

Aurora takes next steps in making Home Energy Retrofit Loan Program a reality

Fewer than one per cent of Aurora households per year are undertaking retrofits to make their homes more energy efficient ? but this number needs to rise to four per cent per year in order for the Town to meet its energy emission goals by 2050.

To help boost these numbers ? and better energy usage overall ? the Town is taking the next steps in developing a retrofit loan program to encourage residents to get on board.

Council recently endorsed a feasibility study looking into the potential of a Home Energy Retrofit Loan Program, voting to take things to the next level by tasking staff with developing the program's design.

While nothing has been implemented yet, the full cost of such a program ? and whether it will be ultimately implemented ? will be determined through the design process.

?A home energy retrofit program was identified as a critical strategy in the Town's Community Energy Plan,? said Natalie Kehle Program Manager, Energy and Environment, for the Town of Aurora, in a report to Council. ?Aurora residents spend approximately \$3,700 per year on energy costs, the highest in the Region. Greenhouse gas emissions from Aurora homes account for 37 per cent of the Town's carbon footprint, of which the majority is from space and water heating.?

The feasibility study looked at several ways to deliver such a program to the community.

Among the models was a Local Improvement Charge (LIC) model where a special charge would be added to the property tax bill with permission of the property owner to cover capital works. This model explored by Council follows a similar one to that of Newmarket's, which retains a third-party to administer the program.

?An equity approach was used for the project to inform any future program design that benefits all community members fairly, addressing potential barriers and ensuring that retrofits are accessible and beneficial to everyone, including those who may be most vulnerable,? said Kehle. ?This approach considers the unique circumstances of different communities, including income levels, language, housing conditions, and access to resources. Homeowners benefit from energy retrofits with improved thermal comfort and indoor air quality, housing affordability with reduced energy costs, increased value to properties, enhanced climate resilience, and reduced noise pollution. Residents would also benefit from trusted and transparent financing options from a municipal program.

?A well-designed and well-resourced local home retrofit program championed by the Town can complement existing offerings by filling market gaps rather than replicating existing rebate programs. In doing so, the program can accelerate the pace and depth of home retrofits in Aurora. Identified gaps in existing energy retrofit programs, like federal or provincial programs, include program confusion with regular changes to offers and terms, complex application processes, limited retrofit measure eligibility and restricted participant eligibility criteria. It also highlights the limitations of these programs, which an Aurora-based program championed by the Town could serve to address.?

Adding a loan program into a municipal retrofit program, added Kehle, ?offers more attractive, innovative financing solutions than traditional financing.?

?Financing that covers the full upfront cost of home energy improvements and offers preferential terms like fixed interest rates, long amortization periods, and repayment on the property tax bill can help more homeowners complete deeper energy retrofits,? she said.

?The study further narrowed down two LIC financing approaches and their suitability for the Town: a turnkey approach where the administrative duties of the program are offloaded to a private delivery agent, and an inhouse approach where the Town takes on the administrative tasks of the program. Suitability of each was based on the Town's level of interest, capacity and experience. The study suggests that a loan program in Aurora, involving market support elements, using the LIC mechanism in a turnkey approach, would

be the most successful. A turnkey approach is where the Town outsources the program activities to a third-party provider. A turnkey delivery model using the LIC aligns with the Town's internal capacity and resources and expediting start-up time. Collaboration with York Region or a nearby municipality is recommended in any approach for economies of scale and funding.?

The design of the program is funded through the 2024 Budget, as well as partially through a grant through the Federation of Canadian Municipalities. (FCM) Further grant funds from the FCM are conditionally approved for the design element as well.

Until the design is outlined, however, there will be no further costs to the Town.

?Right now, we have the money to do up to a certain point and at that point you will be coming back to us and telling us what the options are, whether there's outside funding or what it would cost the Town,? said Ward 3 Councillor Wendy Gaertner at the most recent Council meeting. ?We have nothing to lose by doing this and maybe something important to gain.?

At the meeting, Janice Ashworth of Dunsky Energy and Climate Advisors, said that homes produce 37 per cent of the Town's greenhouse gas emissions and ?upgrading them is critical to meeting your greenhouse gas reduction targets of 80 per cent by 2050.?

?The rate of home upgrades is less than 1% per year currently and would need to be about 4% per year, about 800 units annually in order to meet that target that you've set for 2050. When we spoke to homeowners, they suggested that their main barriers are lack of knowledge as well as the upfront costs,? said Ashworth. ?Most homes are low rise, detached, and built since the 1980s. There are some sections of Town that are older homes, however. When we look at the emissions profile, we see that most emissions from homes are coming from the use of natural gas for space heating and for water heating.

?We did a homeowner survey and homeowners told us that Aurora residents generally are not aware of many of those existing programs and they could benefit from education and awareness tools as well as energy coaching services to build their confidence in the retrofit solutions. We also spoke to a number of external stakeholders including York Region, Newmarket, Enbridge, Electra, the Seniors' Centre, Contractors Associations, the Environmental Advisory Committee and we learned from these consultations that there's many initiatives in development already so the Town's program should take those into consideration and be built with collaborations for efficiency.

?We looked at the impacts and we identified that a loan program could result in up to 70% energy savings per home and 94% emission savings really depending on which measures are selected by the homeowner. We expect that approximately 60 homes per year would participate in the loan program and that again can range really depending on which market supports are provided and how attractive the program is as well as what happens with some of the external programs from the federal and provincial government.?

By Brock Weir