

DATE OF MEETING March 15, 2023

AUTHORED BY TING PAN, MANAGER, SUSTAINABILITY

**SUBJECT CLEANBC BETTER HOMES REBATES FUNDING 2023**

## **OVERVIEW**

### **Purpose of Report**

To obtain Council approval to increase the number of City of Nanaimo top-up rebates as part of the CleanBC Better Homes Rebate Program in 2023 to reflect higher than anticipated community participation.

### **Recommendation**

That the Finance and Audit Committee recommend that Council increase the budget for the CleanBC Better Homes Rebate Program project from \$66,900 to \$126,900 in 2023 funded from the Climate Action Reserve Fund.

## **BACKGROUND**

On 2020-FEB-24, Council directed Staff to participate in the CleanBC Better Homes Rebate Program and allocated \$100,000 to provide municipal top-up rebates. The City of Nanaimo signed an agreement with the Province to participate in the program from April 2020 to March 2022. The City offered the following municipal top-up rebates:

<b>Municipal Top-ups</b>	<b>Value</b>
Fuel Switch Air Source Heat Pump	\$350
EnerGuide Home Energy Assessment (to 2021-SEP-30)	\$150
Heat Pump Water Heater	\$350
Electric Service Upgrade	\$500
Contractor Incentive	\$50

A homeowner in Nanaimo that applies for the CleanBC Better Homes Rebate Program could receive up to \$15,000 in provincial rebates, as well as up to \$1,400 from the City. The combined rebates could offset a significant portion of the overall costs for energy efficiency and emissions reduction upgrades.

In 2021, Nanaimo was one of the most active of 18 municipalities that offer municipal top-up rebates, measured by the dollar amount of top-up rebates being accessed.

On 2022-MAY-18, Council directed Staff to allocate another \$100,000 from the Climate Action Reserve Fund to support the City's continued participation in the program (See Attachment A). The new agreement extended the term to CleanBC program's end date of 2024-MAR-31.

In 2022, the City saw an unprecedented level of participation in the program from homeowners in Nanaimo. Staff anticipated an ongoing increased uptake in the program when preparing the 2023-2027 Draft Financial Plan in summer 2022 and allocated \$36,000 in the 2024 budget to support municipal top-up rebates until the program's end date.

The CleanBC program administrator at the Province recently notified Staff that due to further increases in the rate of program participation by Nanaimo homeowners that as of 2023-MAR-06, \$36,450 was already committed in 2023. This leaves approximately \$33,000 of Nanaimo's municipal top-up budget available for the remainder of 2023. At the current rate of uptake, the remaining funds will likely run out in early summer of 2023. Note that the balance of \$66,900 for the program in the City's budget is based on estimated rebate value for the last quarter of 2022 and will be adjusted to reflect the actual amount when the Province invoices the City.

## **DISCUSSION**

Nanaimo's participation rate has been steadily increasing since the program launch. A total of 612 rebates were issued, including 349 to homeowners and 263 to contractors for energy efficiency upgrades between April 2020 and December 2022. Below is a summary of program funding allocation and implementation results:

**Table 1: Summary of Program Funding and Results (April 2020 to March 2024)**

Year	2020	2021	2022	2023	2024
Funding	\$100,000	\$0	\$100,000	\$0	\$36,000
Total rebate value	\$6,300	\$51,650	\$72,600	\$36,450 (as of March 6)	
Number of rebates	32	249	331	N/A	

Staff estimate that GHG reductions from these home retrofits in Nanaimo are approximately 660 tonnes of CO<sub>2</sub>e in 2022, over 98% of which result from oil and natural gas to electric heat pump upgrades.

To reach the goal of all buildings achieving net-zero emissions by 2050 in the City Plan, the City needs to see on average 3,300 tonnes of CO<sub>2</sub>e reductions annually from low-rise residential buildings between now and 2050. The GHG savings potential in the CleanBC Better Homes Program represents a sizable portion of the needed reductions. This means that, the continued support of this type of program as well as the use of other policy and program tools at all levels of government are still required to close the gap.

## **FINANCIAL IMPLICATIONS**

Staff are recommending allocating \$60,000 from the Climate Action Reserve Fund to support the CleanBC Better Homes Rebate Program. The additional funding for the CleanBC Program is anticipated to allow for municipal top-up rebates to continue to the end of 2023 based on current uptake. The additional funding will reduce the projected closing balance of the Climate Action Reserve Fund to a low point of \$49,375 in 2025 of the 2023 – 2027 Financial Plan.

## **OPTIONS**

1. That the Finance and Audit Committee recommend that Council increase the budget for the CleanBC Better Homes Rebate Program project from \$66,900 to \$126,900 in 2023 funded from the Climate Action Reserve Fund.
  - The advantages of this option: The CleanBC program directly supports the City Plan policy to make all buildings achieve net-zero emissions by 2050. The proposed use of funds meets the intent of the Climate Action Reserve Fund and will amplify the success of the program in reducing GHG emissions of the community.
  - The disadvantages of this option: The City will not have direct control on how the rebates are allocated, nor the ability to change the program criteria or monitor rebate allocation frequently. The Province administers the program and invoice the City for the top-up contribution quarterly with a summary report. The additional funding allocated to the Program could impede the City's ability to pursue other opportunities.
  - Financial Implications: The 2023-2027 Financial Plan will be updated to increase the 2023 project for the CleanBC Better Homes Rebate Program by \$60,000. This will lead to a projected closing balance of the Climate Action Reserve Fund of \$49,375 in 2025.
2. That the Finance and Audit Committee not recommend that Council allocate \$60,000 from the Climate Action Reserve Fund to support the CleanBC Better Homes Rebate Program.
  - The advantages of this option: The \$60,000 from the Climate Action Reserve Fund could be used to support other potentially impactful projects.
  - The disadvantages of this option: The City will lose an opportunity to support homeowners in reducing emissions of their homes and tackle the challenge of lowering emissions of existing residential buildings in the absence of more effective options.
  - Financial Implications: There will be no impact on the 2023 – 2027 Financial Plan.
3. That the Finance and Audit Committee provide alternative funding recommendations.

## **SUMMARY POINTS**

- The City of Nanaimo has provided top-up rebates since April 2020 to support home energy efficiency and emissions reduction retrofits through participation in the Province's CleanBC Better Homes Rebate Program.
- Nanaimo saw an unprecedented level of program participation in 2022 and early 2023. The Program issued 612 rebates between April 2020 and December 2022.
- Staff recommend adding \$60,000 to the program in 2023 to support the City's continued participation in the Province of BC CleanBC Better Homes Rebate Program.

**ATTACHMENTS:**

ATTACHMENT A: 2022-MAY-18 CleanBC Rebate Program Continuation Report

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