

Date: 2021-10-15

Subject: **Peel Residential Energy Program (PREP)**

Secondary Title: Program Design Study: FCM Green Municipal Fund Agreement

Contact: **Pam Cooper, Environmental Planner, 905 874-2265,
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Report Number: Public Works & Engineering-2021-1127

Recommendations:

1. That the report from Pam Cooper, Environmental Planner, Public Works and Engineering, dated October 15, 2021 to the Committee of Council meeting of November 17, 2021, re: Peel Residential Energy Program (PREP, Program Design Study: FCM Green Municipal Fund Agreement – Citywide, be received;
2. That Council authorize the Mayor and Clerk to execute on behalf of the City a Green Municipal Fund Agreement with the Federation of Canadian Municipalities (“FCM”) on terms and conditions satisfactory to the Commissioner, Public Works and Engineering and in a form acceptable to the City Solicitor or designate.
3. That Council authorize the Commissioner, Public Works and Engineering (or their designate) to execute and deliver on behalf of the City all ancillary agreements and documents as provided for in the said Agreement with FCM or as may otherwise be required including Certificate(s) of Incumbency and Authority, Form(s) of Request for Contribution and other certificates and to take, do, sign or execute in the name of the City, any other action required or permitted to be taken, done, signed or executed under the said Agreement with FCM and under any other agreement related to this project to which FCM and the City are parties.

Overview:

- **In September 2020, Council endorsed the Community Energy and Emissions Reduction Plan and its priority projects.**

- **One of the priority projects to be completed within the next five years is the establishment of a system to deliver standardized retrofits to Brampton homeowners.**
- **In January 2021, City staff, in partnership with the Town of Caledon and City of Mississauga, applied for a grant under the Federation of Canadian Municipalities (FCM) Green Municipal Fund for a Program Design Study for the Peel Residential Energy Program (PREP), a home energy retrofit program.**
- **In May 2021, staff were notified that the grant application was approved under the Green Municipal Fund - Community Efficiency Financing Study.**
- **This report recommends Council authorize the Mayor and City Clerk to execute the agreement between FCM and the City for the completion of the Program Design Study and also authorize the Commissioner of Public Works and Engineering (or their designate) to execute and deliver all ancillary agreements and documents.**
- **The proposed agreement between the City of Brampton and the Federation of Canadian Municipalities (“FCM”) outlines a grant amount equal to the lower of \$175,000 or eighty percent (80%) of eligible costs.**

Background:

In June 2019, Council unanimously declared a climate emergency and directed staff to report on recommendations for Brampton to reduce greenhouse gas emissions. In answer to this direction, Brampton produced its first climate mitigation plan, the Community Energy and Emissions Reduction Plan (CEERP). Council endorsed the CEERP and its priority projects on September 30, 2020, as well as the following targets:

- to reduce greenhouse gas (GHG) emissions by 30% from 2016 levels by 2030;
- to reduce greenhouse gas (GHG) emissions by 50% from 2016 levels by 2040, and;
- to establish a pathway to reduce greenhouse gas (GHG) emissions by at least 80% by 2050

Brampton’s CEERP is an evidence-based, comprehensive plan to drive innovation, employment and economic development while achieving the City’s environmental and climate change goals, along with its associated social benefits. CEERP creates a roadmap that will improve energy efficiency, reduce greenhouse gas emissions, create

economic advantage, ensure energy security, and increase Brampton's resilience to climate change.

The CEERP's Priority Projects are critical projects that need to be started within the next five years to put Brampton on the path to achieving its energy and GHG targets and objectives. The Priority Projects are based on the research of industry best practices and broad municipality experience, expert advice from all City departments and environmental partners, and input from conservation agencies and community stakeholders.

The CEERP Priority Projects include:

1. Ensure the City of Brampton policies and programs align with supporting the CEERP Objectives and Targets;
2. Establish a system to deliver standardized retrofits to Brampton homeowners;
3. Update the Transportation Master Plan (TMP) to reflect complete streets and the integrated nature of mobility and built form;
4. Integrate District Energy Systems in appropriate locations within the City of Brampton;
5. Develop Integrated Energy Master Plans for public facilities and private development; and
6. Establish a community organization to lead the development and implementation of select priority projects.

One of the priority projects to complete within the next five years is the establishment of a system to deliver standardized retrofits to Brampton homeowners, since homes and buildings account for 44% of Brampton's energy use, 17% of energy cost, and 28% of GHG emissions. Considering 52% of Brampton's residential building stock was built prior to 1989, increasing energy efficiency and reducing energy use in homes through energy retrofits provides a high return in decreasing the city's overall energy use. One of the CEERP targets is to achieve a 35% residential sector efficiency gain from 2016 levels by retrofitting 80% of existing homes.

Current Situation:

The municipalities of Brampton, Caledon and Mississauga recognize that home energy retrofits are essential to achieving municipal climate change targets. In recognition of this, in October 2020, staff from Brampton, Caledon and Mississauga collaborated on a Home Retrofit Program Feasibility Study.

In January 2021, City staff, in partnership with the Town of Caledon and City of Mississauga, applied for a grant under the Federation of Canadian Municipalities (FCM) Green Municipal Fund for a Program Design Study for a home energy retrofit program.

The objectives of this Program Design Study are to determine the key design components of a Peel-wide home energy retrofit program to:

- ensure its success and support the scale of retrofits required to meet emissions reduction targets;
- assess the opportunities of a partnership approach to deliver a retrofit program jointly across the three jurisdictions, potentially through a third party,
- to find economies of scale, reduce the administrative burden on individual municipalities and have consistency in program delivery across the Region; and
- build greater understanding and support internally from relevant municipal departments, and to enhance community buy-in

In May 2021, the application was approved under the Green Municipal Fund - Community Efficiency Financing Study for the Peel Residential Energy Program (PREP) Program Design Study, in partnership with Mississauga and Caledon. Brampton is the Lead Applicant on this Green Municipal Fund project.

The proposed agreement between the City of Brampton and the Federation of Canadian Municipalities (“FCM”) outlines a grant amount equal to the lower of \$175,000 or eighty percent (80%) of eligible costs.

To receive the funding from FCM, Council is required to authorize the Mayor and the City Clerk to sign the Agreement (attached as Appendix 1) and authorize the Commissioner of Public Works to undertake various actions under the executed Agreement, including:

- Signing on behalf of the recipient a Request for Contribution provided for in the Agreement;
- Signing certificates provided for in the Agreement; and
- Executing in the name of the City, any other action required or permitted to be taken, done, signed or executed under the Agreement and under any other agreement to which FCM and the City are parties.

The City of Brampton will work closely with partners at the Town of Caledon and City of Mississauga on the Program Design Study. Each partner will be responsible to assist with the initiation, development and implementation of the Program Design Study, including the mobilization of stakeholders within their respective municipalities. This partnership will leverage resources across all three municipalities and uncover potential efficiencies of a joint or third-party program delivery model that could ease the administrative burden of delivering such a program to any one municipality.

A Terms of Reference is attached as Appendix 2 and outlines the project overview, mandate, objectives, scope, roles and responsibilities, project facilitation and funding contribution of each partner and has been signed by a Director of each partner.

As Lead Applicant, the City of Brampton will ultimately be responsible for ensuring achievement of the study's objectives and will lead the procurement process for hiring of consultant(s).

Next Steps:

The RFP process is underway and partners in Caledon and Mississauga will assist with the consultant selection review. Once a consultant is selected and the Program Design Study is underway, the partners will help with reviewing consultant deliverables.

The timeline for completing the project is:

Q4 2021	RFP process/consultant selection
Q1 2022	Program Design Study underway
Q4 2022	Finalize Program Design Study
Q1 2023	Final Program Design/Market Program

Corporate Implications:

Financial Implications:

The total project budget is \$220,000, consisting of a \$15,000 contribution from each partner municipality and \$175,000 from the Federation of Canadian Municipalities.

There are no financial implications resulting from the recommendations in this report. The estimated City contribution of \$ 15,000 required for this initiative is available in the approved capital budget within the Public Works and Engineering Department.

Other Implications:

Term of Council Priorities:

A Program Design Study for a home energy retrofit program supports the Term of Council priority "Brampton is a Green City", building on Brampton's commitment to sustainability by focusing on energy efficiency. This also supports the connected initiative of "Lead Environmental Innovation" by supporting the Community Energy and Emissions Reduction Plan to improve energy efficiency and increase resilience to climate change.

Legal Implications:

Legal Services will approve as to form the Agreement with Federation of Canadian Municipalities.

Conclusion:

With this funding from Federation of Canadian Municipalities, the City of Brampton and partner municipalities can complete a Program Design Study for a home energy retrofit program which will kick-start the implementation of the CEERP and achieve its sustainability goals and environmental objectives.

Authored by:

Pam Cooper, Environmental Planner

Reviewed by:

Michael Won, Director, Environment and Development Engineering

Approved by:

Jason Schmidt-Shoukri,
Commissioner, Public Works and Engineering

Submitted by:

David Barrick, Chief Administrative Officer

Attachments:

Appendix 1: Green Municipal Fund Grant Agreement (GMF 17595)

Appendix 2: Terms of Reference

Appendix 3: Funding Letters