WEST HANTS REGIONAL MUNICIPALITY REPORT

Information ☐	Recommendation ☒	Decision Request ☐	Councillor Activity ☐

To: Mayor Zebian and Members of Council

Submitted by: John Ogilvie, Climate Action Coordinator

Date: 2026-05-26

Subject: Property Assessed Clean Energy Program Funding

LEGISLATIVE AUTHORITY

NS *Municipal Government Act*, Section 81A

RECOMMENDATION

Option A

…that Council approves a borrowing resolution in the amount of $400,000, for the PACE program, to be funded by a line of credit through the Royal Bank of Canada at a variable interest rate of RBC Prime less 0.6%.

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."

Following that recommendation, staff presented the recommendation report "PACE Program Funding" to Council at the February 24, 2026, meeting. At that meeting, Council defeated the following motion:

"…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."

Following Council's discussion and defeat of the recommendation, no further direction was provided to staff regarding the future status of the program. Staff directed SwitchPACE to pause the intake of new applications, as the previous $300,000 allocation for the program has run out. Based on the significance of the program and lack of specific direction to close it, staff felt it prudent to revisit the topic with the CAC and Council with a smaller funding request and more options to source the funding.

At the May 6, 2026, CAC meeting, the Committee passed the following motion:

"…that the Climate Action Committee recommends that Council allocates up to $400,000 to the Switch West Hants program for energy efficiency financing, with funding sources to be determined by Council."

DISCUSSION

A detailed description of program benefits, risks associated with not approving additional program funds, and funding options is shown in Attachment A. Highlighted below is a specific risk to the direction from Council, related to the expansion of the PACE program, SwitchWH, for residential climate change adaptation financing.

The following motion was passed at the October 28, 2025, Council meeting:

"Moved by Deputy Mayor Francis and Councillor B. Smith that Council direct staff to prepare a report on the feasibility of establishing a municipal program to support residents experiencing well failures, including a review of models used in other Nova Scotia municipalities."

Following that motion, staff prepared recommendations and Council passed the following motions at the November 25, 2025, meeting:

"Moved by Deputy Mayor Francis and Councillor B. Smith that Council endorse expanding the Property Assessed Clean Energy Program in the manner described in Attachment A to the staff report titled "Property Assessed Clean Energy Program Expansion: Adaptation Financing", dated November 25, 2025, to Council, to include financing for residential climate change adaptation measures with the assistance of SwitchPACE CIC."

AND

“Moved by Deputy Mayor Francis and Councillor Leary-Pinch that Council approves allocating $20,000, from the 2025-26 Climate Action Committee work plan budget, as part of an application to the Federation of Canadian Municipalities for funding to complete a feasibility and design study to expand the Property Assessed Clean Energy Program for residential climate change adaptation measures.”

Staff applied to the Federation of Canadian Municipalities’ (FCM) Residential Resilience Financing program for funding to support the feasibility and design study in January 2026. During consultation with FCM staff, they indicated capital funding programs will be open to applications later this year. A program for funds to re-capitalize energy efficiency financing programs will open at the same time as funding for resilience financing. Both may be significant opportunities for WHRM to secure funds to offer loans to homeowners, should Council approve an application. FCM staff stated that a requirement of these funding opportunities will be for the applicant municipality to have an operating PACE program. Staff recommend approving additional funding for the existing program in order to preserve WHRM’s eligibility for capital funding from FCM.

NEXT STEPS

Should Council approve the recommendation, staff will prepare recommendations dependant on the funding source(s) Council selects.

FINANCIAL IMPLICATIONS

Option A

If Council approves Option A, it will affect WHRM’s finances. The recommended $400,000 in borrowing would be for operating costs, so it would not qualify for borrowing through the Municipal Finance Division. This type of borrowing would count toward the Municipality’s overall debt level and could affect future borrowing decisions, depending on the terms.

The borrowing would be set up as a line of credit with the Royal Bank of Canada (RBC). Interest would only be charged on the amount actually used. Funds would be drawn as new participants join the program and the Municipality receives invoices for their projects. RBC has quoted an interest rate of 3.85% (RBC Prime minus 0.6%).

To cover these interest costs, staff recommend charging an interest rate to program participants. This follows the program’s user-pay approach, where participants cover the full cost of the program. Staff will continue to review this with Switch West Hants to ensure there is no impact on the general public.

None of the above prevents the Municipality from supporting current or future participants if directed by Council. Council may also choose to pay down any portion of the line of credit at any time.

Option B

If Council approves the motion with Option B, there will be implications for the Municipality's future tax rates. This approach would also not address the current funding shortfall. The full amount would be roughly two (2) cents on the general rate.

Despite this, Council may still choose to proceed with Option B by bridging the 2026–27 year using reserve funding. To minimize significant fluctuations in the operating budget and support Council in meeting its fiscal responsibilities, Council may wish to establish a lower annual allocation and limit the application period each year, like existing grant and rebate processes.

Under either option, Council would need to decide whether to pass along interest and administrative fees to applicants. Depending on the option selected, these fees could help offset borrowing costs or generate revenue to support the program, thereby reducing its impact on the tax base.

ALTERNATIVES

Council may:

- approve the recommendation with specific amendments, which may influence the financial impacts of the recommendation;
- request more information on a specific topic; or
- defeat the recommendation and direct staff to keep the SwitchWH program closed to applications

ATTACHMENTS

Attachment A 2026-05-06 Staff Report to the CAC "Property Assessed Clean Energy Program Funding"

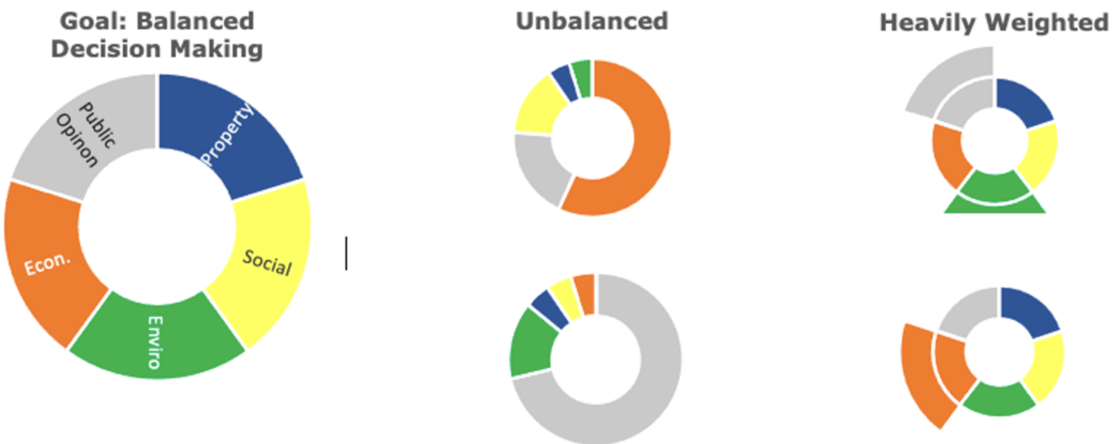
CHIEF ADMINISTRATIVE OFFICER REVIEW

This matter appears before Council again as it was discussed by the CAC due to the lack of funding currently available under the program. Essentially the past funding allocated to the program has been committed. There was discussion surrounding the appropriateness of bringing this matter back to Council in such a short time frame. It was felt that the $400,000 ask and revised interest rate values were significant enough to warrant the item to be revisited by the CAC and Council.

If Council wishes to continue with the PACE Program new funding is required. Federal and provincial incentives are no longer available creating a greater demand on a municipal component. As a reminder there is separate existing external bank financing that is combined with the municipal funding model currently being carried out and is proposed to continue.

Should Council wish to continue with the program by providing a municipal funding component, the method of funding needs to be discussed both with respect to total value and method. With respect to the method, I support Option A which proposes funding through the RBC and a line of credit utilization vs inhouse use of WHRM reserves or municipal tax base funding due to affordability and availability factors.

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, 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
something inspiring awaits

WEST HANTS REGIONAL MUNICIPALITY REPORT

Information ☐	Recommendation ☒	Decision Request ☐	Councillor Activity ☐

To: Deputy Mayor Francis and Members of the Climate Action Committee

Submitted by: John Ogilvie, Climate Action Coordinator

Date: 2026-05-06

Subject: Property Assessed Clean Energy Program Funding

LEGISLATIVE AUTHORITY

NS *Municipal Government Act*, Section 81A

RECOMMENDATION

…that the Climate Action Committee recommends that Council allocates up to $XXX,XXX to the Switch West Hants program for energy efficiency financing, to be funded by [insert preferred option].

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.

Following that recommendation, staff presented the recommendation report "PACE Program Funding" to Council at the February 24, 2026, meeting. At that meeting, Council defeated the following motion:

…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.

DISCUSSION

Following Council's discussion and defeat of the recommendation, no further direction was provided to staff regarding the future status of the program. Staff directed SwitchPACE to pause the intake of new applications, as the previous $300,000 allocation for the program has run out. Unless further funding is allocated, Switch West Hants will remain closed to new applicants.

This program represents a significant component of the Municipality's efforts to reduce emissions in the community and improve energy affordability. Based on that significance and lack of specific direction to close the program, staff feel it is prudent to revisit the topic with the CAC and Council with a smaller funding request and more options to source the funding. Revisiting the topic now may also allow the program to preserve momentum with interested homeowners. Other programs that have stopped accepting applications for a significant period encounter difficulty rebuilding momentum later.

Program Benefits

This program has many benefits for homeowners and the Municipality, which are noted below for the Committee's consideration:

- Financing for homeowners who may own a home but may not be able to secure traditional financing based on their personal credit
- Homeowner technical support (i.e., quotes, contractors, rebates, etc.) at no charge to homeowners who use services but do not opt into financing
- Residential energy and greenhouse gas emission reductions – progress toward the Council mandated goal
- Homeowner cost savings/improved energy affordability
- User pay administrative model
- Stability – the program is intended to remain operating over the long term, allowing homeowners to plan out upgrades over time
- Flexibility – there are many options of upgrades for homeowners
- WHRM is able to leverage large amounts of private funding to support this program

From a Municipality-wide perspective, the program directly supports residential energy efficiency improvements and greenhouse gas emission reductions – one of the most challenging sectors to address in climate action plans. The residential sector represents 32% of the community emissions in the baseline WHRM GHG inventory of 2016, making reductions in this sector essential to achieving the municipal goal. By aggregating individual household actions into a coordinated program, the Municipality can track measurable progress toward our emissions-reduction targets.

As shown in Attachment A, according to Efficiency Canada, more than one third (1/3) of households in West Hants are living in energy poverty. Energy poverty is defined as spending more than 6% of after-tax income on home energy needs, such as electricity, heating, and hot water. Investments in energy efficiency such as improved insulation, windows, doors, and lighting can reduce household energy costs while cutting GHG emissions. Additionally, investments in fuel switching, such as from oil-based heating to heat pumps and renewable energy such as solar, can make households more resilient to price shocks that occur with fossil fuels. Considering the current lack of federal and provincial programs for homeowners, the Switch West Hants program is critical to enabling these investments for homeowners and making a notable contribution to reducing energy poverty in our community.

Risks

There are many short, medium, and long-term risks associated with not approving the continuance of this program with more funding, such as:

- Program closing and a loss of programming for homeowner upgrades in West Hants
    - This is exacerbated by the current lack of federal and provincial programs
- Once the program closes, it can be difficult to rebuild momentum in the future should Council decide to allocate more funds
- No more technical assistance for residents who wish to complete home upgrades
    - This assistance is free for the many residents who make inquiries and ask questions but do not wish to take part in the financing offered
- Increased difficulty to meet the Council-mandated greenhouse gas emissions reduction target (45% reduction by 2030)
- Risk of becoming ineligible for funding from the Federation of Canadian Municipalities
    - Funding for the adaptation/resilience expansion of the program requires an operating PACE program, or plan to re-launch
    - Funding to re-capitalize the mitigation/energy efficiency side of the program will require an operating program

Achieving emission reductions in the residential sector is relatively simple from a technical perspective, all the technology needed to achieve net-zero emissions currently exists. The challenge in this sector is one of sustained support for homeowners, both financial and in technical advice. Many home improvement programs from the federal and provincial governments sunset quickly and often incorporate barriers for low-income households and individuals with limited technical knowledge of energy efficiency. A sustained break in program operations risks slowing or reversing progress in this sector where long planning horizons and sustained homeowner engagement are essential.

Strategies available to municipalities to reduce emissions in the community sector are largely based on an incentive approach, as opposed to a regulatory one. New building code regulations will push new developments to achieve lower energy use and emissions, but existing construction will continue to need support. Achieving emissions reductions in the residential, transportation, commercial, and industrial sectors will all likely rely on incentives offered, which would require additional funding and efforts. The Switch West Hants program has achieved real momentum with homeowners, and the legwork to start this program is already completed. Shifting strategies or stopping the program may put the Municipality at risk of not meeting its emissions reduction goal for 2030.

The Federation of Canadian Municipalities (FCM) has funding available through the Residential Resilience Financing program to offer PACE-style financing for climate change adaptation upgrades. Per Council direction at the November 25, 2025, meeting, staff applied to FCM for funding to complete a feasibility and design study to expand the Switch West Hants program into climate change adaptation and residential resilience. This project is being developed by SwitchPACE CIC, who will assist the Municipality in applying for capital funding once it becomes available. FCM staff have indicated that capital funding to re-capitalize the energy efficiency/emissions mitigation side of the PACE program will open for applications at the same time. In both instances, this funding (partly a grant, partly a low-interest loan) would provide the Municipality with capital to offer loans to homeowners. A key requirement of both programs will be that applicant municipalities must have PACE programs operating. Funding the existing energy efficiency program now will ensure WHRM remains eligible to apply to both funding streams.

Funding Options

Staff have determined two (2) options to provide further funding (recommended $400,000) for the existing program:

- **A)** External funding (debt), via a loan from the Royal Bank of Canada (RBC).
- **B)** Regional operating budget, which would be available for discussion for the next fiscal year (2027-28).

Option A can be taken on in two (2) ways, with a long-term fixed rate loan or a line of credit arrangement. If Option A is recommended by the CAC, these sub-options would be further discussed with Council to determine which solution may be preferred. Option B would make municipal funding for the SwitchWH program a line item in the WHRM budget, like other programs offered by the Municipality.

Staff do not recommend funding this program from reserves at this time, as reserve balances may not be adequate to support this program on an ongoing basis. The Committee and Council may discuss options such as using reserves to pay the interest on a loan (in part or in full) to provide the municipal portion of funding at 0% or some other rate. This option would still result in an interest rate charged to homeowners due to the blending with private funding, but it would be much lower than if the Municipality charges the full rate.

NEXT STEPS

Should the Committee make the recommendation to Council, staff will prepare a recommendation report for the May 12, 2026, Committee of the Whole meeting for further discussion with Council.

FINANCIAL IMPLICATIONS

Option A

If the Committee makes the recommendation of Option A and Council approves it, it will have implications for WHRM finances. As the recommended $400,000 from short-term borrowing would be operational, it wouldn't qualify for borrowing through Municipal Finance Division. Following direction from the CAC and Council, staff can negotiate with RBC to determine interest rates.

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. 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.

Option B

If the Committee recommends Option B and Council approves it, there will be implications for the Municipality's future tax rates. This approach would also not address the current funding shortfall. The full amount would be roughly two cents on the general rate.

Despite this, Council may still choose to proceed with Option B by bridging the 2026–27 year using reserve funding. To minimize significant fluctuations in the operating budget and support Council in meeting its fiscal responsibilities, Council may wish to establish a lower annual allocation and limit the application period each year, like existing grant and rebate processes.

Under either option, Council would need to decide whether to pass along interest and administrative fees to applicants. Depending on the option selected, these fees could help offset borrowing costs or generate revenue to support the program, thereby reducing its impact on the tax base.

ALTERNATIVES

The Committee may:

- make the recommendation to Council with specific amendments, which may influence the financial impacts of the recommendation;
- request more information on a specific topic; or

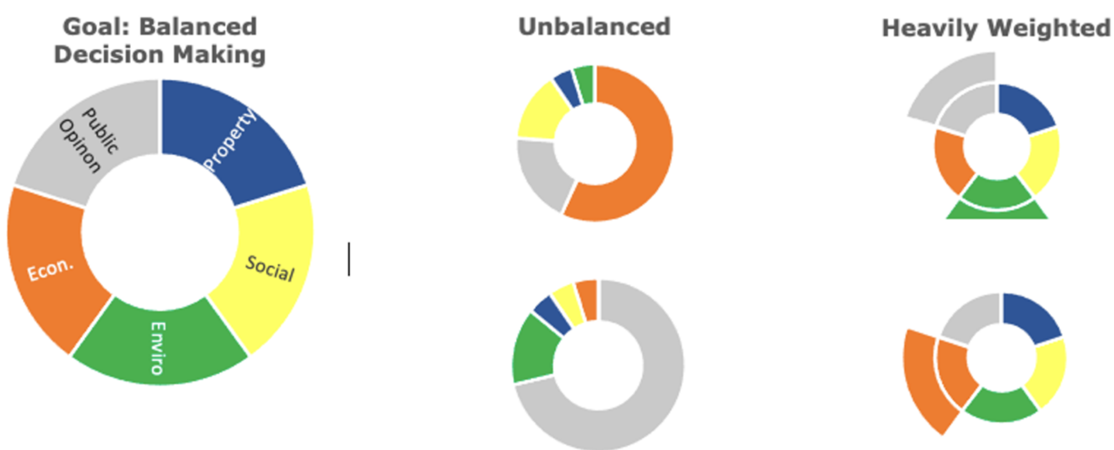
- defeat the recommendation, causing the Switch West Hants program to remain closed to homeowner applications.

ATTACHMENTS

Attachment A	Efficiency Canada: Households in Energy Poverty in West Hants
Attachment B	2026-02-24 Staff Report to Council “PACE Program Funding”
Attachment C	2025-11-25 Staff Report to Council “Property Assessed Clean Energy Program Expansion: Adaptation Financing”

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, 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

Efficiency Canada: Energy Poverty in West Hants