WEST HANTS REGIONAL MUNICIPALITY REPORT

Information ☐	Recommendation ☒	Decision Request ☐	Councillor Activity ☐

To:	Mayor Zebian and Members of West Hants Regional Municipality Council
Submitted by:	John Ogilvie, EIT, Climate Action Coordinator
Date:	2026-02-24
Subject:	PACE Program Funding

LEGISLATIVE AUTHORITY

Nova Scotia *Municipal Government Act*, Section 81A

RECOMMENDATIONS

…that Council approves the continuance of the Property Assessed Clean Energy program, Switch West Hants, with increased funding of up to $600,000, to be funded by external funding.

BACKGROUND

Property ☒	Public Opinion ☐	Environment ☒	Social ☐	Economic ☒	Councillor Activity ☐

West Hants Regional Municipality (WHRM) has a goal of reducing both corporate and community annual emissions by 45% by 2030. To help achieve this goal, Property Assessed Clean Energy (PACE) programming is Action 5.6 of the WHRM GHG Emissions Local Action Plan.

At the February 11, 2026, Climate Action Committee (CAC) meeting, the Committee unanimously passed the following motion:

Moved by CAO Mark Phillips and seconded by Deputy Mayor Debbie Francis that the Climate Action Committee recommends the continuance of the Property Assessed Clean Energy program, Switch West Hants, with a funding allocation up to $600,000 for the 2026-27 fiscal year, to be funded by external funding.

Staff recommended taking action at the February CAC and Council meetings to ensure Council can consider this recommendation in tandem with 2026-27 budget deliberations.

DISCUSSION

The Switch West Hants program has matured from a wish list action item in the WHRM GHG Emissions Local Action Plan to an established program seeing exponential growth in participation from homeowners. As the program continues to grow, it requires further injections of capital to offer loans to homeowners. Continued funding for this program will support homeowner upgrades, reduce energy poverty, reduce GHG emissions, and improve homeowner comfort. As the program is currently designed to be user-pay, municipal funding provided is returned over time and administrative costs are borne by program participants. A fulsome discussion of program benefits and details are provided in Attachment A.

Taking on municipal debt to fund this program may increase the interest rates charged to participating homeowners, should Council accept the staff recommendation to pass on interest rate costs to participants. Should Council wish to provide support to new participating homeowners, there are options for Council to consider such as:

- Using municipal funds to pay the interest rate on municipal debt, enabling the municipal program funds to be offered at 0% (Note: participants would still see an interest rate due to the blending of municipal funds with private funds, but approximately half of the rate if WHRM passed on all costs to participants);
- Using municipal funds to pay the 5% administrative fee included in all participants' loans;
- Any combination of the above options; or
- Any of the above options but specifically targeted for low-income homeowners.

Should Council choose not to approve the continuance of the Switch West Hants program, Council and the CAC will need to consider other strategies to mitigate community-level GHG emissions to meet the Council-approved goal for 2030, or consider amending the GHG emissions reduction target.

NEXT STEPS

If Council approves the above recommendation, next steps will be as follows:

1) Staff discussions with banking institutions to determine details of municipal debt for this program.
2) Report for Council's consideration and to enter the selected borrowing arrangement.
3) Continued operation of the Switch West Hants program.

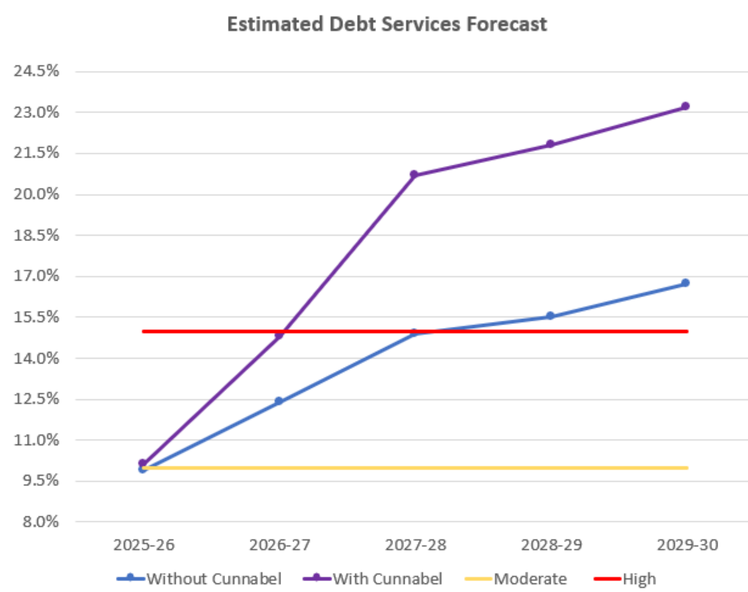
FINANCIAL IMPLICATIONS

If Council approves the recommendation, it may have significant implications for WHRM finances. As the recommended $600,000 from short-term borrowing would be operational, it wouldn't qualify for borrowing through Municipal Finance Division. Staff would need to get specific details from financial institutions for the required borrowing. Timing of finalizing this is unknown, so there is a risk the program may run into a funding gap in the short-term.

Moving to operational borrowing will come with interest that could range anywhere between 5-7%. To offset the cost of interest rates to the Municipality, staff also recommend that an interest rate cost be passed on to the program participants. This aligns with the recommendation being presented.

Operational borrowing would also be added to the overall debt service ratio for the Municipality, and may impact future borrowing decisions and ability, dependent on terms of the operational borrowing. Based on the 2025-26 budget presentation the forecasted debt service ratio is below for reference.

	Without Cunnabel	With Cunnabel
2025-26	9.9%	10.1%
2026-27	12.4%	14.8%
2027-28	14.9%	20.7%
2028-29	15.5%	21.8%
2029-30	16.7%	23.2%



*based on the Financial Indicator thresholds

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Figure 1: 2025-26 Budget – Estimated Debt Servicing Forecast

ALTERNATIVES

Council may:

- approve the above recommendation with specific direction to staff regarding support for program participants;
- allocate a different funding amount or from different sources than recommended by the CAC and staff;

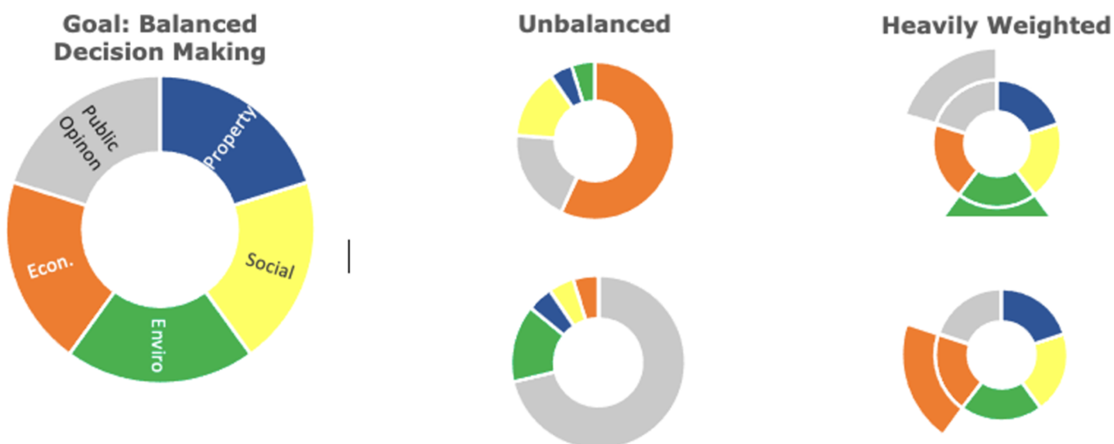
- direct staff to continue investigating different sources of funding;
- direct staff to use remaining funds for the program and close the program to applications; or
- request further information on a specific topic.

ATTACHMENTS

Attachment A 2026-02-11 CAC Report “PACE Program Funding”

REVIEW

The Committee has been provided with a reference taken from the *Meeting and Committee Procedural Policy*, Appendix C “Decision Making by Council and Committee of the Whole”, as a reminder of the principles highlighted for good decision making.



Report Prepared by: ___________________________________
John Ogilvie, EIT, Climate Action Coordinator

Report Reviewed by: ___________________________________
Kari Fougere, Acting Director of Planning and Development

Report Reviewed by: ___________________________________
Carlee Rochon, Director of Financial Services

Report Approved by: ___________________________________
Mark Phillips, Chief Administrative Officer

ATTACHMENT A

WEST HANTS REGIONAL MUNICIPALITY REPORT

Information ☐	Recommendation ☒	Decision Request ☐	Councillor Activity ☐

To: Chair Francis and Members of the Climate Action Committee (CAC)

Submitted by: John Barrett Ogilvie
John Ogilvie, EIT, Climate Action Coordinator

Date: 2026-02-11

Subject: PACE Program Funding

LEGISLATIVE AUTHORITY

Nova Scotia *Municipal Government Act*, Section 81A

RECOMMENDATION

…that the Climate Action Committee recommends the continuance of the Property Assessed Clean Energy program, Switch West Hants, with increased funding of [funding amount], to be funded through external funding until exhausted, then utilize short-term funding.

BACKGROUND

Property ☒	Public Opinion ☐	Environment ☒	Social ☐	Economic ☒	Councillor Activity ☐

West Hants Regional Municipality (WHRM) has a goal of reducing both corporate and community annual emissions by 45% by 2030. To help achieve this goal, Property Assessed Clean Energy (PACE) programming is Action 5.6 of the WHRM GHG emissions Local Action Plan.

In December 2022, Council allocated $300,000 from municipal operating reserves as an injection of funding for the Property Assessed Clean Energy (PACE) program, Switch West Hants. This funding enabled the Municipality to secure additional funding for the program from VanCity Community Investment Bank, meaning loans provided to homeowners are split between municipal and private capital. The municipal funds also ensure a reasonable interest rate offered to homeowners, which would be significantly higher without municipal reserve funds. As of January 31, 2026, the Switch West Hants program has 40 participating homeowners who have signed agreements for 60 separate projects, committing the program to

$955,585 of financing. Of that, WHRM has contributed $291,265 of the initial $300,000 allocation.

DISCUSSION

Continued operation of the Switch West Hants program requires additional municipal funding. Because the premise of the program is to provide loans as a lien on the homeowners' property, the Municipality provides the security of the loan by having the authority to go through the tax sale process to recuperate delinquent funds if needed. In the two (2) years of program operations, there have been no delinquent loan payments. Depending on the source(s), municipal funding often comes with a lower interest rate than private funding, such as operating reserves, on which Council may opt to charge an interest rate as low as 0%. This was the avenue selected when Council allocated $300,000 for the program in December 2022. Once the original $300,000 of municipal funding has been committed, without additional funding, the program will have to stop accepting homeowner applications until loans paid back replenish the funding.

In 2025, many changes significantly impacted the outlook for homeowners making energy efficiency-related upgrades to their homes. The federal Canada Greener Homes (CGH) program that provided grants and 0% interest loans to homeowners ran out of funding and has not been renewed. That program had numerous issues for homeowners including a credit check, a requirement that homeowners pay their contractors before receiving funds, and a 6-12 month wait for funding. The Switch West Hants program was designed to mesh with any available funds including CGH, by allowing homeowners to have Switch West Hants pay their contractor upfront, the homeowner pays their Switch loan until receiving CGH funding, then pays off their Switch loan in favour of 0% financing from the Federal Government. The Oil to Heat Pump Affordability (OHPA) program, which offered up to $30,000 as a grant to low-income homeowners, is also quickly committing all program funds. The Federal Government anticipates that without further federal funding, that program will be fully committed before Spring 2026. Efficiency Nova Scotia also changed many of their rebates as their funding environment changed; in some cases, rebates have been decreased or eliminated. The disappearance and evolution of these programs means fewer options for homeowners, and slower cashflow returns for the Switch West Hants program based on participants receiving cash to place on their loan balance. It also creates increased demand on the program, as the remaining options (such as personal loans or lines of credit) available to homeowners are not as attractive.

As the options available to homeowners have changed, the Switch West Hants program has seen a large increase in uptake. The number of participants has increased by 33% since September 30, 2025. This increase is also due to an operational change where the Municipality and VanCity each provide 50% of the funding toward a homeowner's loan, which enabled an interest rate decrease to Prime minus 0.25%, so homeowners rates are currently around 4.5%. The interest rate signed in an agreement with a homeowner is then fixed for the 10- or 15-year loan term, providing stability and predictability. While increased program activity consumes funding more quickly, it also demonstrates the attractiveness of this program and its importance to the Municipality's strategy to reduce emissions within the community, while improving affordability.

Benefits of the Switch West Hants program to homeowners and the Municipality are numerous, such as:

- homeowners don't go through a credit check, as the loan amount is based on property value and approval is based on good standing with municipal taxes and utilities;
- the program pays contractors upon completion, with no down payments from participants;
- a user pay model, so taxpayers do not fund program administration;
- the program can be fast-acting in emergencies, such as when an applicant's furnace dies;
- homeowners can get advice from energy concierges who can provide contractor contacts, review quotes, help with qualifying grants/rebates, and are available via phone or email (staff can also assist people needing in-person assistance at the Municipal Office); and
- significant energy savings and reduction of greenhouse gas (GHG) emissions, which make up a critical part of meeting the Council-mandated goal of a 45% reduction by 2030.

Staff are investigating multiple avenues of funding for the Committee and Council's consideration, including municipal reserves, securing a line of credit/debt, and grants. Regardless of the funding source(s) selected, the Switch West Hants program is intended to be revenue neutral for the Municipality. Participants pay their loans back and the administration fee to SwitchPACE, ensuring this program does not cost the Municipality or residents who do not participate. Key notes regarding the recommended funding source are below.

Debt:

- Recommended amount: $600,000
- Estimated debt servicing costs of $132,889-$142,572
- Interest rate up to an average of 7% and will vary
- Impacts the Municipality's debt servicing ratio
- WHRM would need to decide on the value of interest rate charges to applicants for consistency, which may be exceedingly difficult if using a floating interest rate
- Interest would not be charged until money was used to provide loans to homeowners

Unfortunately, the Federation of Canadian Municipalities (FCM) no longer has available funding for efficiency and GHG emissions reduction PACE programs, such as the existing Switch West Hants program. FCM funding to expand the Switch West Hants program to finance climate change resiliency upgrades is not available for energy efficiency and GHG emissions reduction programming.

As stated in the motion above, staff are recommending that the Committee make a recommendation to Council on continuing the Switch West Hants program and funding it. The options for funding as currently outlined are:

- **A.** Wait for other funding options to become available; or
- **B.** Allocate $600,000 (or the amount the CAC and Council deems appropriate) for the Switch West Hants program by taking on municipal debt.

NEXT STEPS

If the CAC makes the above recommendation with a decided funding source, next steps will be as follows:

1) Recommendation to February Council meeting for approval
2) Council decision

FINANCIAL IMPLICATIONS

If the CAC makes the recommendation to Council and it is approved, this may have significant implications for WHRM finances. Each option outlined above has pros and cons:

Option B: $600,000 from short-term borrowing

As this would be operational it wouldn't qualify for borrowing through Municipal Finance Division. Staff would need to get pricing from a financial institution. Which could lead to varying terms and interest rates. Which ever funding option is selected will depend on Council's risk tolerance.

On the high side it would be an annual payment of $142,572. Total cost including interest of $712,843. If the Committee makes the recommendation to Council, it would also be recommended that an interest rate cost be passed on to the applicant to mitigate the interest expense.

ALTERNATIVES

The Committee may:

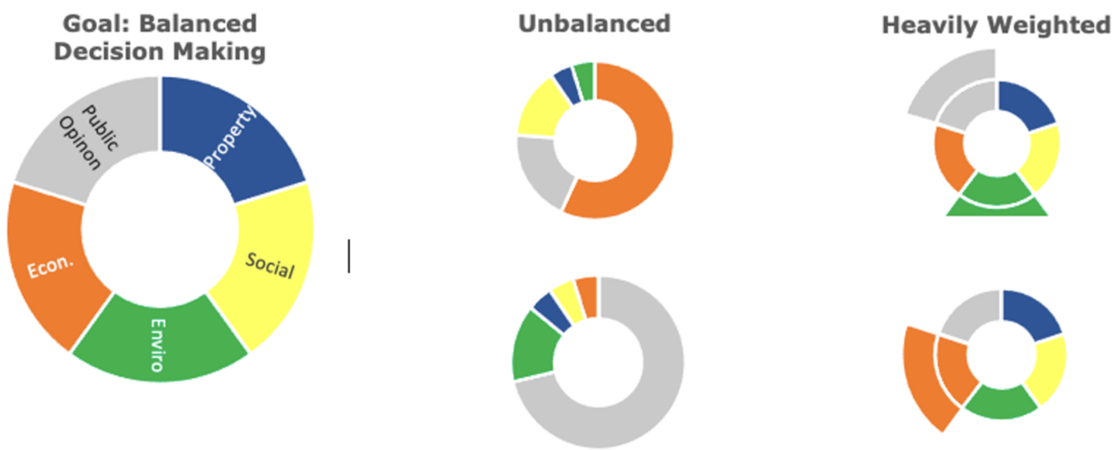
- recommend that Council allocate a different amount than recommended by staff;
- recommend that Council allocate program funding from different source(s) than those outlined by staff;
- not support the recommendation and direct staff to continue investigating different sources of funding; or
- request further information on a specific topic.

ATTACHMENTS

Attachment A 2025-11-12 CAC Report "Two (2) Years of Switch West Hants"

REVIEW

The Committee has been provided with a reference taken from the *Meeting and Committee Procedural Policy*, Appendix C “Decision Making by Council and Committee of the Whole”, as a reminder of the principles highlighted for good decision making.



Report Prepared by: __________________________________

John Ogilvie, EIT, Climate Action Coordinator

Report Reviewed by: __________________________________

Kari Fougere, Acting Director of Planning and Development

Report Reviewed by: __________________________________

Carlee Rochon, Director of Financial Services

ATTACHMENT A

WEST HANTS REGIONAL MUNICIPALITY REPORT

Information ☒	Recommendation ☐	Decision Request ☐	Councillor Activity ☐

To:	Chair Francis and Members of the Climate Action Committee
Submitted by:	John Ogilvie, EIT, Climate Action Coordinator
Date:	2025-11-12
Subject:	Two (2) Years of Switch West Hants

LEGISLATIVE AUTHORITY

N/A

RECOMMENDATION or DECISION REQUEST

N/A

BACKGROUND

Property ☒	Public Opinion ☐	Environment ☒	Social ☒	Economic ☒	Councillor Activity ☐

As part of the *West Hants Regional Municipality (WHRM) Greenhouse Gas (GHG) Emission Local Action Plan*, action item 5.6 is to "explore options on Property Assessed Clean Energy (PACE) programming". On February 22, 2022, Council allocated $10,000 to support a joint application with the Town of Kentville to the Federation of Canadian Municipalities (FCM), for funding to complete a feasibility and design study of a PACE program. SwitchPACE CIC and staff successfully applied on behalf of WHRM and the Town of Kentville for study funding, receiving $168,800 for this project.

Following detailed program design with SwitchPACE, in October 2022, Council approved the WHRM *PACE Bylaw* and in December 2022, Council allocated $300,000 for the program to provide the municipal portion of loans to applicant homeowners. Throughout the Spring and Summer of 2023, staff and SwitchPACE worked with VanCity Community Investment Bank to leverage additional program funding, and the Switch West Hants program was launched at the end of October 2023.

DISCUSSION

As of September 30, 2025, there are thirty (30) participating homeowners taking part in the Switch West Hants program. These participants have signed agreements for 48 separate projects, including insulation, windows and doors, heat pumps, solar panels, and more, committing the program to $642,000 of financing (WHRM has committed just under $159,000 of the municipal allocation). Staff have also recorded 120 additional homeowners who have indicated some level of interest in taking part in the program but have not signed an agreement. This may be due to financial concerns, spending more time investigating other funding programs, or waiting for the right time for the individual homeowner.

These upgrades have enabled participating homeowners to save on average:

- 1,677 GJ of energy cumulatively, which is equivalent to 300 barrels of oil;
- 133 tonnes of GHG emissions cumulatively, which is equivalent to 40 passenger vehicles; and
- $1,215 annually.

As the Switch West Hants program continues to gain traction, it is an important component of the Municipality's strategy to reduce emissions within the community.

Federal and provincial funding programs fluctuate in available funds and application periods. The Canada Greener Homes program is a prime example of this; the grant portion closed for applications in February 2025, and the loan portion closed for applications in October 2025, both ahead of schedule due to a depleted program budget. The stability of the Switch West Hants program is a major advantage for homeowners, who know the program is in place to work on their timeline and at their speed. One of the most frequently asked questions at homeowner information sessions is "how long will this program be around?" By designing and running this program for the long term, residents can feel comfortable doing iterative upgrades to their home without missing out on the funding and technical assistance offered through this program.

The team at SwitchPACE CIC encourages residents to take advantage of the best funding available to them before using this program, but the end of the current Canada Greener Homes program, and changes to other provincial funding offerings, have likely increased uptake in the Switch West Hants program. The uptake is also impacted by our efforts to work with SwitchPACE CIC to decrease program interest rates offered to homeowners, with a major decrease occurring over Summer 2025. Interest rates are now Prime Minus 0.25%, which as of writing of this report equates to approximately 4.7%.

NEXT STEPS

In partnership with SwitchPACE CIC, climate action staff will continue to monitor the Switch West Hants program. Staff will also continue searching for opportunities for more program funding, to encourage further program uptake, and make the program more accessible to residents.

FINANCIAL IMPLICATIONS

As this is an information report, there are no financial implications associated with the subject.

ALTERNATIVES

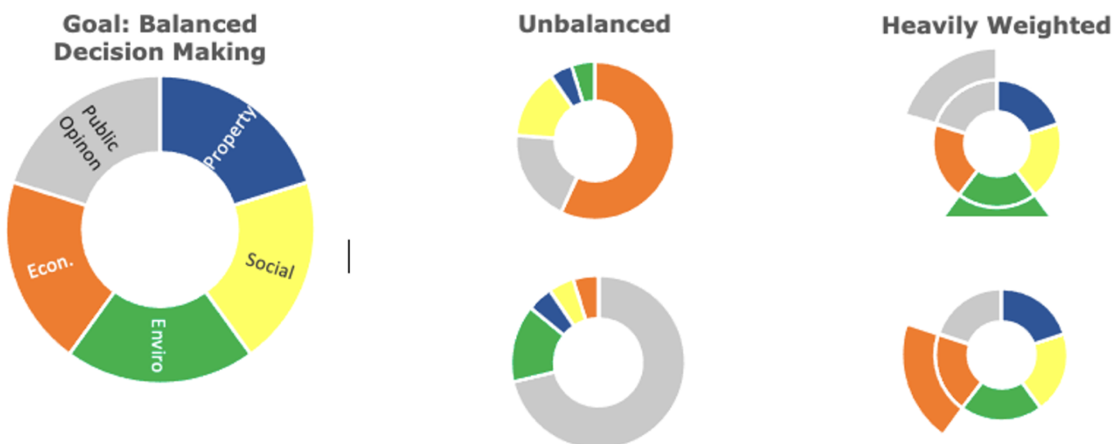
N/A

ATTACHMENTS

Attachment A 2025-09-30 Switch West Hants Program Dashboard

REVIEW

The Committee has been provided with a reference taken from the *Meeting and Committee Procedural Policy*, Appendix C "Decision Making by Council and Committee of the Whole", as a reminder of the principles highlighted for good decision making.



Report Prepared by: ________________________________
John Ogilvie, EIT, Climate Action Coordinator

Report Approved by: ________________________________
Kari Fougere, Acting Director of Planning and Development

Switch West Hants Program Summary

Switch | West Hants something inspiring awaits

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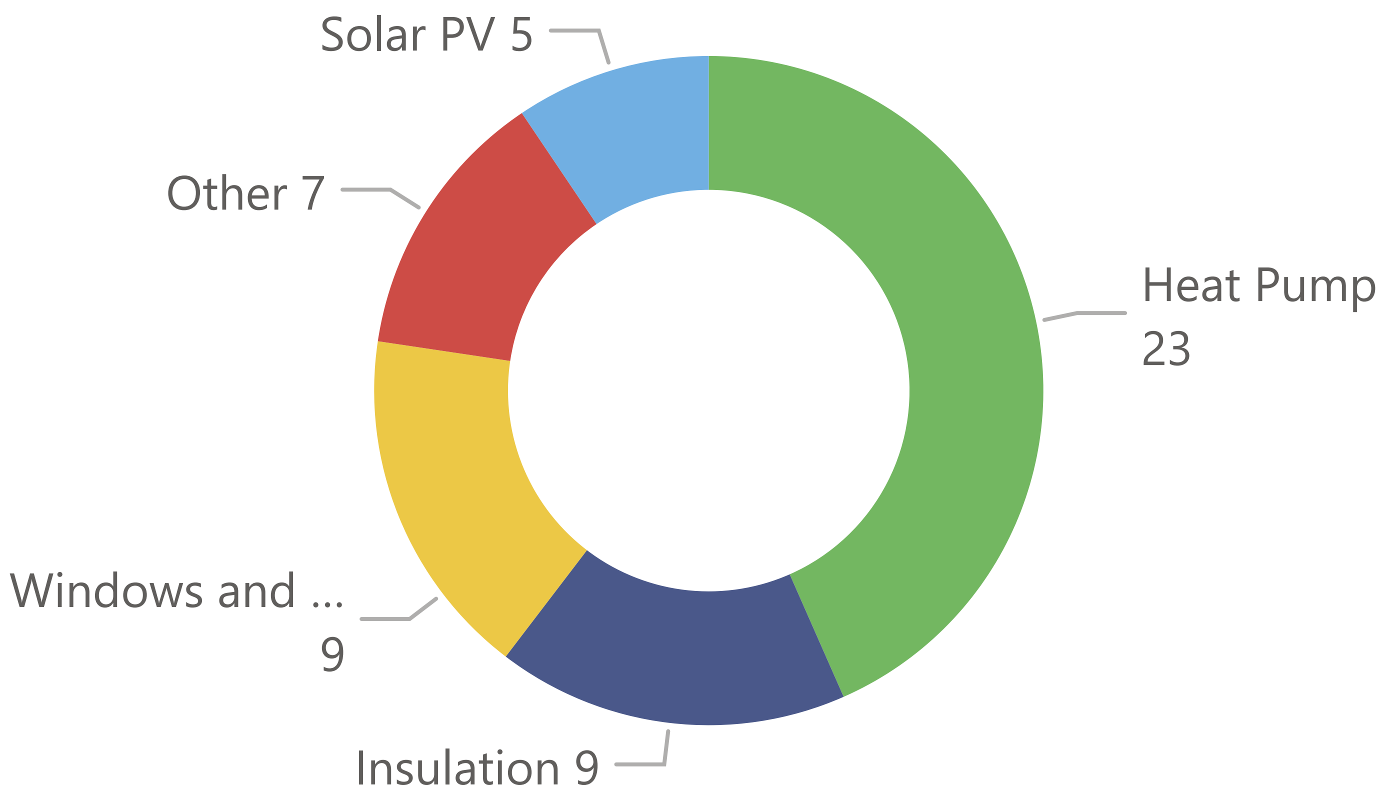
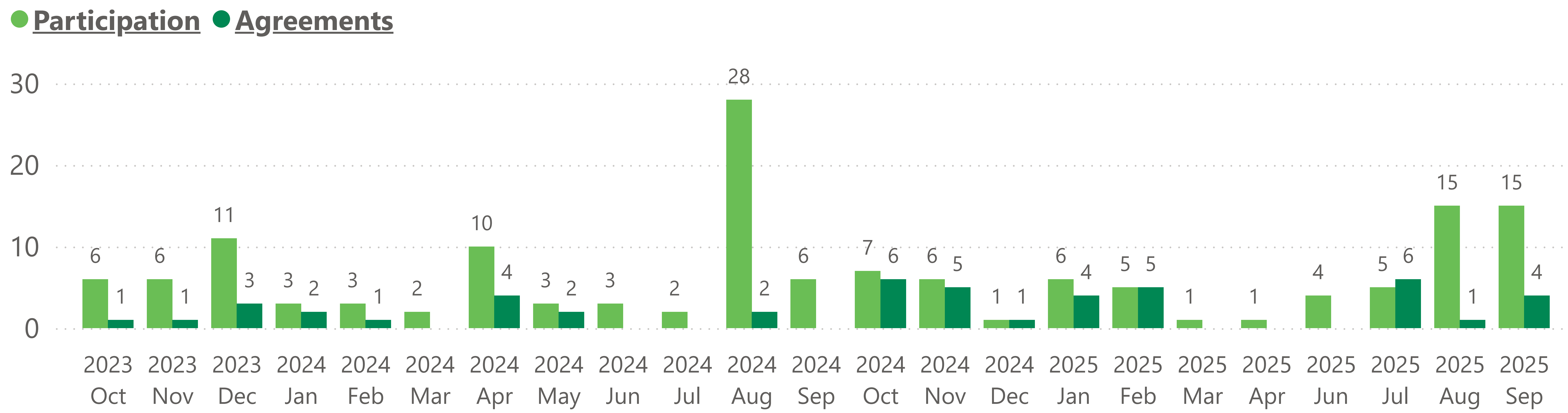
Total Participants	Total Agreements	Projects Completed	Program Portfolio Financed
149	48	42	$642.36K

Project Types





Current Month Delinquent Loans	Current Month Delinquent Amount	Program Portfolio Collected (%)
0	$0.00	27.0%

Average Annual Energy Savings (GJ)	Average Annual Savings	Average Annual GHG Savings (Tonnes)	Total GHG Savings to Date (Tonnes)
36	$1,215	2.62	133

Data Powered By

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SwitchPACE CIC