

October 4, 2017

Ref: 101670

Her Worship Lisa Helps Mayor of the City of Victoria 1 Centennial Square Victoria, BC V8W 1P6

Dear Mayor Helps:

Your August 8, 2017 letter addressed to Honourable George Heyman, Minister of Environment and Climate Change Strategy, regarding measures to encourage building retrofits for energy efficiency, has been forwarded to me for response. Thank you for taking the time to write and share your views.

The Province is committed to taking decisive action on climate change and is investigating options for encouraging home retrofits. We applaud the City of Victoria for its top-up incentives for the Province's Oil-to-Heat-Pump Incentive Program and the utility-run Home Renovation Rebate's Municipal Partner Offer. As you are likely aware, both FortisBC and BC Hydro also have various rebate offers for energy efficient equipment (such as furnaces, boilers, heat pumps, and water heaters) for both residential and commercial applications. We encourage you to find opportunities to promote these to your constituents.

BC Hydro is now also authorized to invest in measures that encourage electrification for the purposes of reducing greenhouse gas emissions, and it is in the early stages of developing a portfolio of programs. You may wish to engage with BC Hydro to discuss the types of measures and programs you would like to see offered.

Regarding the use of local improvement charges for funding green energy technologies, Ministry of Municipal Affairs and Housing staff have informed me that it is within a municipality's broad statutory authority to provide assistance to individual residential property owners for the acquisition of green technologies in the form of a grant or a payment program. However, this would need to be done as a standard commercial contract between the municipality and the property owners, and it would not be done through a local service and a formal levy on the property. Services and levies are reserved for the public infrastructure that are owned and controlled by the municipality and not for private property.

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Ministry of Energy, Mines and Petroleum Resources Office of the Minister

Mailing Address: PO Box 9052, Stn Prov Govt Victoria, BC V8W 9E2

Telephone:250 953-0900Facsimile:250 356-2965

Also, please note that the Province cannot consider using the local government borrowing authority through the Municipal Finance Authority to finance such programs. Local government borrowing is to be used for public capital which will be owned and controlled by the local government. We acknowledge your desire to explore innovative programs to encourage emission reductions in your city and encourage you to consider the many options that are within your statutory authority.

Thank you, again, for writing. I appreciate the opportunity to hear from you on these important issues. It helps inform my work within the Ministry, and your engagement is crucial to our democracy.

Sincerely,

Mille Mungall

Michelle Mungall Minister

cc: Honourable George Heyman Minister of Environment and Climate Change Strategy

> Honourable Carole James Minister of Finance and Deputy Premier

Honourable Selina Robinson Minister of Municipal Affairs and Housing