



Staff Report for Decision

DATE OF MEETING May 18, 2022

AUTHORED BY TING PAN, MANAGER, SUSTAINABILITY

SUBJECT CLEANBC BETTER HOMES REBATE PROGRAM CONTINUATION

OVERVIEW

Purpose of Report

To obtain Council approval to continue the City of Nanaimo's participation in the CleanBC Better Homes Rebate Program.

Recommendation

That the Finance and Audit Committee recommend that Council allocate \$100,000 from the Climate Action Reserve Fund to support the City of Nanaimo's continued participation in the Province of British Columbia's CleanBC Better Homes Rebate Program.

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 subsequently 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:

Municipal Top-ups	Value
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 a CleanBC Better Homes Rebate Program could receive up to \$15,000 in rebates, as well as up to \$1,400 from the City. The combined rebates could offset a significant portion of overall cost for energy efficiency and emissions reduction upgrades.

As of 2021-DEC-31, \$52,500 of the original \$100,000 budget remained available. The City renewed the agreement with the Province, which extended the City's participation until March 2024, which would allow residents to continue to access municipal top-up rebates.

The CleanBC program administrator at the Province recently notified Staff that due to active participation of Nanaimo residents in the program, as of 2022-MAR-31, only \$26,350 of

Nanaimo's municipal top-up budget remained. At the current rate of uptake, the remaining funds might run out this summer. |

DISCUSSION

Based on 2017 greenhouse gas (GHG) emissions inventory, existing low-rise residential buildings make up approximately 18% of the City's total emissions or about 89,070 tonnes of CO₂e. While a variety of policy tools are available, such as BC Energy Step Code and rezoning policy to improve energy efficiency and emissions of new construction that help all new buildings to become net-zero carbon by 2030, there are few options (e.g. education and incentives) for municipalities to reduce emissions from existing building stock.

The CleanBC Rebate Program, by combining provincial rebates together with municipal top-ups through a streamlined service to both homeowners and participating municipalities, has proven to be efficient in delivering results in the absence of regulatory tools.

In 2021, Nanaimo was the fifth most active municipality among 18 municipalities that offer municipal top-up rebates, measured by the dollar amount of municipal top-up rebates being accessed. Below is a summary of program implementation results from April 2020 to March 2022:

Table 1: Summary of Program Results (April 2020 to March 2022)

Type of Top-up	Number of Rebates Accessed		Amount of Rebates Accessed
Fuel Switch Air Source Heat Pump	From Oil	73	\$25,550
	From Propane	5	\$1,750
	From Natural Gas	70	\$24,500
	From Electric Baseboard	1	\$150
EnerGuide Home Energy Assessment (to 2021-SEP-30)	46		\$6,900
Heat Pump Water Heater	1		\$350
Electric Service Upgrade	14		\$7,000
Contractor Incentive	149		\$7,450
Total	359		\$73,650

For context, over the 12-month period in 2021, the City distributed roughly \$50,000 top-up rebates including 102 fuel switch rebates. The District of Saanich distributed approximately \$130,000 including 268 fuel switch rebates while offering the same types and amounts of rebates as Nanaimo. The City of Victoria gave out over \$250,000 including 131 fuel switch rebates, while offering \$2,000 instead of \$350 for electric heat pump upgrades.

Staff estimate that annual GHG reductions from these upgrades in Nanaimo are approximately 774 tonnes of CO₂e, 99% of which result from oil and natural gas to electric heat pump upgrades.

Staff will investigate cost-effective measures to further encourage home energy retrofits and enhance uptake of the CleanBC rebate program, especially the newly introduced income qualified rebates that could cover 60 – 95% of home upgrade costs.

FINANCIAL IMPLICATIONS

There is sufficient funding available in the Climate Action Reserve Fund to support the continued participation in the CleanBC Rebate Program. Staff anticipate that at the current rate of rebate uptake, an additional \$100,000 could support the program until the end of the term in March 2024. If the rate of rebate uptake doubles, which signals a greater number of home retrofits and GHG reductions, the additional funds would last for about a year until spring 2023.

OPTIONS

1. That the Finance and Audit Committee recommend that Council allocate \$100,000 from the Climate Action Reserve Fund to support the City of Nanaimo's continued participation in the Province of British Columbia's CleanBC Better Homes Rebate Program.
 - The advantages of this option: The action will continue to reduce GHG emissions from existing building stock without program interruption and thus avoid inconvenience to homeowners and project delays. City funding is being leveraged with provincial funding to help increase the rebate impact and encourage program uptake with minimum administrative burden on Staff.
 - 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 its top-up contribution quarterly with a summary report.
 - Financial Implications: The recommendation allocates \$100,000 from the Climate Action Reserve Fund. The reserve has sufficient funding available for the request. The 2022-2026 Financial Plan will be amended at a future date to increase the 2022 project for the CleanBC Better Home Rebate Program from \$52,500 to \$152,500.
2. That the Finance and Audit Committee not recommend that Council allocate \$100,000 from the Climate Action Reserve Fund to support the City of Nanaimo's continued participation in the Province of BC CleanBC Rebate Program.
 - The advantages of this option: \$100,000 could be used to pursue other projects or programs that may deliver a higher impact on community GHG reductions.
 - 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 Climate Action Reserve Fund.
3. That the Finance and Audit Committee provide alternative funding recommendations.]

SUMMARY POINTS

- The City of Nanaimo has been coordinating with the Province of BC to deliver a streamlined CleanBC Better Homes Rebate Program to support home energy retrofits and reduce emissions of existing residential buildings since April 2000.
- Nanaimo is one of the most active municipalities in terms of program uptake. Over the last two years, the Program issued 359 rebates and helped reduce approximately 774 tonnes of greenhouse gas emissions.
- Staff recommend adding an additional \$100,000 to support the City's continued participation in the Province of BC CleanBC Rebate Program until March 2024.

Submitted by:

Ting Pan
Manager, Sustainability

Concurrence by:

Lisa Bhopalsingh
Director, Community Development

Laura Mercer
Director, Finance

Dale Lindsay
General Manager, Development Services
/Deputy CAO