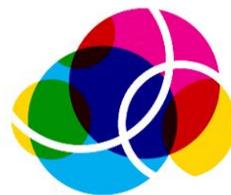


Alberta's Nonprofit Sector and Climate Change Leadership:

Considerations for Relevant and Accessible Programming

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Submitted by

CCVO

Calgary Chamber of
Voluntary Organizations

Introduction:

The Calgary Chamber of Voluntary Organizations (CCVO) is pleased provide this submission to Alberta's Energy Efficiency Advisory Panel. We commend the Province for showing leadership on the climate change file and we are encouraged to see the *Energy Efficiency and Community Energy* discussion document gives consideration to both nonprofit organizations as well as issues of social benefit and social inclusion. The recommendations contained in this submission relate to:

1. The financing of energy efficiency measures and micro-generation.
2. Supporting audits, informed decision-making and implementation.
3. Creating an enabling environment for community scale energy systems.
4. Providing transitional support to those nonprofits and charities substantially affected by Alberta's new carbon levy.

About the Nonprofit and Charitable Sector:

The nonprofit and charitable sector is an important contributor to the economic health and vitality of Alberta. Charities and nonprofits throughout the province support the quality of life enjoyed in Alberta, addressing social needs, providing recreational and leisure opportunities, delivering arts and cultural programs and stewarding our natural environment. Many organizations also provide services essential to support the labour force, from settlement services and ESL programs for new immigrants, to skills upgrading and the childcare and elder care programs that enable individuals to participate in the workforce. Albertans volunteer nearly 450 million hours of their time annually with Alberta nonprofit organizations, the equivalent of over 200,000 full-time jobs. The nonprofit and charitable sector is also a substantial source of employment, with more than 105,000 employees throughout Alberta (176,000 including hospitals, universities and colleges).

Recommendation #1: Introduce granting programs and low or no interest financing mechanisms for charities and nonprofits.

CCVO, along with The Pembina Institute and The Alberta Energy Efficiency Alliance, has consulted with nonprofits and charities about how to ensure provincial energy efficiency programs are relevant and accessible. Many organizations within this sector are deeply concerned about climate change and want to take action. However, in the absence of appropriate financing instruments, the upfront assessment and capital costs will be prohibitive.¹

In their report entitled, *Capturing the Benefits of Energy Efficiency for Non-Profit Organizations*, The Pembina Institute rightly points out that incentive programs taking the form of tax credits or after-the-fact rebates are not appropriate for nonprofits and charities. These organizations have tax exempt status and, as described above, lack the working capital to front the costs associated with introducing efficiency measures. Therefore, we are recommending the Province utilize granting programs as a means of incenting nonprofits and charities.

¹ CCVO's Annual Alberta Nonprofit Surveys reveal that one third of respondents have no cash reserve whatsoever.

Oftentimes, granting programs include cash or in-kind matching requirements that force nonprofits and charities to raise additional funds, secure volunteer labour, or divert finite organizational resources. Such an approach would be ineffective and inappropriate. Faced with the choice of whether to fundraise for efficiency measures or core programming, organizations will understandably feel a moral obligation to choose the latter.

We are also recommending the Province, either through Energy Efficiency Alberta or in conjunction with Alberta Treasury Branches, introduce low or no interest financing instruments that extend over the payback period of efficiency technologies, equipment, retrofits and micro-generation. This will allow organizations to overcome cashflow / cash reserve barriers and undertake substantive efficiency and micro-generation projects.

Additionally, it is important to note that many nonprofits rent their facilities. An obvious problem is where utility charges are the responsibility of the tenant or passed on through occupancy charges. In these instances, building owners will have little incentive to invest in efficiency measures or upgrades. This problem is not unique to nonprofits and charities, but must be considered when designing incentive programs.

Recommendation #2: Provide support for audits, informed decision-making, and implementation.

Alberta is the only Canadian jurisdiction without energy efficiency programming. We have a very underdeveloped energy efficiency and renewables market. We can expect that in the coming months and years, a range of options and innovations will emerge out of an evolving industry. Already, we are hearing that nonprofits are being approached by the business sector about leasing rooftop space or on the assumption that incentive programs will be introduced in the near future. But how will nonprofits and charities go about weighing their options and making informed decisions?

Furthermore, the vast majority of nonprofits and charities will have no past experience managing implementation of either energy efficiency measures or micro-generation. Therefore, we are recommending Energy Efficiency Alberta be resourced and configured to provide regional outreach and online resources to nonprofits and charities with a focus on:

- Educating nonprofits and charities on energy efficiency and micro-generation forms, options and business models.
- Facilitating access to no-cost audits.
- Building implementation capacity.

Likewise, we strongly encourage Energy Efficiency Alberta to work with organizations such as CCVO, the Edmonton Chamber of Voluntary Organizations, Volunteer Alberta and other nonprofit and charitable sector umbrella groups to support outreach and education activities.

Recommendation #3: Create an enabling environment for community scale renewable energy generation.

As Alberta transitions to a lower carbon future, and introduces more by way of renewable energy, it is important to consider and support ‘made in Alberta’ solutions; solutions that benefit not only our environment, but also our communities. Community scale systems can strengthen communities through job creation, by reinvesting locally, and by providing opportunities for impact investing.² We believe such investment opportunities will be particularly attractive to the many philanthropic foundations operating in the province.

While the discussion paper acknowledges the role and importance of community scale energy systems, there is a very real risk that they will be crowded out of a market dominated by large scale producers with infinitely greater lobbying capacity and access to capital markets.

Alberta’s Climate Change Leadership Plan earmarks \$3.4 billion for “large scale renewable energy, bioenergy and technology”. We have learned that support for community scale systems falls under the \$645 million allocated to Energy Efficiency Alberta. Given the potential community and social benefits of community scale systems, we encourage the Province to commit funds to support a robust network of community scale producers.

Recommendation #4: Establish a fund to support nonprofits and charities substantially affected by the introduction of Alberta’s carbon levy.

It is important to recognize that there may be areas within the nonprofit sector where Alberta’s carbon levy proves problematic. For some nonprofits, the increase to operating costs will be more material than others. Likewise, some will be able to pass on, or otherwise recoup increased costs. Others will not. And some will be more able than others to, over time, offset these costs with energy efficiency measures.

In designing the carbon levy program, the Government of Alberta included measures to mitigate the financial impact on small business, farmers, and 60% of Alberta households. Additionally, the levy will not be collected on reserves. Despite these measures, the budget does not acknowledge increased costs to nonprofits and charities.

CCVO does not oppose the carbon levy. To the contrary, we understand that cross-jurisdictional research demonstrates the efficacy of attaching a price to carbon. Rather, we are concerned that there may be areas within the nonprofit sector where the transition into a carbon pricing regime will strain organizations financially.

The Province has earmarked \$3.4 billion of the revenue raised through carbon levy over the next five years to go toward helping households, businesses and communities adjust to the carbon levy. We recommend the Province establish a fund to which those organizations affected in a material fashion can apply to offset costs as they transition into a carbon pricing era.

² Impacting investing seeks not only monetary gain, but also social, environmental and community benefit.

About CCVO

The Calgary Chamber of Voluntary Organizations works to strengthen the nonprofit and charitable sector and provides leadership on critical issues that impact organizations in this sector. CCVO has a broad understanding of Alberta's nonprofit sector that is based on a diverse membership and ongoing interaction with Alberta nonprofits and charities. Many of CCVO's members and stakeholders work in partnership with the Province to enrich our communities.

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