

Considered at the April 26, 2021 Climate Action Committee Meeting

Memorandum

Date: April 13, 2021
Submitted by: Community Development Department – Policy Planning Division
Submitted to: Port Moody Climate Action Committee
Subject: Options for a Port Moody Municipal Top-Up Rebate for the CleanBC Better Homes Program

The purpose of this memorandum is to outline options for a Port Moody CleanBC Better Homes Municipal Top-Up rebate that the Climate Action Committee can discuss and recommend to Council for consideration.

At the March 22, 2021 Climate Action Committee meeting, the Committee passed the following motions:

CAC21/006

THAT the Climate Action Committee request that staff report back with a potential municipal top-up program for the CleanBC Better Homes rebates, and a community education program to promote the Heat Pump Group Purchase Rebate program and the CleanBC Better Homes rebate program.

CAC21/007 (as amended by CAC21/008)

THAT the City of Port Moody invite CleanBC to host a webinar for the community;

AND THAT the CleanBC program information be posted on the City website and City social media, and City print publications, with all posts including a link to the Climate Action Plan.

Overview

CleanBC Better Homes is an integrated offer of incentives, information and support to help households reduce energy use and greenhouse gas emissions. CleanBC Better Homes is funded by the Province of BC and the Government of Canada under the Low Carbon Economy Leadership Fund. CleanBC Better Homes rebates are administered by BC Hydro and FortisBC. A growing number of local governments in BC are offering top-up rebates (municipal top-ups) to the CleanBC Better Homes program. For those applying for municipal top-up rebates there is no additional application required as eligibility for municipal top-up rebates is automatically assessed when an application for the applicable rebates under CleanBC Better Homes is submitted. In addition, there is no fee for a municipality to participate; administration is covered by CleanBC Better Homes.

Based on staff research and discussions with the administering branch of the CleanBC rebate program, options for design of a potential Port Moody municipal top-up rebate are outlined below. The CleanBC administrative teams provides all administration of the rebates, resulting in fewer local government resources required to offer and support a rebate program. CleanBC provides province-wide marketing of the program and typically local governments offering a top-up will undertake local promotion tactics (e.g. print materials, webinars, web resources, social

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media etc.) to increase uptake. This would require a budget and dedication of staff time from the City's Communication's Division. Additionally, participating municipalities must be prepared to respond to questions on their CleanBC Better Homes municipal top-up offers, which may be directed by residents to the municipality.

Available Municipal Top Ups

CleanBC Better Homes currently offers the following municipal top ups:

- Fuel Switch Air Source Heat Pump Top-up: \$350 (Option 1), \$2,000 (Option 2)
 - Must be converting from a fossil fuel space heating system (oil, natural gas or propane) to an electric air-source heat pump.
- Electric Service Upgrade Top-up (to enable fossil fuel to heat pump upgrade): \$500
- Fuel Switch Heat Pump Water Heater Top-up: \$350 (Option 1) or \$1,000 (Option 2)
 - Must be converting from a fossil fuel (oil, natural gas or propane) water heating system to an electric heat pump water heater.
- Windows and Doors Top-up (for electrically-heated and fossil fuel-heated homes): \$50 per eligible Tier 2 window or door
- Pre-upgrade EnerGuide Home Evaluation Top-up: \$150
- Contractor SPIFF Top-up: \$50 (Option 1) or \$300 (Option 2)
 - Paid to contractor for fuel switching upgrades

Recommended Options for Design of Municipal Top-Up

Staff recommend focusing municipal top-ups on fuel switching rebate streams to maximize greenhouse gas reductions that align with the City's goals. Port Moody's Climate Action Plan includes a goal that 20% of existing heating and hot water systems are replaced with zero emission systems by 2030:

- In 2017, there were 7,200 residential and 370 commercial natural gas accounts with FortisBC (fossil fuel based energy systems)
- The target above would equate to retrofitting approximately 160 residential and 8 commercial buildings per year to have zero emissions heating and hot water (for the period of 2021-2030)

To maximize greenhouse gas reductions and program budget, staff recommend focusing top-up funds on two streams of rebates:

- Fuel Switch Air Source Heat Pump Top-up: \$350
- Electric Service Upgrade Top-up: \$500

Municipal top-up rebates provided in other municipalities have seen excellent uptake. Those that have provided top-ups valued at \$2,000 have typically been fully subscribed very quickly due to the low volume of rebates available. Rapid uptake of high-value rebates available in

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limited quantities can lead to issues with customer satisfaction. In cases where a municipality is able to dedicate significant total funding to the rebates, a \$2,000 rebate value could be considered. However, considering financial constraints currently experienced by the City of Port Moody, staff suggest a rebate value of \$350 to offer more rebates to more residents from the City's total funding commitment. This would have the benefit of extending the longevity of the top-up offering and decrease the risk of customer dissatisfaction.

Staff do not recommend funding top-ups for:

- Fuel Switch Heat Pump Water Heater Top-Up: There has been low uptake overall on this rebate stream and fuel switch air source heat pump upgrades for space heating have a greater greenhouse gas emission reduction impact than water heating.
- Windows and Doors Top-Up: Not many local governments have opted to dedicate funds to this stream. Windows and doors upgrades have a lower greenhouse gas emission reduction impact than fuel switching measures.
- EnerGuide Pre-Upgrade Evaluation Top-Up: The Federal government has signaled that they will be providing free EnerGuide assessments retroactively to December 2020. While this has not been confirmed, staff advise to await program details from the Federal government for next steps.

Proposed Municipal Top-Up Effective Date

Pending Council approval, staff suggest a start date of October 1, 2021 (anticipated September 1 notice) to align with when most residents undertake heating system upgrades. The rebate would be available until funds are depleted or until the end of the CleanBC rebate program. Please note that program administration requires at least 30 days' notice prior to a municipal top-up start date.

Municipal Top-Up Option 1

Port Moody Funding	Rebate Stream	Rebate Value (per rebate)	Number of Available Rebates
\$20,400	Electric Heat Pump Space Heating Top-Up	\$350	24
	Electrical Service Upgrade Top-Up	\$500	24
\$3,000	Estimated Communications Division Promotion budget		
\$23,400	Total Estimated Cost		

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Municipal Top-Up Option 2

Port Moody Funding	Rebate Stream	Rebate Value (per rebate)	Number of Available Rebates
\$20,000	Electric Heat Pump Space Heating Top-Up	\$350	50
	Contractor Spiff Top-Up	\$50	50
\$3,000	Estimated Communications Division Promotion budget		
\$23,000	Total Estimated Cost		

Municipal Top-Up Option 3

Port Moody Funding	Rebate Stream	Rebate Value (per rebate)	Number of Available Rebates
\$10,200	Electric Heat Pump Space Heating Top-Up	\$350	12
	Electrical Service Upgrade Top-Up	\$500	12
\$3,000	Estimated Communications Division Promotion budget		
\$13,200	Total Estimated Cost		

Staff suggest Option 1 as a higher budget supports offer continuity, reduces market disruption, and enables more upgrades in Port Moody to be leveraged, supporting the City's climate action goals.

Group Heat Pump Program

The Heat Pump Group Purchase Rebate (GPR) is an additional rebate offer that rewards groups of homeowners working together to reduce GHG emissions by switching from an oil, natural gas, or propane heating system to an air source heat pump. Participants are encouraged to spread the word about their heat pump purchase group, as the larger each group becomes, the larger the rebate will be. The Group Purchase Rebate ranges from \$200 per home, for a group of two homes, up to a maximum of \$500 for a group of 20 to 30 homes. The Group Purchase Rebate is additional to the individual air-source heat pump rebate of up to \$3,000 available from CleanBC and any local government top-ups that may be available.

Program administration is handled by the CleanBC administration team and promotion is done locally through networks to grow interest and increase the rebate amount per home. Once a

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GPR code is requested and established, the code is only valid for 90 days after the date of issue and must be submitted along with any heat pump rebate application.

Port Moody can start a GPR group and partner with community leaders to grow interest and create a larger group to maximize the rebate per home. This would require local promotion and staff time to coordinate and promote, including a budget for Communications Division of approximately \$2,000.

Size of Group	Each Participant Receives
2-4 Homes	\$200
5-9 Homes	\$275
10-14 Homes	\$350
15-19 Homes	\$425
20-30 Homes	\$500

Total CleanBC Program Port Moody Funding Needs Based on Staff Recommendation for Option 1

Port Moody Funding	Funding Item
\$2,000	Estimated Group Purchase Rebate (GPR) Communications support budget
\$20,400	Top Up rebates budget
\$3,000	Estimated Top-Up Communications support budget
\$25,400	Total Estimated Budget required

Next Steps

- Determine a municipal top up budget
- Provide recommendation for heat pump group purchase rebate program
- Seek Council endorsement for recommended option
- Pending Council endorsement staff will:
 - Confirm program details with CleanBC admin team
 - Request GPR code from CleanBC admin team
 - Schedule webinars for community to align with municipal top-up offer
 - Develop and implement a Communications Plan for the GPR and municipal top-up offer
 - Report back to the Climate Action Committee at the end of the municipal top-up offer, or as requested

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Draft Committee Resolution for Council

THAT Council direct staff to design a Port Moody municipal top-up on the CleanBC Better Homes Program and coordinate administration of the municipal top-up as outlined in Option X in the memo dated April 13, 2021 from the Community Development – Policy Planning Division.

AND THAT staff be directed to initiate a heat pump group purchase rebate program under the CleanBC Better Homes Program.

AND THAT \$X of funding to support the municipal top-up and heat pump group purchase rebate program be forwarded to Finance Committee to determine a funding source.