

**Review of Federal and Provincial/Territorial Government
Grant and Incentive Programs for Homes Renovations
to Increase Energy Efficiency**

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by

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Introduction: The Purpose of the Summary of Energy Efficiency Grants and Incentives

This report provides a helpful guide to the range of government grant and incentive programs available to homeowners undertaking energy and water efficiency upgrades to their homes. It provides a starting point for industry members whose businesses can benefit from the availability of homeowner incentives.

In the fall of 2008, the Green Renovator Task Group reported that homeowners have an expectation that professional renovators will provide them with information about the availability of government grants and incentives related to energy and water efficiency upgrades.

The Task Group noted that such information can be difficult for renovators to obtain easily, as there are many initiatives in place at the federal, provincial and municipal levels, and these initiatives change frequently. The Task Group recommended that the CHBA examine this challenge further.

This summary of federal and provincial government grants and incentives for upgrades and home renovations to increase energy and water efficiency has been prepared in response to this recommendation, and addresses a number of goals:

1. It provides home renovators and builders with an overview of how government grant and incentive programs work, including the range and types of eligible energy and water efficiency upgrades that qualify, and the amount of savings available to homeowners.
2. It provides accurate information about the dollar value of grants and incentives for specific types of upgrades available at the time the report was released (July 2009). However, renovators are cautioned against using this report as an ongoing reference document, as the various government initiatives cited have changed in the past, and are likely to change again in the future. Some initiatives, such as the federal Home Renovation Tax Credit, have an announced termination date. The report is intended to provide a general overview of grants and incentives at a specific point in time. Going forward, renovators will need to monitor the various initiatives for updates and changes.
3. Since the Task Group meeting, Natural Resources Canada has upgraded its website information on government and utility grants and incentives that are similar to the federal ecoENERGY Retrofit grants. This represents the best ongoing source of up-to-date information. It is recommended that renovators consult this website periodically to see if initiatives have changed. The website page can be found at this url:

<http://oee.nrcan.gc.ca/corporate/incentives.cfm?attr=4>

This report cites some municipal grant initiatives, but no attempt was made to obtain comprehensive information at the municipal level. Many municipalities offer such incentives,

particularly for replacement of older water-consuming fixtures with efficient devices. Renovators should check with their municipality to determine if any such incentives are available in their community.

Sample Project #1: Basic - Standard upgrades

Upgrade	Cost	Federal ecoENERGY Grant	Net cost (with federal incentives)	Provincial grants and incentives	Net cost (with fed./prov. incentives)
Install new high efficiency gas furnace (92% efficiency)	\$3,500	\$375	\$3,125	BC (South): \$520 AB: \$400 SK: \$300 ON: \$475 (\$375 +\$100 Enbridge) NS: \$500 (for oil-fired) NB: \$500 (not fuel-specific) PEI: \$1,200 (for oil-fired) NL: \$375	BC (South): \$2,605 AB: \$2,725 SK: \$2,825 ON: \$2,650 NS: \$2,625 (oil furnace) NB: \$2,625 (any fuel) PEI: \$1,200 NL: \$2,750
Window replacement (7 windows; 1/2 the windows in the house)	\$7,500	\$240 (\$40 per unit)	\$7,260	BC (South): \$210 (\$30/unit) SK: \$210 (\$30/unit) ON: \$280 (\$40 per unit) PEI: \$280 (\$40/unit) NL: \$280 (\$40/unit)	BC (South): \$7,050 SK: \$7,050 ON: \$6,980 PEI: \$6,980 NL: \$6,980
Toilet replacement (2)	\$500	\$130 (\$65 per unit)	\$370	SK: \$100 (\$50/unit) ON: \$130 (\$65/unit) NL: \$130 (\$65/unit)	SK: \$270 ON: \$240 NL: \$240
Reroofing with attic/ceiling insulation (R-20 upgrade to R-40)	\$4,500	\$250	\$4,250	BC (South): \$70 AB: \$185 SK: \$200 ON: \$250 NL: \$250	BC: \$4,180 AB: \$4,065 SK: \$4,050 ON: \$4,000 NL: \$4,000
Air sealing	\$1,000	\$190	\$810	BC (South): \$100 SK: \$150 ON: \$190	BC (South): \$710 SK: \$660 ON: \$620

Totals (including the HRTC*)	\$16,500	\$1,185 + \$1,350 (HRTC)*	\$13,965	BC (South): \$850 AB: \$585 SK: \$450 ON: \$1,325 NS: \$500 NB: \$500 PEI: \$1,480 NL: \$1,035	BC (South): \$13,065 AB: \$13,380 SK: \$13,515 ON: \$12,640 NS: \$13,465 NB: \$13,465 PEI: \$12,485 NL: \$12,930
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* The federal government's Home Renovation Tax Credit (HRTC) is a 15% non-transferable tax credit on home renovation expenditures of up to \$10,000 (with a \$1,000 deductible). Eligibility for the HRTC is over and above any other grants and incentives a homeowner qualifies for. Receiving other grants or incentives does not reduce the amount of the HRTC a homeowner will receive.

Other notes:

1. Provincial sales tax exemptions: Ontario: ENERGY STAR Appliances; BC: Most energy efficiency upgrades; Saskatchewan: Furnaces and heat pumps
2. PEI has an Energy Efficiency Grant Program that provides a grant equal to 15% of eligible upgrades to a maximum of \$1,500 per household. The maximum includes any grant received from the Windows and Doors Grant Program.
3. New Brunswick (through Efficiency NB) will supplement the federal NRCan grants by providing an additional grant of 20% of eligible upgrade costs to a maximum of \$2,000. An additional \$500 is available for home heating system upgrades. Alternatively, occupants can apply for an interest-free loan of up to \$10,000 (repayable over six years).

Sample Project #2: Moderate – Upgrades targeted to improving energy efficiency

Upgrade	Cost	Federal ecoENERGY Grant	Net cost (federal incentives)	Provincial grants and incentives	Net cost (fed. + prov. Incentives)
Install new high efficiency gas furnace (92% efficiency) with brushless DC motor	\$4,000	\$625	\$3,375	BC (South): \$580 AB: \$500 SK: \$500 MB: \$245 ON: \$850 (\$625 + \$125 OPA + \$100 Enbridge) NS: \$500 (for oil-fired) NB: \$500 PEI: \$1,200 (for oil-fired) NL: \$625	BC (South): \$2,795 AB: \$2,875 SK: \$2,875 MB: \$3,130 ON: \$2,525 NS: \$2,875 NB: \$2,875 PEI: \$2,175 NL: \$2,750
Window replacement (14 windows)	\$15,000	\$560	\$14,440	BC (South): \$420 (\$30/unit) SK: \$420 (\$30/unit) ON: \$560 PEI: \$500 (\$40/unit; max. of \$500) NL: \$560 (\$40/unit)	BC (South): \$14,020 SK: \$14,020 ON: \$13,880 PEI: \$13,940 NL: \$13,880
Toilet replacement (2)	\$500	\$130	\$370	SK: \$100 (\$50/unit) ON: \$130 (\$65/unit)	SK: \$270 ON: \$240
Reroofing with attic/ceiling insulation (R-20 to R-50)	\$4,750	\$375	\$4,375	BC (South): \$70 AB: \$280 SK: \$300 MB Hydro: \$375 (up to 100% of insulation cost)	BC (South): \$4,305 AB: \$4,095 SK: \$4,075 MB: \$4,000 ON: \$4,000

				ON: \$375 NL: \$375	NL: \$4,000
Replace domestic hot water heater with an ENERGY STAR qualified instantaneous gas-fired water heater (minimum Energy Factor 0.82)	\$2,500	\$315	\$2,185	BC (South): \$220 AB: 250 SK: \$350 ON: \$315 NL: \$315	BC (South): \$1,965 AB: \$1,935 SK: \$1,835 ON: \$1,870 NL: \$1,870
Install a heat/energy-recovery ventilator	\$2,500	\$375	\$2,125	BC (South): \$500 SK: \$300 ON: \$375	BC (South): \$1,625 SK: \$1,825 ON: \$1,750
Air sealing	\$1,000	\$190	\$810	BC (South): \$100 ON: \$190 NL: \$190	BC (South): \$710 ON: \$620 \$620
Totals (including the HRTC)	\$30,250	\$2,570 + \$1,350 (HRTC) ***	\$26,330	BC (South): \$1,470 AB: \$1,030 SK: \$1,550 MB: \$620 ON: \$2,795 NS: \$500 NB: \$2,500* PEI: \$1,700 NL: \$1,500**	BC (South): \$24,860 AB: \$25,300 SK: \$24,780 MB: \$25,710 ON: \$23,535 NS: \$24,480 NB: \$23,830 PEI: \$24,630 NL: \$24,830

OPA = Ontario Power Authority

* NB figure includes maximum of \$2,000 grant from Efficiency NB (based on 20% of eligible upgrade costs).

** NL figure includes maximum of \$1,500 grant from the NL EnerGuide for Houses Program.

*** Under the terms of the Home Renovation Tax Credit any of the listed upgrades would be eligible. Also note that the HRTC is over and above any other qualified grant and incentive – the credit is calculated on the initial homeowner expenditure, not on the amount net of any other grant or incentive.

Sample Project #3: Aggressive – Upgrades to maximize energy efficiency improvements

Upgrade	Cost	Federal ecoENERGY Grant	Net cost (federal incentives)	Provincial grants and incentives	Net cost (fed. + prov. Incentives)
Install an earth-energy heating system (ground or water source)	\$25,000	\$4,375	\$20,625	BC (South): \$1,250 SK: \$3,500 MB: loans ON: \$4,375	BC (South): \$19,375 SK: \$17,125 ON: \$16,250
Install a domestic solar hot water system	\$6,000	\$1,250	\$4,750	BC (South): \$125 SK: \$1,000 MB Hydro: \$1,200 ON: \$1,250 NS: \$900 (15% of cost) NL: \$1,250	BC (South): \$4,625 SK: \$3,750 MB: \$3,550 ON: \$3,500 NB: \$3,850 NL: \$3,500
Window replacement (14 windows)	\$15,000	\$560	\$14,440	ON: \$560 PEI: \$500 (\$40/unit; max. of \$500)	ON: \$13,880 PEI: \$13,940
Replace central AC system with an ENERGY STAR qualified system with min. SEER of 14.5	\$3,000	\$250	\$2,750	SK: \$200 ON: \$500 (\$250 + \$250 OPA*)	SK: \$2,550 ON: \$2,250
Toilet replacement (2)	\$500	\$130	\$370	ON: \$130 (\$65/unit) SK: \$100 (\$50/unit)	ON: \$240 SK: \$270
Reroofing with attic/ceiling insulation (R-20 to R-50)	\$4,750	\$375	\$4,375	BC (South): \$70 AB: \$280 SK: \$300 MB Hydro: \$375 ON: \$375	BC (South): \$4,305 AB: \$4,095 SK: \$4,075 MB: \$4,000 ON: \$4,000

Install a heat/energy-recovery ventilator	\$2,500	\$375	\$2,125	BC (South): \$500 SK: \$300 ON: \$375	BC (South): \$1,625 SK: \$1,825 ON: \$1,750
Add basement insulation (to R-25)	\$4,000	\$1,250	\$2,750	BC (South): \$400 SK: \$1,000 ON: \$1,250 NL: \$1,250	BC: \$2,350 SK: \$1,750 ON: \$1,500 NL: \$1,500
Air sealing	\$1,000	\$190	\$810	BC (South): \$100 SK: \$150 ON: \$190 NL: \$190	BC (South): \$710 SK: \$660 ON: \$620 NL: \$620
Total (including the HRTC)	\$61,750	\$5,000* + \$1,350 (HRTC)	\$55,400	BC (South): \$2,445 AB: \$280 SK: \$5,000** MB: \$1,575 ON: \$5,000** NS: \$900 NB: \$2,000*** PEI: \$500 NL: \$1,500****	BC (South): \$52,955 AB: \$55,120 SK: \$50,400 MB: \$53,825 ON: \$50,400 NS: \$55,500 NB: \$53,400 PEI: \$54,900 NL: \$53,900

* OPA: Ontario Power Authority, the provincial electricity manager.

** The federal ecoEnergy grant total of \$8,755 is capped at \$5,000 per dwelling. The Ontario grant total of \$9,005 and the Saskatchewan grant total of \$6,250 also are capped at \$5,000 per dwelling in each province. These amounts are over and above homeowner eligibility to receive the Home Renovation Tax Credit.

*** NB figure includes maximum of \$2,000 grant from Efficiency NB (based on 20% of eligible upgrade costs).

**** NL figure includes maximum of \$1,500 grant.

**Overview: Grants and Incentives for Homes Renovations
that Increase Energy Efficiency
(as of July 21, 2009)**

Federal Government

1. ecoEnergy Retrofit Homes program
 - requires a pre- and post-retrofit energy evaluation from an approved contractor.
 - maximum of \$5,000 per home.
2. Home Renovation Tax Credit
 - Maximum of \$1,350 (15% of \$10,000, with a \$1,000 deductible).
 - Non-transferable tax credit that reduces federal income tax payable.

Provincial Governments

- Most provinces have some type of grants program.
- The most generous programs supplement the federal ecoEnergy program (ON, SK).
- Some provinces have sales tax exemptions for appliances and upgrades. For example, Ontario offers a point-of-sale retail sales tax exemption (8%) for qualified ENERGY STAR household appliances and lighting products bought before September 1, 2009; Saskatchewan offers an application-based rebate on retail sales tax (5%) for qualified ENERGY STAR household appliances (no end date is set for the rebate program).

Other Considerations

All programs have time limits

- The ecoEnergy Retrofit Homes program ends on March 31, 2011 (including post-retrofit evaluation).
- The Home Renovation Tax Credit ends on February 1, 2010.
- Most provincial government programs end within the next 12 months.

Potential deterrents

- Energy evaluations cost vary by size of home from approximately \$400 to \$600; subsidies vary by province: e.g., \$150 in Ontario, \$400 in New Brunswick.
- Application process: generally, a separate application will be required for each grant or incentive. For instance, the furnace upgrade in Ontario could involve up to four different grants and tax credits. Renovators will want to familiarize themselves with the application processes involved so they can advise customers on the documentation required to obtain the full benefits for which they qualify.

Observations about Energy Efficiency Grants and Incentives

- The total dollar value of the grants and incentives for many upgrades can add up. Anecdotal evidence from renovators across the country indicates these grants and incentives, and the Home Renovation Tax Credit, are stimulating home renovation activity.
- Consumers who want to upgrade from a poorly-performing home to a highly energy-efficient home can realize quite substantial savings.
- Some renovators are advertising that they will assist consumers with the applications – this may well be an effective marketing strategy.
- Some municipalities and utilities are offering grants and incentives. Most apply to energy-saving appliances or water-conserving equipment and the amounts tend to be modest.

Federal ecoEnergy Grants for a Selection of Upgrades

Upgrade	Estimated Cost	Federal ecoENERGY Grant*
Install new HE gas furnace (92% efficiency)	\$3,500	\$375
Install new HE gas furnace (92% efficiency) with brushless DC motor	\$4,000	\$625
Replace domestic hot water heater with an ENERGY STAR instantaneous gas-fired water heater	\$2,500	\$315
Install a domestic solar hot water system	\$6,000	\$1,250
Window replacement (7 windows)	\$7,500	\$280 (\$40 per unit)
Toilet replacement (2)	\$500	\$130 (\$65 per unit)
Install a heat/energy-recovery ventilator	\$2,500	\$375
Replace central AC system with an ENERGY STAR qualified system with min. SEER of 14.5	\$3,000	\$250
Reroofing with attic/ceiling insulation (R-20 upgrade to R-50)	\$4,750	\$375
Add basement insulation (to R-25)	\$4,000	\$1,250
Install an earth-energy heating system (ground or water source)	\$25,000	\$4,375
Air sealing	\$1,000	\$190

* Note that any incentive received by a homeowner under the ecoENERGY initiative does not reduce eligibility for the federal Home Renovation Tax Credit. The initial cost involved, not the amount net of grants, is used to calculate HRTC amounts.

Summary of Federal and Provincial Government Grants and Incentives

Project	Total Cost	Federal ecoENERGY Grant	Home Renovation Tax Credit	Net cost (federal incentives)	Lowest net cost (fed. + largest prov. incentives)
Sample Project #1	\$16,500	\$1,185	\$1,350	\$13,965	\$12,485 (PEI)
Sample Project #2	\$30,250	\$2,570	\$1,350	\$26,330	\$23,535 (ON)
Sample Project #3	\$61,750	\$5,000*	\$1,350	\$55,400	\$50,400 (ON, SK)*

* Project #3 would qualify for a \$8,755 ecoEnergy grant but there is a \$5,000 maximum per dwelling. Provincial government grants from Ontario and Saskatchewan also are capped at \$5,000.