the Hon. Selina Robinson, Minister of Finance, the Hon. Bruce Ralston, Minister of Energy Mines and Low Carbon Innovation (EMLCI) and Hon. David Eby, Attorney-General and Minister responsible for Housing

Allowing for local government leadership is critical to developing innovative policies and programs to achieve deep emissions reductions from the building sector throughout the province. However, tools currently available to local governments to pursue these critical reduction targets are largely limited to information campaigns and incentives and are insufficient to achieve broad and deep energy and GHG reductions at scale.

The Help Cities Lead campaign identifies a suite of measures that will enable local governments to take effective action on reducing GHG emissions from new and existing buildings. Five regulatory measures have been identified where additional authority would be instrumental for municipalities in accelerating climate action:

- Regulating GHG emissions for new buildings
- Home energy labelling
- Property assessed clean energy (PACE) enabling legislation as outlined in the accompanying [letter from PACE BC](#).
- Regulating GHG emissions for existing buildings
- Building energy benchmarking and reporting

Direction to implement the first three of these measures - enabling local governments to regulate GHG emissions for new buildings, home energy labelling, and PACE financing - were included in the ministerial mandate letters issued in November 2020. Help Cities Lead encourages the province to move as quickly as possible and in close consultation with local governments to develop and implement these measures.

Help Cities Lead would also like the province to enable local governments to choose, when ready, to opt into the remaining two measures not addressed by the mandate letters - namely, regulating GHG emissions for existing buildings and Building energy benchmarking and reporting.

All five of these initiatives will complement what the provincial government and utilities are already doing in these areas. Additional information about each of the initiatives can be found at <https://www.helpcitieslead.ca/>

It is our hope that you will put forward a motion to Council which endorses this campaign and commits to sending letters of support to Ministers Osbourne, Heyman, Robinson, Eby, and Ralston.

Sincerely,

Will Cole-Hamilton
Councillor, City of Courtenay
Director, Climate Caucus
Steering Committee, Help Cities Lead

SUPPORT FOR HELP CITIES LEAD FROM LOCAL GOVERNMENTS

Sample Resolution

WHEREAS emissions by buildings account for 40-60% of a community's green-house gas (GHG) emissions;

WHEREAS climate policy modelling completed for Help Cities Lead shows current actions to reduce greenhouse gas (GHG) emissions from buildings are insufficient to achieve the province's GHG targets for 2030 and 2050;

WHEREAS the November 2020 mandate letters to ministers include direction to provincial ministries to move forward with three of the five policy measures included in the Help Cities Lead climate policy modelling: GHG requirements for new buildings, Property Assessed Clean Energy (PACE) financing, and home energy labelling.

THEREFORE, BE IT RESOLVED THAT [your local government] write a letter to the Minister of Environment and Climate Change Strategy, the Minister of Energy, Mines and Low Carbon Innovation, the Minister of Municipal Affairs, the Attorney-General and Minister responsible for Housing, and the Minister of Finance, expressing its endorsement of the Help Cities Lead campaign; support for the directions set out in the November 2020 ministerial mandate letters regarding GHG requirements for new buildings, PACE financing, and home energy labelling; and also requesting that the province empower local governments to opt to take action, if they so choose, on the two remaining items of the Help Cities Lead's campaign, namely GHG requirements for existing buildings and building energy benchmarking.

[ON LETTERHEAD]

[DATE]

Dear Honourable Ministers,

The [City/Town/Village] of [BLANK] is sending this letter to you as an endorsement of the Help Cities Lead (HCL) campaign.

As you are aware, municipalities are on the front lines of climate change dealing with the impacts of floods, droughts, forest fires, heat waves, etc. We directly influence about half of Canada's energy use and emissions. The success of the province in achieving deep emissions reductions from the building sector is directly connected to the success of local governments in achieving their own targets. While municipalities have shown strong climate leadership, expanded regulatory authority is needed for taking bolder steps to achieving our climate targets.

HCL is an education and awareness campaign focused on accelerating building decarbonization through collaboration between the Province of British Columbia and local governments. The group is led by Climate Caucus and supported by local governments and environmental NGO's.

Why buildings? Emissions from buildings account for about 11% of the province's greenhouse gas (GHG) emissions and for municipalities, GHG emissions from existing buildings account for 40-60% of community emissions. A number of BC local governments have made climate emergency declarations and set ambitious targets to significantly reduce GHG emissions from buildings over the next 10 years. However, local governments are largely limited to information campaigns and incentives for pursuing these ambitious reduction targets. Recent climate policy modelling shows that on their own, these policy tools are insufficient to achieve broad and deep energy and GHG reductions given limited budgets.

HCL campaign recommends a suite of expanded authorities for local governments that will enable communities to take bolder action on reducing GHG emissions from new and existing buildings:

- Property assessed clean energy (PACE) financing
- Mandatory home energy labelling
- Regulating GHG emissions for new buildings
- Regulating GHG emissions for existing buildings
- Mandatory building energy benchmarking and reporting

We are pleased to see that the November 2020 mandate letters to the Ministers of Municipal Affairs and Energy, Mines and Low Carbon Infrastructure support the implementation of PACE financing. We also note that the mandate letter for the Minister of Finance supports home energy labelling. Finally we pleased to see that the mandate letter to the Attorney-General and Minister Responsible for Housing includes support for regulation of GHG emission of new buildings.

We support the directions set out in these new mandate letters regarding PACE financing, home energy labelling, and GHG requirements for new buildings and request that the province empower local governments to opt to take action, if they so choose, on the two remaining items of the Help Cities Lead's campaign, namely GHG requirements for existing buildings and building energy benchmarking. Additional information about each of the initiatives can be found at <https://www.helpcitieslead.ca/>

It is our hope that you would consider meeting with a delegation from Help Cities Lead for further discussion on these initiatives.

Sincerely,

Mayor of [BLANK]

CC

The Hon. Minister George Heyman, Minister of Environment and Climate Change Strategy, ENV.Minister@gov.bc.ca

The Hon. Josie Osborne, Minister of Municipal Affairs, MAH.Minister@gov.bc.ca

The Hon. Bruce Ralston, Minister of Energy, Mines, and Low Carbon Innovation, EMPR.Minister@gov.bc.ca

The Hon. David Eby, Attorney General and Minister responsible for Housing, AG.Minister@gov.bc.ca

The Hon. Selina Robinson, Minister of Finance, FIN.Minister@gov.bc.ca