

# Develop an Implementation Budget and Work within your Means

Effective CEP implementation will require funding to support:

- A dedicated staff person(s)
- Project capital and operations and maintenance costs
- Programs
- Consultants

## GTI Advice

When developing a budget over the expected life of the CEP consider:

- **Implementation pacing:** Not all actions need to be implemented immediately. Distinguish which actions will be implemented year over year. Develop an annual implementation budget and update the budget annually
- **Be proactive and reactive:** Consider all internal and external funding opportunities and be adaptable to new sources of funding
- **Embed the CEP into other plans and policies:** Identify opportunities to integrate land use actions into any relevant policy/program review cycles

## Fund a Dedicated Staff Person to Oversee Implementation

Many communities are concerned about the cost associated with hiring a full time employee to oversee community energy planning efforts. Based on research from the GTI initiative, communities are much more likely to implement their CEP, and generate community-wide financial savings and economic growth, if a dedicated staff person is assigned to manage implementation.<sup>48</sup>

Consider the following approach for obtaining funding for a dedicated staff person.

### Conduct a preliminary funding analysis

- Often times, provincial/territorial governments and/or utilities, and/or local NGOs provide funding or resources to offset the cost of hiring a staff person
- Consider preparing a preliminary analysis to determine how much funding is available from external sources as well as within the local government to fund:
  - Staff
  - Consultants
  - Project capital and operations and maintenance costs
- See *Strategy 5: Engage Staff Across The Local Government. Identify Staff Champions and Embed the CEP Into Staff Job Descriptions*, and particularly the section on engaging the finance department.
- Presenting an analysis such as this may provide insights into available funding and can help to generate a more detailed discussion about how to fund a dedicated staff person.

### Begin conversations with senior management, the finance department, the CAO and council

- Set up one-on-one or group meetings to discuss the level of interest in funding a dedicated staff person
- Communicate that there is strong evidence to show that community energy managers can more than offset their salaries through the reduction in energy spending at the community level as a result of their work
- Community energy planning can lead to energy savings that in turn free up public dollars to spend on other community services
- Describe the value of community energy planning. See *Strategy 1: Develop A Compelling Rationale for Undertaking the CEP*
- Communicate that the community energy planning process will result in significantly more energy and GHG reductions, as well as financial savings and economic growth, if a dedicated staff person is managing implementation

### Invite external advisors to speak with senior staff, the finance department, the CAO and council

- External advisors and NGOs may have data and insights available to help communicate the value of investing in a dedicated staff person for implementation
- Consider some of the organizations listed in *Appendix IV – Provincial/Territorial Organizations and Communities of Practice that may have Community Energy Planning Resources*

## Integrate CEP Actions into the Budget Process

Embedding the CEP into the budget process can draw positive attention among senior managers to the level of priority of the CEP. As a result, local government departments may be able to find ways to advance their own priorities by aligning their work plans with CEP actions (e.g. economic development and district energy, planning and higher density, transportation and bike paths, or solid waste and composting). Table 13 describes the steps to embed the CEP into the budgeting process.

## GTI Advice

- When making the case to include the CEP into the budgeting process on an ongoing basis, focus on how the CEP can help the community to achieve a wide range of community benefits. Focus on the cost-saving and economic benefits. See *Strategy 1: Develop A Compelling Rationale for Undertaking the CEP*
- Carefully cultivate relationships with the finance department, and involve them in the CEP and its implementation as early as possible. See *Strategy 5: Engage Staff Across the Local Government. Identify staff Champions and Embed the CEP into their Job Descriptions*

**Table 13 – Considerations for Integrating CEP Actions into the Budgeting Process**

Consideration	Rationale
Create an action plan that is SMART (Specific, Measurable, Attainable, Relevant, and Time-bound) and allocate responsibilities to the implementation of actions	<ul style="list-style-type: none"> <li>· Actions that are Specific, Measurable, Attainable, Relevant, and Time-bound may be easier to incorporate into the budgeting process</li> </ul>
Embed the CEP into corporate and community planning, development related documents and job descriptions	<ul style="list-style-type: none"> <li>· Can be an important precursor to including CEP implementation into the budgeting process</li> </ul>
Invite representatives from the finance department to attend CEP implementation meetings	<ul style="list-style-type: none"> <li>· Helps the finance department become more familiar with CEP implementation.</li> <li>· Based on research from the GTI initiative, the finance department is the local government department that is least likely to be supportive of CEP implementation. Therefore, the finance department should be engaged to try to overcome any of their concerns, and if possible, a champion should be cultivated within it</li> </ul>
Request ongoing funds for staffing, programs, project capital, operations and maintenance, and consultants	<ul style="list-style-type: none"> <li>· Know how much you need on an ongoing basis to implement the actions in the plan</li> </ul>
Adopt a policy to consider lifecycle costing with purchasing decisions	<ul style="list-style-type: none"> <li>· Although this is more likely to affect corporate energy consumption and GHG emissions, it helps to build long-term thinking and helps people to understand the benefits of reducing energy consumption</li> <li>· Can also help to link the discussions on capital and operations and maintenance budgets, which can sometimes be siloed</li> </ul>

<sup>48</sup> See the National Report on Community Energy Plan Implementation ([www.gettingtoimplementation.ca/research](http://www.gettingtoimplementation.ca/research))

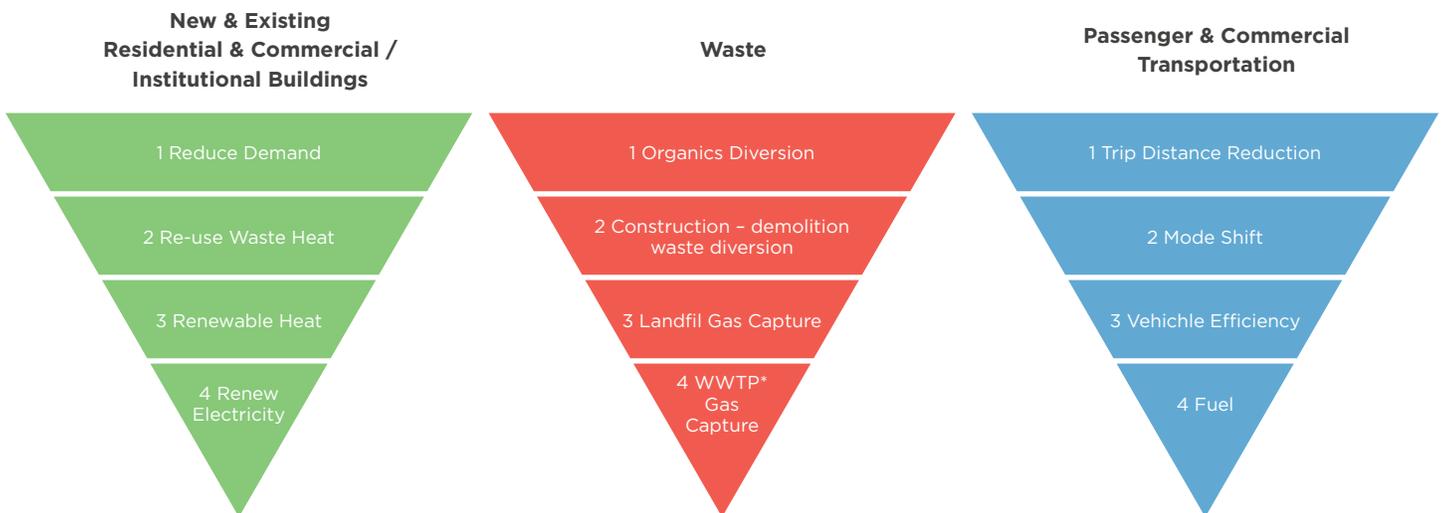
## Special Advice: Implement a Single Energy Project to Demonstrate the Success of the Investment

Communities struggling to gain the support of council to develop a CEP should consider implementing single projects to demonstrate the value and widespread benefits of implementing community energy initiatives. Often times, demonstrating small successes can help garner support to develop a complete CEP.

## GTI Advice

- There are endless opportunities to change the way energy is delivered and used in our communities. Remember that it is almost always most cost-effective to focus first on actions that focus on *reducing* energy consumption. This can take place in the form of energy conservation and efficiency in new and existing buildings, waste and organics diversion, and reducing trip distances for the movement of people and goods
- Figure 6 includes three action categories that summarize some of the greatest opportunities for community energy planning. Communities are often advised to start first with the actions at the top end of the pyramid as they typically require a low level of investment and can have significant impacts on reducing energy and GHG emissions
- While payback periods should be reasonable, consider that sometimes a longer payback period may result in a stronger return on investment. Select a project that will deliver both

Figure 6 – A Summary of the Opportunities for CEP Implementation<sup>49</sup>



\* Wastewater Treatment Plant Gas Capture

## Special Advice: Consider CEP Renewal Early On

- It typically takes 5-7 years for a CEP to complete a development/implementation cycle
- Renewal should typically take place every 5-7 years to ensure that actions as well as the supporting rationale, data, analysis and impacts are up-to-date. Consider renewing the CEP when the majority of the actions in the CEP have been implemented or assessed for feasibility
- A community aiming to achieve an 80 percent reduction in energy and GHG emissions by 2050 will complete five to seven cycles between now and 2050
- Consider electoral, budgeting and other planning cycles when deciding on a frequency for CEP renewal
- Be explicit about when the CEP will be renewed
- Be adaptable. If circumstances change, consider renewing the CEP more or less frequently than was decided on initially
- If possible, avoid renewing the plan within 5 years of adoption. Renewal within a 5 year time frame can lead to “planning paralysis”, where it falls into the trap of expending its efforts on creating plans to the detriment of implementing them

## Special Advice: Consider Developing a CEP at a Different Scale

- Consider developing a CEP at a regional scale. Participating local governments can then contribute a fair proportion of the cost to fund a dedicated staff person
- Consider housing the CEP within a local NGO, which may have access to more or different sources of funding to support a dedicated staff person
- Note that it is important to dedicate a staff person to oversee CEP development *and* implementation

## Relevant Case Studies (See Appendix III)

- Case Study 2: Measuring the Widespread Economic Benefits in the City of London, Ontario
- Case Study 3: Measuring Green Jobs in Durham Region, Ontario
- Case Study 4: Measuring the Impacts of Sustainable Communities on Local Retail Sales New York City, New York
- Case Study 5: Framing the Value Proposition, Edmonton, Alberta
- Case Study 13: Fort Providence, Northwest Territories
- Case Study 14: Halifax Vending Machine Energy Efficiency By-laws, Nova Scotia
- Case Study 15: Net Zero Community in London, Ontario
- Case Study 16: Monitoring and Reporting on Implementation Progress in the City of Guelph, Ontario
- Case Study 17: Monitoring and Reporting on CEP Implementation in the City of London, Ontario
- Case Study 18: Efficiency One, Nova Scotia
- Case Study 19: Alternatives for Small Communities - Eco-Ouest
- Case Study 22: Parking Incentives in Hamilton, Ontario

## Relevant Resources

- National Report on Community Energy Plan Implementation ([www.gettingtoimplementation.ca/research](http://www.gettingtoimplementation.ca/research))
- National Report on Policies Supporting Community Energy Plan Implementation ([www.gettingtoimplementation.ca/research](http://www.gettingtoimplementation.ca/research))
- Community Energy Planning: The Value Proposition ([www.gettingtoimplementation.ca/research](http://www.gettingtoimplementation.ca/research))
- Policies to Accelerate Community Energy Plans: An analysis of British Columbia, Ontario and the Northwest Territories ([www.gettingtoimplementation.ca/research](http://www.gettingtoimplementation.ca/research))
- Federation of Canadian Municipalities (2015). Alternative Financing Mechanisms compendium <http://www.fcm.ca/home/programs/partners-for-climate-protection/alternative-financing-mechanisms.htm>
- Natural Resources Canada RETScreen tool: <http://www.nrcan.gc.ca/energy/software-tools/7465>. RETScreen is free software and online training modules. The software includes support for project feasibility and performance analyses. This tool allows communities to conduct a preliminary financial assessment of community energy projects and can help to identify what changes, if any, would be needed to fund supporting staff, capital, operations and maintenance, programs and consultants, to mobilize implementation.

<sup>49</sup> This graphic has been developed by the Community Energy Association and adapted from BC Hydro. For a downloadable version of the figure click [here](#).