

Terms of the Master Program Agreement

Parties:

The City of Edmonton and Alberta Municipal Services Corporation (AMSC).

Structure:

The Program Administrator (AMSC) and the City have legislative responsibilities under the Clean Energy Improvements Regulation.

The agreement also imposes contractual responsibilities on the Program Administrator to provide the City with additional services for the administration of the program.

Maximum Contract Value:

The forecast mix of files is three hundred (300) residential and sixteen (16) non-residential files. However, should the market respond differently, the maximum potential cost scenario for Program Administration costs to be provided by Alberta Municipalities is estimated at \$1,537,268 which involves the residential scenario of five hundred (500) files, and no non-residential files.

Administration Fee:

Under the regulations, up to 5 per cent of the Capital Cost of a project can be added on to the Clean Energy Improvement Tax, to be split between the City and the Program Administrator as decided by the parties, for the administration of the program. The Administration Fee contemplated by the Regulations provides an avenue to collect money from program participants to help pay for these responsibilities. Through the Bylaw, the City has limited the Administration Fee to be collected from participants to 1.575 per cent of the Eligible Costs of their project, and will not exceed 5% of the Capital Costs. The agreement provides that the City will pay AMSC a Subsidy in lieu of a portion of the Administration Fee.

Contractual Services:

Services needed for the administration of the program that are not legislatively assigned to one specific party are included in these Contractual Services. The City is contracting with AMSC to provide a number of those services. AMSC has provided a number of service package options further explained in Private Attachment 4.

Term of the Agreement: The agreement will be in effect for five years, six months from the date of execution. A prelaunch period will allow for promotion with a

Attachment 3

maximum forty-eight month (four year) window within which applications can be received. The program allows for an extension of up to three additional years, under the same terms and conditions to allow for additional time to use the approved financing if necessary.

Scope:

\$20 million in total financing with an estimated 300 residential (estimate of \$40,000 average retrofit investment) and 16 commercial projects (estimate of \$500,000 average retrofit investment) Three upgrades are required to be eligible for financing unless:

- the property is accessing CEIP again and 3 or more upgrades were completed at first project, or
- less than 3 upgrades are required for the property to reach Net Zero Energy or Emissions.

Payments:

Contractual services invoiced monthly. Administration Fee subsidy calculated at the end of each project once project costs are certain.

Conditions Precedent:

That City Council gives first, second and third reading of Bylaw 20678, approving the creation of the Clean Energy Improvement Program, and providing the City Manager with delegated authority to approve and enter into the agreement with the Program Administrator. The Agreement will not be signed until Bylaw 20678 receives the appropriate readings, and Council approves the terms of the Agreement set out in this attachment.

Additional:

The Master Program Agreement and any ancillary agreements resulting from the Master Program Agreement shall be in a form acceptable to the Legal Services, and in content acceptable to the Branch Manager of Planning and Environment Services. Approval of the Master Program Agreement shall include the approval of such corrective, conformance and incidental amendments to the Master Program Agreement and the form and contents of the Master Program Agreement as necessary or desirable to give effect to or implement the Master Program Agreement, all as may be subsequently approved by the Branch Manager of Planning and Environment Services in accordance with the decision made by Council.