



MEMORANDUM

TO: Mayor Bonnette and Members of Council

FROM: Rija Rasul, Senior Climate Change Specialist

DATE: 1 March 2021

MEMORANDUM NO.: MEM-ADMIN-2021-005

RE: Retrofit Halton Hills – Project Update

PURPOSE OF THE MEMORANDUM:

To inform Council on the progress made to date on the development of a home energy retrofit pilot program (Retrofit Halton Hills) as well as next steps.

BACKGROUND:

In May 2019, Council declared a climate emergency and set a new target for the Town to achieve net-zero greenhouse gas (GHG) emissions by 2030. In response, staff initiated the development of the Low-Carbon Transition Strategy (LCTS) to expand on the actions developed in the 2014 Mayor’s Community Energy Plan, as well as focus on practical pathways and implementation strategies to get to net-zero by 2030. The LCTS takes on a “plan-while-doing” approach to help accelerate efforts towards the 2030 target. As such, through the LCTS development and governance process, staff will be working with the appropriate stakeholders to launch small-scale pilot programs to initiate the implementation pathway to net-zero. One example is the Retrofit Halton Hills pilot program.

With the approval of the 2019 Budget, \$300,000 over three years was allocated towards the development of a home energy retrofit program. The intent of the program is to target deep energy retrofits in the residential sector using local improvement charges as a financing mechanism.

Greenhouse gas emissions from the existing residential buildings stock are the second largest source of emissions for the Town (representing 22% of the Town’s GHG emissions) and remain a challenging area to tackle, due to the following barriers preventing homeowners from completing home energy retrofits:

- High upfront capital costs
- Difficulty managing contractors
- Lack of knowledge/awareness about options for energy retrofits and their impact

A pilot targeting an initial cohort of 20 participants is planned, to effectively launch a successful program. This approach is intended to help establish the required structure and processes needed to administer the program, evaluate potential for uptake, and monitor and track lessons learned, program successes, and challenges; all of which will help inform the implementation of a full-scale program beyond the pilot. There are approximately 18,000 privately occupied low-rise dwelling units in Halton Hills, representing a significant opportunity to scale up a pilot program, if successful.

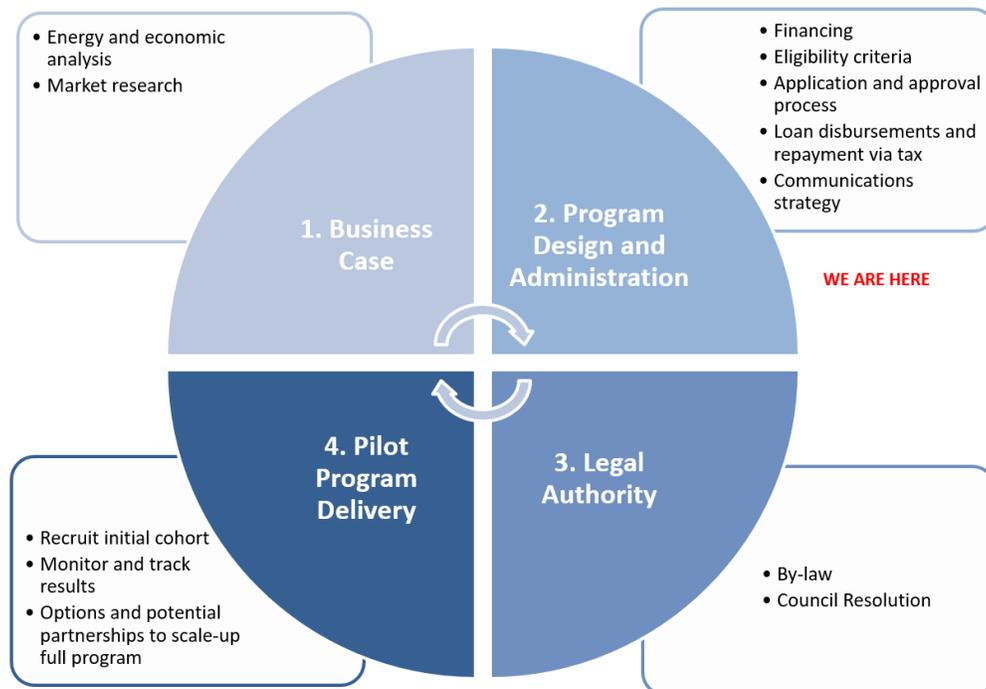
Local improvement charges (LICs)

Local improvement charges (Ontario Regulation 586/06) are a regulatory tool available to municipalities to advance community energy efficiency. Traditionally, LICs are used by municipalities to help fund neighborhood improvements such as sidewalks and water and sanitary systems. In 2012, an amendment to the Regulation (O. Reg. 322/12) permitted municipalities to use LICs to support “water conservation, energy efficiency works or renewable energy works.”

LICs are tied to the property and not the homeowner, and so if a home with an LIC is sold before the cost is fully recovered, the next homeowner would simply continue paying the charge on their property tax bill until it is fully paid. In the context of home energy retrofits, LICs are a financing mechanism to give home-owners access to the upfront capital cost to complete energy retrofits.

Program development process

The following stages of program development identify key tasks the Town must complete before launching a pilot program:



COMMENTS:

Progress to date

Since 2020 when work on this project began, staff have completed the following:

- Issued RFP-075-20 and hired Dunsky Energy Consulting
- Submitted a grant application to the Federation of Canadian Municipalities for an additional \$300,000 in funding to support the delivery of a pilot targeting 20 participants
- Engaged with other municipalities in the GTA who are in the process of developing their own programs to share resources and lessons learned
- Completed an analysis of the economic and GHG impacts of an LIC program
- Conducted two staff workshops and several stakeholder interviews with external actors (including Halton Region, Halton Hills Hydro, and Enbridge) to evaluate options for program design criteria such as participant eligibility, retrofit measure eligibility, loan terms, and key criteria needed for administration
- Began drafting the program design
- Began research and a jurisdictional scan to draft a bylaw authorizing the use of the LIC financing mechanism in accordance with O. Reg. 322/12
- Developed a program logo and website (not yet publicized)
- Drafted a comprehensive survey (to be delivered through Let's Talk Halton Hills) for homeowners to introduce the program concept and better understand resident barriers and motivations to participation

Pilot project timeline

Retrofit Halton Hills - Project Timeline																
	2020				2021				2022				2023			
	Q1	Q2	Q3	Q4												
Phase 1. Planning																
Town research																
FCM Application																
Hiring Dunsky																
Phase 2. Business Case & Pilot Program Design																
Business Case (Energy and Economic Analysis)																
Stakeholder Consultations																
Program Design and Administration Processes																
Community Engagement																
Draft Bylaw and Council Approval																
Phase 3. Launch Pilot Program																
Recruit pilot participants																
Implement Pilot Program																

Community engagement

Successful delivery of this program requires a strong public communications and engagement strategy. Staff have been collaborating with Corporate Communications to develop a clear 'brand identity' for the program, including a program logo, attractive and informative website, and an in-depth survey for Let's Talk Halton Hills. The survey will be open to the public for at least three months and ads promoting the survey and the impending pilot program will also be issued as outreach and to maximize survey

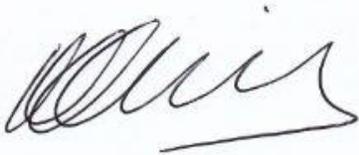
responses. Through the survey, staff are seeking to not only promote the program, but also understand Halton Hills residents' level of awareness of home energy, how they use energy at home, and their perceptions of and barriers and motivations towards home energy retrofits. The responses will help inform program design and may also help identify homeowners who are interested in participating in or learning more about the pilot program. Participants in the pilot can also serve as a key resource for future marketing by providing user testimony and real-life case studies of program successes.

CONCLUSION:

The project is proceeding on schedule and within budget, and key next steps include:

- Kicking off community engagement on March 8th by launching the program website and homeowner survey via Let's Talk Halton Hills, in collaboration with Corporate Communications
- Continuing internal and external stakeholder discussions to finalize program design and administration criteria, including any resource implications
- Drafting a program bylaw
- Returning to Council to seek a Resolution and to pass a bylaw to authorize the program and officially launch the pilot

Reviewed and approved by,



Dharmen Dhaliah, Senior Manager of Climate Change and Asset Management



Richard Cockfield, Director of Strategic Planning



Chris Mills, Acting Chief Administrative Officer