


**TO:** Mayor Savage and Members of Halifax Regional Council

Original signed by 

**SUBMITTED BY:**

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

**DATE:** September 30, 2012

**SUBJECT:** Award and Initiation of Solar City Pilot Program

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**SUPPLEMENTARY REPORT**

**ORIGIN**

- November 2, 2010, Regional Council motion: Community Solar Project
- February 8, 2011, Regional Council motion: Community Solar Project
- December 13, 2011, Regional Council motion: Solar City Solicitation
- July 10, 2012, Regional Council motion: Future of Solar City Pilot Program (Attachment 1): As a result of the response from the Federation of Canadian Municipalities (FCM) (Attachment 3), the staff recommendations in the July 10, 2012, report have been changed and are as follows:

**RECOMMENDATION**

It is recommended that Halifax Regional Council:

1. Approve the start of the Solar City pilot program, with homeowner financing provided through the Solar City By-Law S-500 and cost sharing from the Province of Nova Scotia (or its agent, Efficiency Nova Scotia) and the Federation of Canadian Municipalities (FCM) as outlined in the Budget Implications section of this report;
2. Approve a total project budget of \$8,166,500 for Project No. CD990001, to reflect \$1,250,000 in cost sharing from the Province of Nova Scotia, a grant of \$545,000 from the FCM and \$6,371,500 to be provided by homeowners participating in the program;
3. Approve the execution of a loan agreement to a maximum of \$5,455,000 with the FCM Green Municipal Fund, pending Halifax Regional Council and Ministerial approval of a Temporary Borrowing Resolution; and
4. Award Solar City Contracting Services RFP No. 12-002 to the highest scoring proponent, Thermo Dynamics Limited, for a maximum of 1,000 residential installations.

## **BACKGROUND**

On November 2, 2010, Regional Council directed staff to explore the concept of a Solar City Program (a program to encourage residents to adopt solar hot water technology) that could be financed through a process similar to a Local Improvement Charge (LIC).

Over the last two years, staff has reported back to Regional Council frequently on the development, risks and opportunities around this program. Some of the most significant highlights during this process have been:

- Five public information sessions with over 1,000 people attending, over 50 pages of e-mail comments received, and over 1,600 residents expressing interest within one month (after which the sign-up was closed);
- The active legislative and financial support of the program from the Province of Nova Scotia, and the amendment of the Halifax Regional Municipality (HRM) Charter, security of financing energy conservation or environmental improvement via lien authority was enabled, a first in Canada. The Province of Nova Scotia has also made the commitment to contribute up to \$1,250,000 to the pilot program through its agent, Efficiency Nova Scotia;
- A collaborative and constructive approach with the Nova Scotia solar industry to build capacity, stream line building permitting processes, and agree on terms of reference for a competitive Request For Proposals (RFP) process;
- A solid business case making the program financially self-sustaining without subsidy from non-participating taxpayers; mitigates the technical and financial risks, and supports development of policies for a successful pilot program; and
- An understanding of the positive economic implications of the program for residents and industry. Residents will save on average \$330 per home annually (in 2012 costs).

More on the program details and developments can be found at [www.halifax.ca/solarcity](http://www.halifax.ca/solarcity).

## **DISCUSSION**

### **Program Approval**

#### **How the Solar City Program will work**

##### **From the Home Owner's Perspective**

1. Home owner expresses interest to HRM by submitting contact information and energy and water usage detail.
  - a. A detailed screening and assessment process is conducted by solar contractor & HRM and 3<sup>rd</sup> party consultant to verify size of system and suitability.
  - b. Homes that are screened in receive an assessment of how much the solar system will save and the cost after all rebates and incentives (which HRM collects on their behalf)
  - c. Homes that are screened out are given a detailed explanation. Typically homes would be screened out because they will not save enough to justify the installation, or will be deemed structurally unsuitable.
2. Homeowner signs agreement and returns to HRM.
  - a. Solar Contractor installs system and invoices HRM.
  - b. Audits of installation are verified by HRM and 3<sup>rd</sup> party consultant.

- c. HRM sends invoice to home owner, similar to Local Improvement Charges.
3. Home owner chooses how to pay for system either in a lump sum or installments up to 10 years which incur 3.5% interest charges.

From the HRM's Perspective

1. HRM and 3<sup>rd</sup> party consultant will verify screening and assessment of homes provided by solar contractor.
2. Upon receipt of signed agreement from home owner, HRM will instruct solar contractor to install system.
3. Upon receipt of confirmation of audit and verification processes HRM will pay solar contractor.
4. HRM will collect all rebates (Federal, Provincial or any other) on behalf of the home owner and apply it to the total cost of the system, including HRM administration costs.
5. HRM will invoice home owner the balance of costs (after all rebates and incentives) and secure payment against property, similar to Local Improvement Charges, via Solar City Bylaw S500.
6. HRM will collect receivable from home owners, who will have a choice to pay in a lump sum or to finance installation up to 10 years. For home owners financing, any benefit of the FCM low interest loan (after HRM's carry costs) will be passed onto home owner.

From a project funding perspective, there are three streams funding project CD990001: The Green Municipal Fund monies (grant and loan), the rebate monies (from Province of Nova Scotia, administered by Efficiency Nova Scotia), and the homeowner monies. This project account will pay for all costs of the pilot project, including supply and installation, project management and administration.

Staff is planning to hold several open houses starting in late January to give the public details on how the program works and respond to questions.

**Homeowner Benefits for Participating**

The HRM Solar City Pilot Project has three principle benefits to residents:

1. Simplicity
2. Access to financing
3. Quality assurance

Solar City is not an incentive laden project focused on buying down the market pricing of technology. At concept genesis, economic viability was not seen as the key barrier to residential uptake of solar systems. With previous rebates, the economics to solar domestic hot water were reasonable. Consultation revealed that the barrier to uptake was the technical complexity related to assessing the different equipment choices, navigating the different rebate processes, quantifying the estimated benefits of an installation, and contracting with a progressive, but relatively immature local industry. The concept of Solar City is making participation in renewable energy projects simple for residents while ensuring there is value.

Pricing: The price recommended in this report is competitive with market rates for a solar domestic hot water system. The pricing reflects a high quality product, a high quality contractor, and high quality and risk assurance processes required for the municipality and homeowner. Residents that wish to install solar systems on their homes may be able to achieve a better price themselves.

**Goals of Solar City Pilot Program**

Solar City is a very unique concept and is being implemented as a pilot program to assess the viability of the program before making any longer term commitments. Goals and objectives of the pilot would be to answer the following questions:

- Is the program financially self-sustaining, without impacting the non-participating HRM taxpayer?
- Are residents participating in sufficient numbers to justify?
- Is the program cost effective for homeowners?
- Are installations of high enough quality and quantity?
- Is the program simple enough to administrate effectively in HRM?
- Are there any risks to the municipality or homeowners that cannot be addressed thru contractual or program processes?

HRM staff will report back to HRM Regional Council once the results of the pilot program are known, to make recommendations.

#### Program Budget

In order to confirm the funding for the project, there was need to obtain firm pricing to formulate appropriate funding requests.

A detailed program budget of \$8,166,500 for the projected 1,000 installations has been developed including costs for the administration, screening of homeowners, quality control via an independent third party, permitting, and the cost of supply and installations from Thermo Dynamics Ltd. After factoring in the \$1,250,000 contribution from Efficiency Nova Scotia, and \$545,000 grant from FCM, homeowners would be responsible for the remaining \$6,371,500 cost of the program.

Based on the program budget, it is estimated homeowners will pay the following for a typical system:

System Size <sup>1</sup>	Option A - Lump Sum (not including HST) <sup>2</sup>	Option B - Financed Annual Payment (10 yrs. @ 3.5%) <sup>3</sup> (not including HST)
1-2 person, 1 panel	\$5,562	\$669 Annually (interest included)
3+ people, 2 panel	\$6,762	\$813 Annually (interest included)

<sup>1</sup>To be determined through the technical screening process and individual homeowner analysis.

<sup>2</sup>Does not include any extra miscellaneous costs such as for a racking system for a flat roof, the optional cost of metering, etc.

<sup>3</sup>Anticipated finance rate.

#### Green Municipal Fund

As per Attachment 3, Halifax Regional Municipality was successful in obtaining Federation of Canadian Municipalities approval for a \$5,455,000 loan and a \$545,000 grant to enable the pilot project.

#### Contract Award

On January 10, 2012, fifteen (15) interested proponents, who had responded to the publicly advertised Request for Expressions of Interest No. 11-052, Solar Hot Water Equipment: Manufacture, Supply and/or Installation for Solar City Program, were invited to submit detailed proposals for the required scope of work. A mandatory site meeting took place on January 26, 2012, with the RFP closing on February 14, 2012. The RFP was evaluated by staff from Planning and Infrastructure and was facilitated by Procurement. Four (4) submissions were received from the following proponents:

- Encom
- Thermo Dynamics Limited
- Solar Experts #1 (Apricus)
- Solar Experts #2 (Enerworks)

The RFP was evaluated using a two envelope process. Envelope "one" was the technical component of the RFP (Team Composition and Experience, Technical Proposal, Project Management and Sustainability). Envelope "two" consisted of the fixed average cost for two different residential sized systems, as well as the energy performance of those systems, to score the cost proposal on a cost/performance basis. A minimum score of 75% was required in order for the cost envelope "two" to be opened and evaluated. Details of the scoring of both envelopes "one" and "two" are contained in Attachment 2 - Evaluation Criteria. The proponents scored as follows:

<i>Company</i>	<i>Score (Maximum 100)</i>
Encom	83.3
<b>Thermo Dynamics Limited*</b>	<b>95.6</b>
Solar Experts #1 (Apricus)	75.4
Solar Experts #2 (Enerworks)	77.4

\*recommended proponent

The proposal submitted by Thermo Dynamics Limited presented a very experienced and skilled team with a product that met or exceeded all of the requirements.

The Solar City project, the solicitation and contract are unprecedented in Canada. With no existing models for this project, nor a model for the resulting contract, due diligence was required in advance of an award recommendation to Regional Council. In order to define the anticipated terms of contract, meetings were held in spring 2012 between HRM Legal Services and Energy & Environment Staff and the highest scoring proponent, on a non-prejudice basis.

As a result of the protracted period between evaluation of the responses and the subsequent funding commitments, and staff's awareness that any award would result in a direct cost to the project participants and a direct risk to those participants, staff decided that a third party evaluation of the original evaluation would provide an extra level of risk mitigation on behalf of both HRM and the project participants. Stantec Ltd. was retained, using HRM's standing offer for consulting services, in October 2012 to provide an independent evaluation of each proposal. The resulting third party review was in agreement with the original evaluation.

The solicitation was created to enable an award to multiple proponents under certain conditions. However, the variances in both the technical and cost proposals did not provide a sound basis, commercially or technically, for staff to recommend a multiple award.

### **Risk Management**

HRM staff has developed several strategies to mitigate the technical, financial and reputational risk to the municipality. A risk management analysis has been completed and a plan is in place. Risk mitigation is being handled through various means such as contract design, the program structure, third party quality control, and auditing measures. The contract with Thermo Dynamics will include a reciprocal indemnification clause. Contracts with the homeowners will include a disclaimer which states that HRM shall not be liable to the homeowners for any damages arising in tort.

**BUDGET IMPLICATIONS**

The total budget for Solar City, based on 1,000 installations, is \$8,166,500. \$1,250,000 of funding has been secured from the Province through Efficiency Nova Scotia as a rebate towards the systems. FCM has approved a grant of \$545,000 to be applied to the cost of the systems. The remaining \$6,371,500 is the responsibility of the homeowner program participants. HRM is not contributing any funding to the project.

FCM has also agreed to provide a low interest loan of \$5,455,000 for those homeowners who wish to finance their installations for a period of up to ten years. HRM will administer this loan through the LIC mechanism provided for under the Solar City By-Law S-500. This loan amount is sufficient to finance up to 85% of the homeowner's share of the installations under the pilot program, although Staff anticipate that closer to 50% of program participants will take advantage of this option. However, this will not enable more than 1000 homes to be done within the pilot project as the rebate program currently administered through Efficiency Nova Scotia is capped at 1000 homes @\$1,250 per home. The loan amount will be calculated once residents determine if they are requiring financing.

**Key Terms for FCM GMF Loan**

Maximum Amount	\$5,455,000
Term	10 years
Interest Rate	2.0%

The rate of financing to homeowners will be set to a maximum of 3.5%. The 1.5% spread between this rate and the interest rate on the FCM loan, is intended to compensate HRM for the timing risk between when loans are made to homeowners by HRM and when loan disbursements are received by HRM from FCM. Homeowners can choose to pay off their loans early at any time without interest penalty.

The program is designed to be administered on a full cost recovery basis, hence there should be no net impact to the HRM Project and Operating Budgets. However, factors such as the specific timing of expenditures, variations in short-term interest costs, program take-up, pre-payments of loan balances and the cost sharing rules, means there will likely be some variation from full cost recovery. The program is designed so that such variations should be modest with any shortage or excess being covered by HRM's general tax rate.

Included in the project budget is \$336,000 to administer the pilot program over 24 months. The total cost to administer the program will be funded from the Efficiency Nova Scotia grant. Staff of 2.5 term FTEs will be required. Details of the administration budget are included in Attachment 4 of this report.

The proposed project would be financed as follows:

**Budget Summary:      Project No. CD990001- Solar City Pilot Program**

Total Project Cost	\$8,166,500
Federation of Canadian Municipalities GMF Grant	(\$ 545,000)
Province of Nova Scotia (via Efficiency NS)	(\$1,250,000)
Homeowners participating in the Program	<u>(\$6,371,500)</u>
Net Cost to HRM	<u>\$ 0</u>

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**FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation. If approved, the 2012/13 Project Budget will be increased by \$8,166,500 on a gross basis. On a net basis, there will be no change to the 2012/13 Project Budget.

**COMMUNITY ENGAGEMENT**

There has been extensive community engagement on this project as per the background and discussion sections.

**ALTERNATIVES**

Regional Council may wish to direct staff to cancel this project.

**ATTACHMENTS**

Attachment 1: July 10, 2012, Regional Council Report: Future of Solar City Pilot Program

Attachment 2: Detailed Scoring of RFP No. 12-002

Attachment 3: Letter from FCM

Attachment 4: Operating budget for the administration of the program

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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Julian Boyle, P.Eng., Manager Strategic Energy Policy and Initiatives, 476-8075

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Richard MacLellan, Manager, Energy and Environment Office, 490-6056

Financial Approval by:

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Greg Keefe, Director of Finance & ICT, 490-6308

Report Approved by:

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Jane Fraser, Director, Planning and Infrastructure, 490-7166

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P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Halifax Regional Council**  
**July 10, 2012**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed by  
Mike Labrecque, Acting Chief Administrative Officer

**DATE:** June 20, 2012

**SUBJECT:** Future of Solar City Pilot Program

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**ORIGIN**

November 2, 2010, Regional Council motion: Community Solar Project  
February 8, 2011, Regional Council motion: Community Solar Project  
December 13, 2011, Regional Council motion: Solar City Solicitation

**RECOMMENDATION**

It is recommended that Halifax Regional Council direct staff to:

1. Discontinue development of the Solar City project as a municipally led program;
2. Cancel Request for Proposal 12-002 (Supply and Installation of Solar Thermal Domestic Hotwater Systems); and
3. Forward the complete project file to Efficiency Nova Scotia for future project consideration.



## **BACKGROUND**

On November 2, 2010, Regional Council directed staff to explore the concept of Solar City, a program to encourage residents to adopt solar hot water technology that could be financed through a process similar to a Local Improvement Charge (LIC).

Over the last one and a half years, staff has reported back to Regional Council frequently on the development, risks and opportunities around this program. Some of the most significant highlights during this process have been:

- The public's response to the program;
- The active legislative and financial support of the program from the Province of Nova Scotia; with the amendment of the Halifax Regional Municipality (HRM) Charter security of financing energy conservation or environmental improvement of a property via lien authority was enabled, a first in Canada. The Province of Nova Scotia has also made the commitment to contribute up to \$1,250,000 in rebates to the pilot program through its agent Efficiency Nova Scotia as well as low interest financing;
- A collaborative and constructive approach with the Nova Scotia solar industry to build capacity, stream line building permitting processes, and agree on terms of reference for a competitive Request For Proposals (RFP) process; and
- A business case making the program financially self-sustaining without subsidy from non-participating taxpayers, while mitigating the technical and financial risks.

The purpose of this report is to cease development of the Solar City Project. Without the FCM Green Municipal Fund monies (loan and grant) applied for, the framework of the municipality acting as general contractor, the basis of the project concept, cannot be delivered as a commercially competitive offering to residents.

## **DISCUSSION**

### **Program Framework**

In 2011, Regional Council approved the following framework for the development of the project:

<b>Statements</b>	<b>Status</b>
User pay	Achieved
No costs borne by general taxpayer	Achieved
Financially self-sustaining	Not Achieved
Priced such that there is a reasonable contribution to either the Energy Efficiency or Sustainable Communities Reserve to act as seed money for future projects and act as a risk reserve	Achieved

Priced such that the energy savings justify the homeowner's annual payment over a reasonable and acceptable term	Not Achieved
That overhead/administrative costs are fully recaptured	Achieved
That HRM is successful in an application to the FCM Green Municipal Fund (GMF) for a \$5 million low interest loan and an additional grant, or comparable from another funding agency	Not Achieved
That HRM is successful in securing minimum grants and rebates required to provide a viable business mode	Not Achieved
The supply price received from vendors is within the range needed to make the program financially viable	Achieved

### Project Barriers

Despite best efforts, and support from the Province of Nova Scotia, and Regional Council, staff has not been able to develop a project to meet all of those parameters.

Namely, the barriers to successful project development include:

1. The unknown take-up of the program with the current costs;
2. At the developed project budget, the anticipated annual savings are not broaching equilibrium with the financing costs;
3. The level of rebates available has depleted by approximately 2/3; and
4. HRM has not been successful yet in the FCM financing application.

**Payback period:** During the public meetings and initial concept discussions, a payback period of five to ten years was envisioned. With only a single (\$1,250) rebate available, and municipal overhead/project costs built in to participant costs, the current payback timeframe is over 20 years.

While the concept of the project was and is sound, the framework that HRM endeavoured to develop the project with does not work. With other Nova Scotian municipalities recently receiving the comparable authority to offer residents the ability to finance energy projects as a supplement to their tax bill, staff look forward to regional collaboration on a model development that would achieve community expectation, deliver a competitive market offering, and provide no risk to the tax payer. The lessons learned from this project development will inform future models.

Despite this particular revision of the project being unsuccessful, there has been some notable successes in this endeavour including the development of a streamlined permitting system, achieving legislative authority to offer residents a potential financing solution, and increased demonstration to multiple levels of government and agencies on the current barriers and potential solutions around widespread adoption of energy efficiency and renewable energy solutions. It has also uncovered a variety of planning and policy opportunities for municipal and provincial consideration, ranging from right to light issues, solar orientation, and removing barriers to market based renewable energy solutions. Some of the issues identified are informing the project work of RP+5.

### Program Budget

Over the last one and a half years, there have been significant changes in funding programs for solar hot water systems. The Federal government ceased their Eco-Energy program in January 2012. Efficiency Nova Scotia programming has also changed. The end result is approximately \$2,500 less in rebates are anticipated for homeowners, making the business case more challenging to HRM and residents. On average, homeowners will save \$330/year on today's energy costs with a solar hot water installation.

Based on the budget, it is estimated homeowners would pay the following for the systems:

<b>System Size</b>	<b>Option A - Lump Sum With \$1,250 Rebate from Province of Nova Scotia (not including HST) <sup>1</sup></b>	<b>Option B - Financed Payment Per Year (12 years @ 3.5%)<sup>2</sup></b>
1-2 person, 1 panel*	\$5,574	\$577 Annually
3+ people, 2 panel*	\$6,774	\$701 Annually

\*To be determined through the technical screening process and individual homeowner analysis. <sup>1</sup>Includes HRM administration costs. <sup>2</sup>Anticipated finance rate.

### **Other Budget Impacts and Impact on Residents:**

#### Federation of Canadian Municipalities (FCM) Green Municipal Fund

As directed by Regional Council, HRM staff has been working closely with the FCM Green Municipal Fund (GMF) for support of the program. The GMF was closed between February 2011 and December 2011 and a funding application was submitted in February 2012. There is still uncertainty in the funding application and the timing of approval. FCM GMF support could impose a minimum of 4-6 months upon the program. Such a delay is now unacceptable and could negatively impact resident's enthusiasm for the program.

#### Policy Direction/Municipal Mandate

In the Province of Nova Scotia, Energy Efficiency is the legislative mandate of Efficiency Nova Scotia. Under the Efficiency Nova Scotia Act, this corporation was established to manage electricity demand-side management programs in the Province and establish a fund to be used to defray the costs of electricity demand-side management programs. Efficiency Nova Scotia was born slightly before the initiation of Solar City, but as the HRM project was developed and the organization of Efficiency Nova Scotia realized and matured, it has become clear to staff that the general management of renewable and energy efficiency programs are the domain of this new and effective organization. The original community energy efficiency objectives desired under the Solar City concept are well served by Efficiency Nova Scotia.

As a result of poor commerciality with the approved conceptual project framework, the increased risk an unsuccessful project poses to the taxpayer and the duplication of the effective policy mandate of Efficiency Nova Scotia, staff recommends ceasing efforts on this project development and referring the project to Efficiency Nova Scotia for future consideration.

### **BUDGET IMPLICATIONS**

There are no budget implications with deciding not to proceed with the Solar City initiative.

### **FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

### **COMMUNITY ENGAGEMENT**

There has been extensive community engagement on this project as per the background and discussion sections.

### **ALTERNATIVES**

Regional Council may wish to approve the start of the Solar City pilot program with funding from the Solar City By-Law S-500 and cost sharing from the Province of Nova Scotia, or its agent Efficiency Nova Scotia. This would also involve approving an increase of \$3,851,925 to Project No. CD990001 for homeowner financing and to reflect up to \$625,000 in cost sharing from the Province of Nova Scotia, with the balance to be funded by homeowners through the Solar City By-Law. Staff would be required to return to council with an RFP award report.

### **ATTACHMENTS**

None

**Cancellation of  
Solar City Pilot Program  
Council Report**

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**July 10, 2012**

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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Richard MacLellan, Manager, Energy & Environment Office, 490-6056

Financial Approval by: \_\_\_\_\_  
Greg Keefe, Director of Finance and Information Technology, 490-6308

Report Approved by: \_\_\_\_\_  
Peter Stickings, Acting Director, Planning and Infrastructure, 490-7166

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**Halifax Regional Municipality**  
Request for Proposals RFP#: 12-002  
**Solar City- Supply and Installation**

ITEM	MAX SCORE	Submissions				
		Solar Experts (Appicus)	Solar Experts (Enerworks)	Thermo Dynamics	Encom	
1.	Communication Skills: -Clarity and readability of written proposal	2	1.7	1.7	2	1.3
2.	Team Composition and Experience: - Experience of individual team member with projects of similar size and scope -Team members appropriate skills and education - Demonstrated history of proposed team in successfully completing projects of a similar nature on time and on budget - Balance of level of effort vs. team roles (project mgmt., technical, etc.)	30	22.7	22.7	29	21.7
3.	Understanding of HRM needs and Technical Solution: - Understanding of the requirements of the scope of work and HRM organizational structure - Acceptable proposed schedule and work plan - value added propositions and recommendations - Attention to relevant challenges that the committee has not considered	25	20.7	20.7	23.7	20
4.	Project Management, Sustainability: - Management structure within Proponents organization/project team - Proposed communication methods between proponent team and HRM - Quality Assurance standards and practices - Sustainability	13	9.7	9.7	12.7	10.3
5. Subtotal (Technical Proposal)		70	54.8	54.8	67.4	53.3
6. Cost/\$/GJ Cost		30	20.6 \$1,182.86/GJ	22.6 \$1,076.77/GJ	28.2 \$864.51/GJ	30.0 \$812.61/GJ
7. Administrative and Legal Requirements: - Business registration information &/or plan have been included - Proposal format reflects substantial adherence to instructions provided		0				
Total Score (100)			75.4	77.4	95.6*	83.3

\* Recommended proponent



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OF CANADIAN  
MUNICIPALITIES

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CANADIENNE DES  
MUNICIPALITÉS

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City of Vancouver, BC

**Past President  
Président sortant**

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Councillor,  
City of Kitchener, ON

**Chief Executive Officer  
Chef de la direction**

Brock Carlton  
Ottawa, ON

10, rue Rideau Street,  
Ottawa Ontario

**Mailing address/  
Adresse postale**

24, rue Clarence Street,  
Ottawa, Ontario K1N 5P3

T. 613-241-5221  
F. 613-244-1515

www.fcm.ca

September 28, 2012

His Worship Mayor Peter J. Kelly  
and Members of Regional Council  
Halifax Regional Municipality  
P.O. Box 1749  
Halifax, NS  
B3J 3A5

**Project Title:** Halifax Solar City  
**Application number:** GMF 12028

Dear Mayor Kelly and Members of Regional Council:

On behalf of the Green Municipal Fund (GMF) Council and the Federation of Canadian Municipalities' (FCM) National Board of Directors, I would like to congratulate the Halifax Regional Municipality on its successful funding application for the above-noted initiative.

It is our pleasure to confirm that the Halifax Regional Municipality has been approved for a loan in the amount of up to \$5,455,000, combined with a grant in the amount of up to \$545,000.

In the near future, Ms. Nathalie Lapointe will contact the Halifax Regional Municipality to finalize the Agreement for this funding.

FCM, in partnership with the Government of Canada, oversees the public announcement of all GMF-funded initiatives. After the Agreement is signed, a GMF communications officer will contact the Halifax Regional Municipality to discuss the process for a public announcement. Before making any public statements on GMF funding, please contact GMF at 613-907-6208 or by e-mail at [gmf@fcm.ca](mailto:gmf@fcm.ca).

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We would like to thank you for your interest in GMF. We look forward to working with you to improve the quality of life in your community, and to sharing the results of your initiative with communities across Canada.

Sincerely,

Original Signed

Raymond Louie  
Chair  
Green Municipal Fund Council

RL/NL:vl

c: Mr. Julian Boyle, Energy Engineer, Halifax Regional Municipality  
Mr. Bob Audoux, BBA, DMA, AMAP, CGA, Manager of Financial Services, Nova Scotia Municipal Finance Corporation



### Operating Budget for Administration of Program

Months <sup>1</sup>	2012-13	2013-14	2014-15	Total
	3	12	9	24
6001 Salaries - Regular <sup>2</sup>	\$ 31,200	\$ 125,000	\$ 93,800	\$ 250,000
6100 Benefits - Salaries	6,200	26,500	20,300	53,000
6152 Retirement Incentive	200	800	600	1,600
6154 Workers' Comp	500	2,200	1,600	4,300
6201 Telephones	1,000	300	200	1,500
6202 Courier/Postage	900	3,600	2,700	7,200
6203 Office Furniture/Equip	7,500	0	0	7,500
6205 Printing & Reproduction	900	3,600	2,700	7,200
6207 Office Supplies	1,600	1,200	900	3,700
<b>Total Expenses</b>	<b>\$ 50,000</b>	<b>\$ 163,200</b>	<b>\$ 122,800</b>	<b>\$ 336,000</b>

<sup>1</sup> Assuming program runs from 2013.01.01 to 2014.12.31

<sup>2</sup> Based on 2.5 FTEs at an average annual salary of \$50,000