



HalifACT 2050

ACTING ON CLIMATE TOGETHER

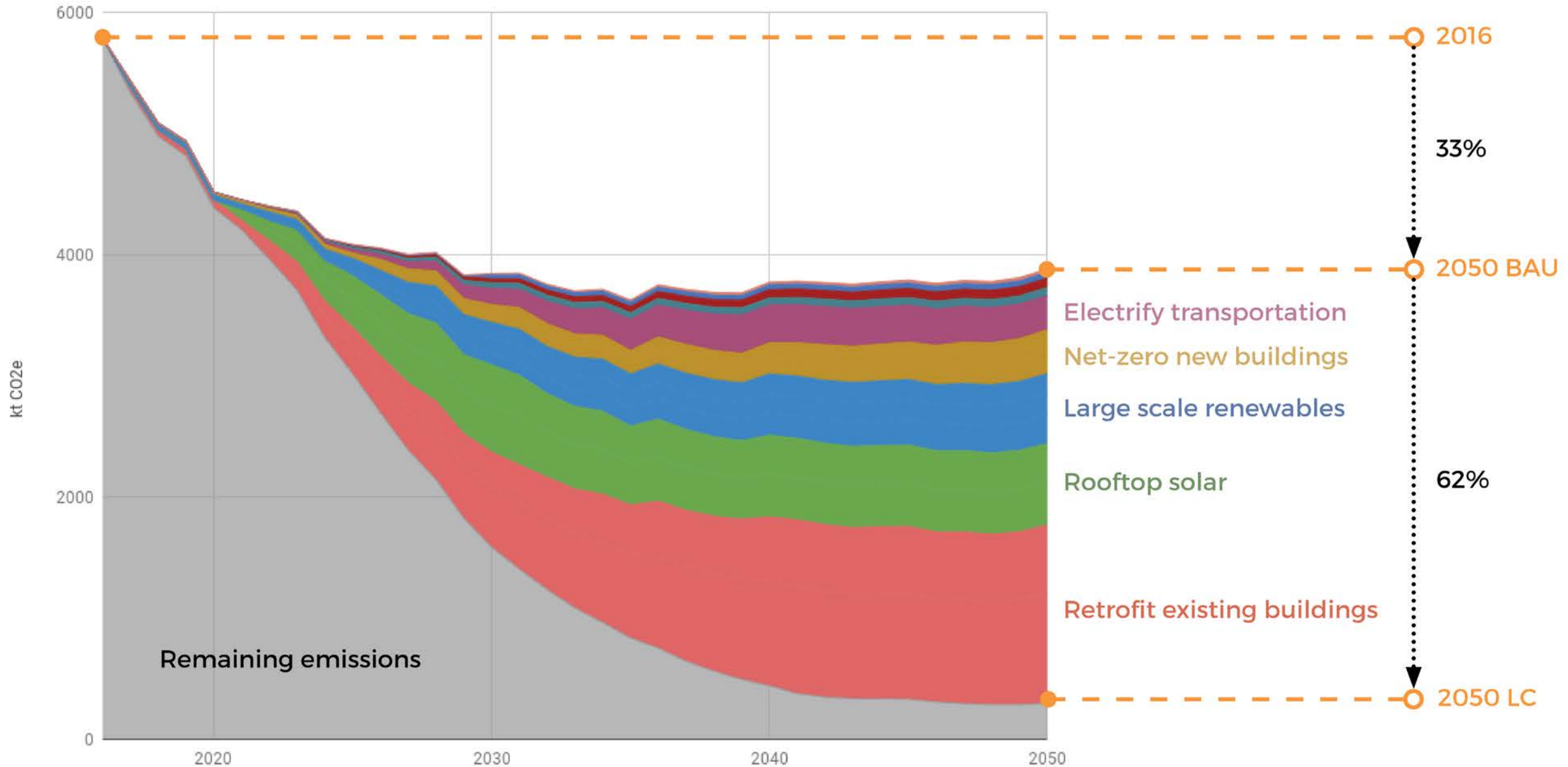
Who Pays the Bill? Financing Adaptation Actions
June 3, 2020

HalifACT 2050 Objectives

- Transition to a **low-carbon economy**
 - Renewables, conservation, efficiency
- Build **community resilience**
 - Strengthen communities and infrastructure for climate impacts
- **Evidence-based** and integrated
 - IPCC-driven targets, founded in science
- Respond to climate change **sustainably and equitably**
 - No one left behind

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Emission Reduction Action Areas



Economic case for adaptation

- Low carbon economy – green stimulus funding post COVID-19
- Public Safety Canada estimates that every \$1 invested in mitigation saves \$3-5 on recovery costs
- Cost of carbon will rise over time
- Shared cost amongst 3 levels of government for adaptation estimated at \$5.3 billion per year (annual expenditure of 0.26% of GDP)
- Focus on lifecycle costs/savings versus capital
- **What do we do when there isn't an economic case?**



Social case for adaptation

- Vulnerable people will be disproportionately affected
- Reduced risk to public safety
- Building resiliency improves lives
- Reduced energy poverty
- Reduced burden on future generations
- Increased employment
- Improved air & water quality
- Enhanced liveability & services



Organizational barriers to innovative financing

- Different paradigms by finance professionals
 - Some may not be comfortable with new financing concepts & tools
- Lack of understanding of new tools and case studies
- Organizational structure, silos
- Risk intolerance
- Some want others to go first, play it safe
- Lack of capacity
- Increased budget pressures from pandemic

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Organizational barriers to applying for funding

- Navigating the funding opportunities & constraints
- Coordination of funding applications across departments
- Finding matching funds outside of the budget process to respond to new opportunities
- Meeting tight application deadlines
 - required to receive Council approval before submission
- Applications can be very lengthy
 - hard to justify staff hours if little chance of receiving funding

NDMP for LIDAR & sea-level rise modelling

- Administration difficult to navigate between federal and provincial governments
- Delay in contract signatures increased our costs
- Delay in receiving LIDAR has yet to be accommodated
 - Risk of not receiving funds
- Payment delays
- Timely communications a challenge
- Administrative burden
 - any change in schedule requires amended and approved documents
- Not all funding restrictions disclosed at the outset
- BUT – would not have received support for this project without the secured funding – still a win!



Getting creative – retrofit program

- Reimagine Solar City to become a deep energy retrofit, renewable energy & climate resilience financing program
- City cannot afford to finance this at the required size and scale
- Considering third party lender
- Striking retrofit multi-stakeholder working group
- Seeking funds for initial research on finance and administration models
 - NS Low Carbon Communities



Getting creative – retrofit program

- Could this be a marketing/branding opportunity for a bank?
- Would we still be required to use first lien rights?
- Should we establish a loan loss reserve?
- Is a federal backstop possible to incentive retrofits across Canada?
- How to best engage with banks to discuss this opportunity?
 - Process changes required for them to assess efficiency projects
 - Solar City has had zero defaults with 13M in loans - appealing to banks?
- What will it take to adequately incentivise this work?
- Can cooperatives fund the required amounts?

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Low Carbon Innovation Centres

- Federal funding ask outside of any existing program
- Similar to TAF model, proven success
- For mitigation, but could look to similar model for adaptation
- Federal government required funds to be administered through FCM
 - Sound rationale for ensuring financial management
 - Some delays as FCM needed to hire staff to perform this function
 - Contract negotiations ongoing
- Will this effort pay off?
 - To be determined – much time and effort invested
 - Cannot draw down the initial \$15M, impact should increase over time
 - Matching funds required over 10 years

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Thank you

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