

ENVIRONMENT COMMITTEE

AGENDA 12

TUESDAY NOVEMBER 15, 2011

9. 2012 DRAFT BUDGET – ENVIRONMENT COMMITTEE

**Remarks by Ecology Ottawa
On the draft 2012 city of Ottawa Environment Committee Budget**

Ecology Ottawa is pleased to make the following comments on the Environment Committee Budget for 2012. In letters to the Mayor's Online Pre-Budget Consultation we called for a transition to clean energy and energy efficient buildings; a moratorium on new roads; an acceleration of biking infrastructure; and more composting.

We address those issues that we think come under the Environment Committee's budget in our comments below.

What we like in Budget 2012

Firstly we applaud the City's major new investments in cycling infrastructure and other transportation areas.

We applaud the City for planning a "**green express lane**" for development that aims to advantage environmental construction. We encourage the City to build on this initiative by setting up partnerships with the Ottawa green building industry to increase the number of new green buildings and upgrade existing ones. We also hope that the City sets the bar high for green lane eligibility and consults widely with Ottawa stakeholders in the development of these criteria.

We are pleased to see the modest investment in increased waste diversion for composting including more use of the Green Bins at small recreation and daycare centres, etc.

Finally we applaud the proposal to hire an additional City forester position.

We look forward to the publication of the 2011-2015 Environment Strategy and support the Committee's goal of implementing 25% of the Strategy's recommendations in 2012.

We also look forward to the staff report on building efficiency promotion that is expected to recommend several new initiatives by the City that would help Ottawa residents and businesses improve the efficiency of their buildings and reduce their carbon footprint.

What we feel is missing from Budget 2012

Notwithstanding these positive aspects of the budget, we would like to see explicit mention and sufficient budget allocations for the following three priorities:

1. Municipal financing of energy retrofits
2. Community owned solar on City facilities
3. Low income energy efficiency assistance strategy

We believe that these recommendations are closely aligned with the new program directions that are highlighted in *The Future of Buildings and Energy Supply* discussion paper, released in June 2011 by the organizers of Choosing Our Future. We also believe that these

recommendations will help to implement the Council's vision of Ottawa as one of the greenest cities in Ontario.

We note that there is still room in the budget for additional allocations and yet still meet the Mayor's goal of ensuring there is no more than a 2.5% tax increase this year. The amounts suggested could be covered from the savings expected from the city's Smart Energy program and the income from the Hydro Ottawa solar installations.

1. Revenue Neutral Municipal Financing of Energy Retrofits.

We are asking that the City fund a feasibility study of a municipal financing program for building and home retrofits in which energy savings are greater than annual payments (pay-as-you-save), and in which the benefits and costs can be transferred to new owners.

All costs of operating the program by the City would be covered by user loan repayments making it revenue neutral to the City.

We propose a **2012 budget allocation of \$25,000** for this feasibility study.

City staff has been participating in a province-wide research project on this financing concept during the past year. It is our understanding that a study of this type will be among the recommendations from city staff in their Report on Promoting Building Efficiency to be presented to Planning Committee in January.

Experience in the U.S. and elsewhere shows that a program can be designed to be revenue-neutral to a municipality and yet leverage significant home and building owner investment into energy efficiency retrofits.

The feasibility study should include the following topics:

- Basic program elements and design for revenue neutral program options serving both the housing retrofit and building upgrade markets
- Roles of departments and contracted out services for each market
- Sources of financing—options / pros and cons
- Program costing—cash flow forecasts
- Risk analysis
- Legal issues including provincial regulatory changes needed
- Anticipated administrative costs for start-up and operations, including establishing eligibility criteria and protocols and developing evaluation criteria
- Identification of packages of measures and associated financing
- Means of qualifying contractors, installers, etc

The study should involve consultation with the green building and real estate industries and other stakeholders in Ottawa.

Finally, the feasibility study should identify the changes in *Municipal Act* regulations required to implement the financing program.

2. Community Owned Solar Power Systems on City Facilities.

We recommend that the city develop a program that would allow renewable energy cooperatives or other community organizations to investment in solar power projects on city facilities, and assist these organizations to develop solar projects.

The program would complement the Large Solar Roof project that the City has already signed with Hydro Ottawa.

Our proposed **2012 budget allocation is \$25,000** which would be used to consult with the community and develop a clear set of conditions under which community entities could lease city-owned roofs or land.

There is considerable interest among community members in investing in solar power in their own community and this program would provide them with the opportunity.

The community owned power systems on municipally owned rooftops would also not just be good for the environment but also good for the City's bottom line. A small investment in establishing the program today could open up a major new revenue stream for the City in the future. (For example, the Trail Road Solar Energy Park is set to bring in \$2.5 million in rent to the City over the 20-year contract.)

3. Energy Efficiency Assistance Strategy for Low Income Families.

Many Ottawa families on low incomes that do not live in social housing have trouble paying their energy bills and need help during these challenging economic times. The City is taking major steps to lower the use of energy in social housing through the retrofit of these homes but has not addressed the plight of those low income families that own or rent their own homes.

We recommend that the City develop a new long term strategy with the EnviroCentre, Enbridge Gas, Hydro Ottawa, social agencies, the Province, and low income communities themselves to provide home and electricity audits, financing options, and technical assistance to Ottawa's low income families who do not live in social housing units. The City of Ottawa has worked closely with these partners in the past.

We suggest a 2012 budget allocation of \$100,000. The budget allocation would be used to convene a "Low-Income Energy Retrofit" coordination team among partners. It would then define a low income threshold for eligibility in cooperation with community and social agencies; identify and leverage available provincial and federal funding; and work on audit, financing and other delivery mechanisms with partners.

Our low income energy efficiency proposal offers help that will last for many years, not just as a one-off. And it will be done in partnership with several other organizations so the City will be maximizing its impact through this initiative.

This strategy would not cost the city significant program dollars but could have far reaching benefits for low income families.

An example of a Provincial program that could be leveraged by the city for low income support is the new Ontario Power Authority Multi-Family Buildings Rebate program. For more information please see www.lowincomeenergy.ca/energy-assistance/. See also "Time for Action: A National Road-Map for Tackling Energy Poverty in Canada through Energy Efficiency www.greencommunitiescanada.org .

Our objective in making these recommendations is to show that small budget allocations can lead to low or no cost city programs that would leverage significant community and private sector investment and produce long term significant results—improving the energy efficiency of a large proportion of Ottawa's homes and buildings, lowering energy costs for families and business, and increasing the use of renewable energy.