



PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**BRIEFING FORM**

**SUBMITTED TO:** Environment and Sustainability Committee

**DIRECTOR'S APPROVAL:**

**DATE OF MEETING:** January 6, 2010

**SUBJECT:** Update: Solar City Initiative

**ORIGIN**

Regional Council, November 2, 2010: Item 11.2.1 Community Solar Project

**RECOMMENDATION/ DECISION REQUIRED**

(NONE REQUIRED IN THIS CASE, INFORMATION ONLY)

**BACKGROUND**

Regional Council approved the following motion on November 2<sup>nd</sup>, directing staff to:

1. Continue to explore the potential financial, administrative, environmental and local economic impacts of a community solar project, and update Council as required;
2. Hold public engagement sessions to gauge residents' feedback on the uptake of a voluntary pilot program for solar hot water installations; and
3. Request the Province of Nova Scotia amend the HRM Charter to enable security of financing of energy conservation or environmental improvement of a property via lien authority.

Staff will be submitting a Report to Regional Council for January 18<sup>th</sup>. We are not able to fully update the committee with the details that will be in that report, but the following will provide a briefing:

### **Recommendations 2 and 3 have been completed:**

- Province of Nova Scotia passed legislation in the Fall sitting, enabling HRM to allow residents to finance renewable energy projects as a supplement to their tax bill and provide the municipality the lien authority for protection.
- Public Engagement was completed. Summarily, staff achieved the following engagement numbers:
  - Cole Harbour Place: 250 residents
  - Sackville Heights: 120 residents
  - Saint Marys Boat Club: 200 residents
  - Alderney Library: 100 residents
  - Captain William Spry: 100 residents
  - [www.halifax.ca/solarcity](http://www.halifax.ca/solarcity) webpage: over 5,873 unique hits prior to Dec 15<sup>th</sup>
  - Phone: Approximately 100 calls between Julian and Richard
  - Media: Coverage on CBC, CTV, Global, Herald, The Coast, plus others
- Public response was overwhelmingly positive. There were some common questions asked which staff will share in the report to council. Primarily, questions were technical and curious about costs.
- As of drafting of this Briefing Report, slightly over 1250 residents have completed the pre-screen registration.
- One key item came forth during the consultations. As a result of the simplicity offered, many residents are not interested in the tax payment scheme, but would like HRM to take care of the contracting and rebates. This changes our modeling to 700 homes on tax payment scheme and 300 using self-financing.

Recommendation 1, detailing the financial, economic and environmental implications, is ongoing work. However, notes of importance:

- The premise of the modeling of this project is that it is cost neutral or slightly positive to HRM. Essentially, the model will be: (Individual Installation Cost + share of overhead costs + contribution to HRM Energy Efficiency Reserve + financing costs (GMF) - Rebates - share of GMF Grant - Incentives/Grants) / n years = less than \$500 per year;
- An initial draft of the model will be presented to regional council;
- Initial environmental impact of a 1000 home project: 2,000 tonnes of GHGs displaced per year; and
- Initial economic impact figures are:
  - 48,000 person hour project
  - Approximately 23 jobs
  - \$500,000 of wealth annually no longer exported for coal/oil

The staff report to Regional Council will look for approval for staff to submit funding applications to Green Municipal Fund and commence discussions around additional grants and rebates with other levels of government and funding bodies.

The contemplated timeline for the concept is:

- November 2010: Regional Council directs staff to look at the project

- December 2010: Consultation, Legislation
- January 2010: Staff present results of Consultation, initial Business Model and seek approval to seek funding
- May 2010: Staff confirm grants, rebates, loans, etc. and show updated Business Model and seek approval to issue solicitation
- August 2010: Regional Council award contracts to vendors
- September 2010: Suitability Installations commence and homeowners sign agreements
- Fall 2010: Installations commence
- Summer 2011: Installations complete

There are key decision points for Regional Council:

- January 2010: Look at initial business model and public feedback: Go/No Go decision
- May 2010: Look at funding and updated business model: Go/No Go decision
- August 2010: Solicitation Awards – Go/No Go decision, if solicitation does not meet efficiencies outlined in the Business Model

Staff would suggest that May 2010 is really the most stringent approval. January is still in concept phase.

In the past several weeks, several questions have emerged that staff will address:

1. Assessments: As confirmed by both Property Valuations Services Corp and Legal Services, there is no impact on assessment caps.
2. Why the need to sign people up: In order to detail a business model and ensure that taxpayers are not at risk and get information for potential funding partners, quantitative sign up interest is required. Bearing in mind that in the past year there were 800 installations in all of Canada and 200 in Nova Scotia, there were wild possibilities of interest. Achieving over 1200 interested residents is remarkable. It sends a clear message to the Provincial and Federal environmental or energy program managers. With this, we are able to confidentially model a 1000 home project.
3. First come, first serve: This method was briefly discussed at Regional Council on November 2<sup>nd</sup>, as appearing the most administratively effective and equitable manner for sign up. Staff will monitor distribution of sign up with Regional Council, to manage efforts for future initiatives.

### ***Industry Consultation:***

As a brief update related to the Industry Consultation, information shared through the media is not quite accurate in articulating the response from industry. Staff met with approximately 60 persons representing a large number of industry stakeholders. The consultation was constructive and positive. HRM's key communication was that we are interested in working with industry on this project and that it will not be undertaken if they do not support.

Our key need is to achieve:

- efficient contract management;
- efficient project management; and
- efficiencies from economies of scale.

We have advocated partnerships, collaborations, etc., to figure out how to be able to take advantage of this opportunity. We have committed to a follow up industry consultation should regional council approve staff continuing with the concept. The response was overwhelmingly supportive and we are aware that a number of those industry conversations are happening.

Prior to any solicitation, staff will bring forth the solicitation strategy to Regional Council for endorsement. Starting consultation now and communicating our needs and objectives, enables industry time to determine how to respond, establish the partnerships they need and think about how they can participate in this project. A very key premise in the project is that a single award of 20 installs in a neighborhood will be less expensive than awarding 20 individual installations. We need this efficiency for the project to make financial sense. It will also enable a learning curve that will help industry move from the current Canadian standard of 48 hours per installation to the German standard of 22 hours.

### **ALTERNATIVES AND ASSOCIATED RISKS**

There are a variety of opportunities for decision from Regional Council over the next number of months and direction on how staff will proceed.

### **IMPACT/BENEFITS:**

Conceptually, reduced energy costs, reduced GHG emissions, contribution to local economy.

### **COMMUNICATION ISSUES/OPPORTUNITIES:**

This initiative has been an overwhelmingly positive communications opportunity.

### **ATTACHMENTS:**

None

**KEY STAFF CONTACT:** Richard MacLellan, Manager, SEMO, 490-6056  
Julian Boyle, Energy Auditor, 476-8075