



# Community Efficiency Financing Program

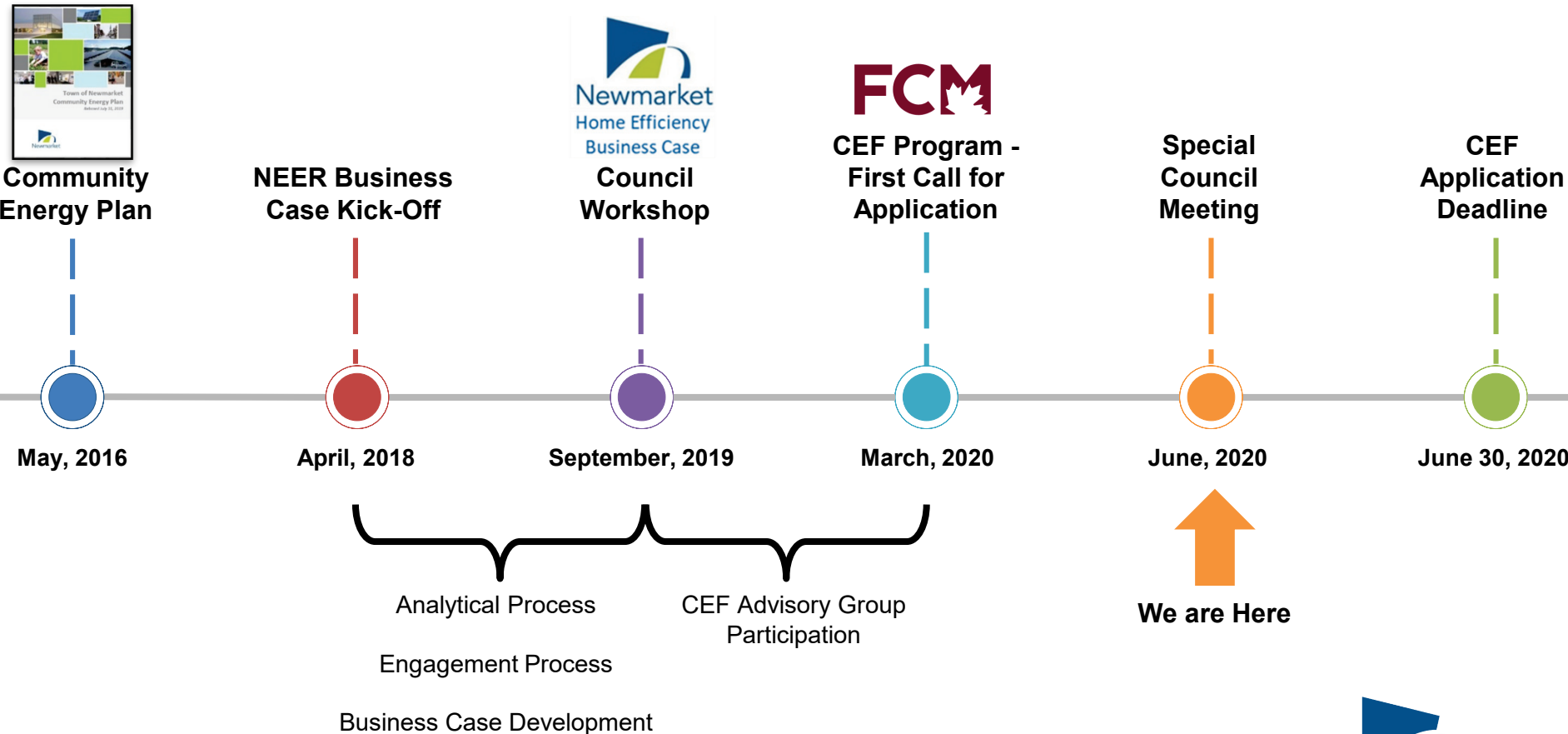
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# Agenda

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# Newmarket Energy Efficiency Retrofit (NEER) Project Timeline



# Community Efficiency Financing Program

\$300M allocated to support the financing of municipally-led residential energy retrofit programs across Canada

- Provide support for municipalities to create and implement innovative financing mechanisms:
  - Investments in energy efficiency and renewable energy generation
- Funding studies/plans and capitalize existing/new programs
- Accelerate the NEER initiative and address several risks:
  - Secure start-up capital for Business Plan,
  - Provide resource to enact & administer an LIC By-law
  - Finance both the launch & initial 3 years of the program

# Funding Opportunity:

## Why this is being advanced now?

**First Call for Application** (*March 31<sup>st</sup>, 2020 – June 30<sup>th</sup>, 2020*)

For existing programs looking to recapitalize or capitalize new programs

Initiatives	Description	Funding Type & Maximum Amount
<b>Program Development &amp; Capitalization (Loan/Grant Hybrid)</b>	<p>Capital and grant funding to support the development and launch of local initiatives</p> <p>FCM will fund up to 80% of program costs. The municipality must fund the remaining 20%</p>	<p>A loan of up to \$10M, with an accompanying grant of up to 50% of the loan amount</p>

# Benefits for Applying First Round



Funding to complete detailed business plan and beyond



National profile and Canada-wide recognition for ambitious leadership and invitations to present their work at conferences and other learning events



Access to technical advice to help ensure their program is successfully launched or scaled up and achieves the expected results



Participation in a peer learning network of early adopters of residential energy financing programs

# Proposed Funding Request

Proposed Funding Request	Funding Use
<b>Grant</b> (seek full \$5M)	<ul style="list-style-type: none"><li>• First use of grant funds would be to create a detailed Business Plan, as per direction from Council<ul style="list-style-type: none"><li>○ ~\$150K cost funded by FCM at 80%</li></ul></li><li>• Only after Council is comfortable with the Business Plan and approves it, would the NEER Program be launched and additional capital resources used</li></ul>
<b>Low Interest Loan</b> (seek full \$10M)	<ul style="list-style-type: none"><li>• Used for implementing NEER only subject to approval of the above Business Plan</li></ul>

- FCM will fund 80% of program costs with the municipality committing to fund the remaining 20%

# Three Possible Future Scenarios

Scenarios	Financial Impact	Next Steps
1. CEF application submitted but funding not approved	<ul style="list-style-type: none"> <li>Internal cost to prepare CEF application</li> </ul>	If first round unsuccessful, staff will submit an application to FCM's Second Call For Applications (i.e. up to \$175K in funding towards studies/plans)
2. Funding approved & business plan created	<ul style="list-style-type: none"> <li><b>Business plan is created (~\$150K)</b></li> <li><b>Internal cost to prepare Business Plan</b></li> </ul>	<b>Grant funds would be used to develop the Business Plan which would be 80% funded by FCM</b>
3. Full funding received & business plan created, Council approves NEER launch & remaining CEF funding accessed	<ul style="list-style-type: none"> <li>FCM to provide up to \$15M (80% of project costs) to launch NEER (\$5m forgivable grant; \$10m loan)</li> <li>Newmarket (i.e. NEER Entity) will need to commit 20% of project costs                             <ul style="list-style-type: none"> <li>~\$3.75M over 4-years</li> </ul> </li> </ul>	<p>Dependent on advice of FCM-funded business plan</p> <p>Note: Should less than the full amount be approved, the 20% would be lower as well</p>



# CEF Funding Requirements: What is required from Council?



A community energy plan that identifies energy efficiency in the residential sector as a priority area for action



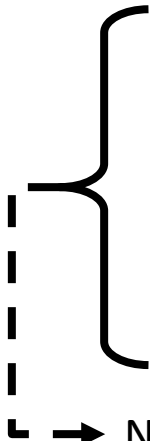
A feasibility study or business case for launching the program



Proof of legal authority to pursue the proposed initiative

A resolution which authorizes the use of the specified financing mechanism in accordance with relevant provincial/territorial legislation

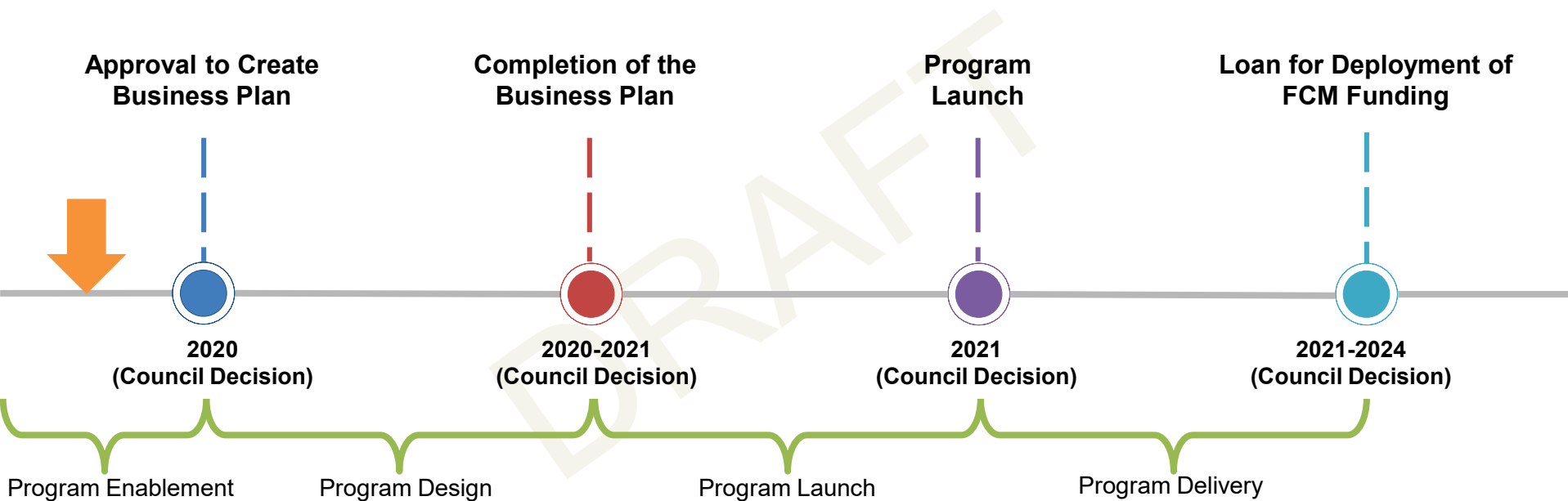
A municipal council resolution committing to capitalize or recapitalize the program



→ Note: Requirements will be fulfilled upon approval of the Resolution

# Milestones (Decision Points)

Note: Each milestone accompanies a decision point from Council to proceed to the next phase



**Thank you**