



REQUEST FOR DECISION

Meeting: September 8, 2025

Arena Solar Project Funding

DESCRIPTION/BACKGROUND:

At the April 28, 2025, Council meeting, Council awarded the Arena Solar project to D-Com Energy Solutions in the amount of \$513,498. Following that motion, administration in coordination with D-Com completed a provincial grant application through the Municipal Climate Change Action Centre (MCCAC) Partnership Program, and the Town has since received confirmation that the grant application was successful.

Since awarding the project, D-Com Energy has completed a further review of the roof structure and has finalized the contract pricing for the project at \$473,575. The MCCAC grant will provide 30% of the total project cost, or \$142,073. As a first-time applicant, the Town is also eligible for an additional \$58,536 of funding. This reduces the Town's financial contribution to \$272,966.

DISCUSSION/OPTIONS:

Based on the information provided by D-Com within their proposal, the Town should start to see electric bill savings immediately after the solar PV system is operational. Using the financial assumptions provided by D-Com which have been updated by Administration with the true financing and grant funding amounts, the system is expected to generate annual electricity savings of \$75,487, with savings increasing over time due to energy cost escalation. These savings will be realized as soon as the system is commissioned and connected to the grid.

To fund the Town's portion, one option is to borrow through the Province's Loan to Local Authorities program. Administration has prepared a draft borrowing bylaw based on a 10-year debenture of \$272,966 at the current municipal lending rate of 3.76% (prime is 4.95%). Based on these terms, the annual principal and interest payment would be approximately \$33,002. Using D-Com's financial assumptions, updated by Administration to reflect actual grant funding and financing costs, the project is expected to start generating credit by the end of year 6, meaning savings will exceed the annual loan payment at that point and the credits will aid in reducing the Town's annual budget requirement.

The next loan application date deadlines through the province are:

LOAN ISSUE DATE	APPLICATION DEADLINE
October 30, 2025	September 15, 2025
November 28, 2025	October 15, 2025
December 30, 2025	November 10, 2025

Borrowing is the most practical funding source for this project given the availability of the grant and the low provincial lending rate. Using the Town's general capital reserve is another option; however, doing so would significantly reduce reserve balances and limit the ability to fund future priorities. LGFF and CCBF allocations for 2025 have already been committed and are not available for this project.

The Arena Solar Project represents a major investment in energy efficiency and cost savings for the Town. With grant funding covering approximately 42% of the total project cost, the Town's remaining share can be funded either through borrowing or reserves. Borrowing spreads the cost over time and aligns repayment with energy savings, while using reserves avoids interest but reduces financial flexibility.

Administration recommends that Council determine the preferred funding option and, if borrowing is selected, give first reading to the borrowing bylaw.

PROPOSED RESOLUTIONS:

Moved by Councillor _____ to proceed with debenture borrowing in the amount of \$272,966 to fund the balance of the arena solar project.

Move by Councillor _____ to give first reading of Bylaw #1815 Arena Solar Project bylaw.

ATTACHMENTS:

- 1.) Solar Assumptions Chart
- 2.) Borrowing Timeline
- 3.) Loan Calculator
- 4.) Borrowing Bylaw #1815 – Draft

APPLICABLE LEGISLATION:

- 1.) Municipal Government Act Section 258

PREPARED BY: Jennifer Place, Director of Corporate Services

APPROVED BY: Abe Tinney, CAO

DATE: September 2, 2025
