



Home Energy Loan Program

What We Heard – Closing the Loop
January 26, 2021



Engagement Summary

Property Assessed Clean Energy (PACE) financing is a loan provided by the municipality to residents that can be used for energy efficiency retrofits or renewable energy installations for either residential or commercial properties that is then paid back through property taxes. From May 2020 – November 2020, Administration engaged stakeholders on relevant components of a PACE program. Based on what we heard from stakeholders, in addition to further research and internal considerations, Administration has named the program the Home Energy Loan Program (HELP) and will recommend program components to City Council in February 2021.

The Individual Stakeholder Meetings and the Closing the Loop survey were designed to inform the following engagement goals for the development of the Home Energy Loan Program for the City of Saskatoon:

- Share the 75% draft program plan with stakeholders to close the loop and provide opportunity to identify red flags
- Determine if there are any final trends/concerns/best practises that should be considered.

Red flags and concerns that emerged from the stakeholder meetings and online survey are discussed in this section, including:

Participant Eligibility

The vast majority of respondents (88%) agreed with the proposed eligibility criteria for the Home Energy Loan Program; however, numerous themes emerged, including:

Abuse: participants should be monitored to ensure they follow the guidelines and practises

Inclusive: make the criteria simple and inclusive, there should be discounts based on income eligibility to create more accessibility for low-income participants

Payment history: multiple years of payment history should not be as important as the most recent year especially in times of COVID-19 where financial uncertainty could limit applications, credit history should be more relevant, admittance should not be based on a person's income

Time constraints: the top concern identified by the respondents, what if projects are not completed within 12 months due to market conditions, COVID-19 considerations, demand or uncontrollable factors, extending this period to 24 months or allowing for time extensions were suggested

Types of properties: income properties, secondary suites, multi-unit dwellings, commercial/industrial buildings, and condominiums should also be eligible

Home Energy Evaluations or Audits

The majority of respondents (79%) agreed with the proposed recommendations for energy audits. Energy audits were viewed as an important facet of the program, allowing for significant improvements to be monitored and participants to be followed-up on to determine their return on investment. However, energy auditors can also have challenges, especially in typically following

what the homeowner wants and not providing clear notes regarding what retrofits should be performed. To ensure quality control there needs to be training for auditors, thermal imaging in every audit, standards that are created that all auditors need to follow, and a checklist should be developed on what homeowners can expect from their auditors

Costs were the most identified concern and were viewed as a potential barrier to uptake for the program. It was suggested that energy audits prices should be standardized by the City and be made to be more cost effective (ex. discounts, shared by the City, etc.) in order to promote more uptake of sustainable initiatives. Other concerns/red flags identified by respondents included:

Delays: delays in receiving an energy audit would delay the overall project as well

Flexibility: allow for simplified and more detailed energy audits that are performed depending on the scale of the project

Follow-up needed: changes need to be measured in order to accurately administer the program

Freedom: homeowners should have the final say on which recommendations they want to proceed with

Plain language: use plain language in the energy audits to improve uptake and simplicity

Transparency: audits are performed by independent contractors that follow standard industry bidding procedures, limit bureaucratic requirements

Eligible Projects

The majority of participants (87%) agreed with the proposed eligible projects for the Home Energy Loan Program. Numerous other projects were suggested for inclusion in the program, including: appliances, automated home controls, grey/rainwater systems, heat-energy recovery ventilation units, landscaping/xeriscaping projects, and roofing materials. Respondents commented on the need for the program to be flexible in allowing for alternative technologies/retrofits to be considered in the future.

Contractor Selection and Payment

The majority of respondents (84%) agreed with how participating contractors will be paid; however, contractor payment was a concern for some stakeholder groups, since receiving payments following the installation could cause installers to have to carry expenses for the lifetime of many projects at once. Stakeholders suggested looking into providing upfront payments for certain thresholds in the project or adding a hold-back into the program, such as payment being dependant on the percentage of job completion.

The following considerations were identified in regards to the recommendations for qualified contractors, contractor lists, and contractor payment:

Fairness: multiple quotes should be required to reduce contractors taking advantage and overpricing, no room for nepotism in awarding contractors

Inclusive contractors: up to 15-20% of the contractors should aim to hire Indigenous employees

Local contractors: only using local contractors could potentially create local monopolies, allow provincial companies to participate to alleviate this

Mandatory training: all training for the program should be mandatory for contractors, the training could include Building Trades Codes and Passive House Trades Person Certified

Payment: timely installment payments should be required by the contractors for larger projects, payment needs to be timely which some respondents stated is not always guaranteed with City projects

Selection: experience should take precedence over the lowest cost

Standardized payment: different payment processes will significantly reduce the pool of participating contractors

Troubleshooting: if a system install results in a defective system there should be a process/hotline to notify a service provider to check and perform warranty services in an efficient/simple manner, should provide participants with detailed instructions/information about how to deal with low-quality workmanship or deficient systems, should this process be performed by the City or homeowner?

Financing Terms and Amounts

Participants strongly supported the proposed loan repayment and interest rate recommendations (90%), minimum loan amount (79%), and maximum loan amount (79%). However, many individuals commented on the maximum loan amount being too low, primarily due to most large-scale project costs being higher than the maximum. It was suggested that the high and compounding retrofit costs forces participants to potentially apply for additional bank loans.

Many respondents also identified the minimum loan amount as being too high for small retrofits that are important and valuable for low-income/elderly homeowners (ex. water heaters, windows, etc.). Making the program more accessible for low-income participants by offering a lower minimum loan amount with a shorter repayment period was of importance for many participants that provided comments. Also, having a smaller minimum loan amount supports individuals that are looking for an easy introduction into making energy efficient retrofits to their properties with minimal risks to the provider. Lowering the amount to \$500 - \$1000 and allowing that amount to include multiple projects was thought as being more accessible to these identified groups.

Other concerns that were identified included:

Allocation: credits from solar generation could be applied directly to the loan principal

Combining projects: projects should be able to be combined in order to reach the minimum, it is currently unclear whether the program allows for this

Early payment: will repayment be for just the outstanding principal balance or the expected interest of the loan as well, how flexible is this repayment option and how often, information on loan

specifics (i.e., outstanding principal, interest, number of remaining payments, etc.) should be made available, should include an option to make additional partial prepayments (i.e., through one-off payments, request to increase the value of monthly TIPPS payments, etc.)

Lower interest rates: consider offering lower interest rates to make the program more financially attractive, most home credit interest rates are currently being offered at 2.45%

Penalties: for non-payments should include all court and incurred costs and the loan repayment rate should increase to 7% if the loan account goes into arrears status

Risks: what are the risks for the City associated with foreclosures, bankruptcies, property failures, insurable and uninsurable property damages, etc.

Fees

Overall, many individuals (32% of comments) stated the administrative fees as being too high overall, encouraging lowering the fees to \$200 to providing the service for free. Many participants identified the administrative fee as being especially too high for smaller projects and for low-income resident uptake in the program. Numerous individuals suggested making the fee percentage-based, allowing larger projects to subsidize the fee for low-income participants. Individuals that supported the fee stated that if the fee remains transparent and truthful to the actual costs, then there will be no concerns.

Additional considerations identified by participants included:

Costs vs. benefits: the added benefits of energy conservation and greenhouse gas reductions could outweigh the administrative costs for many, this program should be viewed as the City providing a benefit to the participating citizens

Change: create a standardized fee and stick to it as best as possible

Financing fees: could the fees be incorporated into the loan or added to their property taxes and repaid with interest

Timing: fees should be paid over a 12-month period and not attached to the loan, with an option to pay the fee in a lump sum, upfront fees could be a deterrent for some participants

Final Thoughts

63% of participants stated they would participate in this program based on the current information provided, while 33% said they might and 5% stated they would not. The most common reasons provided by individuals on why they might or would not participate in the program included the current fees and rates as proposed being too high, the program being not financially attractive enough to participate, and individuals having competing projects and debt.

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1 Background

Property Assessed Clean Energy (PACE) financing is a loan provided by the municipality to residents that can be used for energy efficiency retrofits or renewable energy installations for either residential or commercial properties that is paid back through property taxes. This form of financing program is different than a regular loan as it is tied to a property, not an individual, and therefore has no impact on credit ratings, mortgage limits or other individual debt limits. Energy efficiency retrofits would need to be permanently affixed to the property to qualify for the program, and multiple retrofit projects could be bundled within a single loan.

PACE financing was previously not allowed under the province's *The Cities Act*, but amendments to this act were passed by the legislature in July 2020 and came into law at this time. Federal funding through the Federation of Canadian Municipalities is available through the Community Efficiency Financing Stream for both feasibility and design studies, and capital projects. This initiative involves laying the groundwork for the City of Saskatoon (the City) to introduce a PACE financing program by mid to late 2021.

Establishing a PACE financing program will create a new and innovative approach to achieve community greenhouse gas (GHG) emissions reduction targets by enabling a financing mechanism for residents and businesses to invest in solar energy and building retrofits. A PACE financing initiative also enables several Actions from the Low Emissions Community Plan. Additional background information is available in the project charter.

From May 2020 – November 2020, Administration engaged stakeholders on relevant components of a PACE Program. Based on what we heard from stakeholders, in addition to further research and internal considerations, Administration has named the program the Home Energy Loan Program and will recommend program options to Committee and City Council in February 2021.

1.1 Strategic Goals

Introducing a Home Energy Loan Program helps to address the strategic goal of working to proactively address the effects of climate change.

1.2 Abbreviations

- HELP: Home Energy Loan Program
- PACE: Property Assessed Clean Energy

1.3 City Project Team

- Hilary Carlson, GHG Controls Specialist and HELP project manager
- Amber Weckworth, Manager Climate, Strategy and Data
- Jeanna South, Director Sustainability
- Kenton Lysak, Public Engagement Consultant
- Megan Quintal, Marketing Consultant

1.4 Spokesperson(s)

- Jeanna South, Director, Sustainability
- Amber Weckworth, Manager Climate, Strategy and Data

2 Summary of Engagement Strategy

The following engagement goals were identified to help inform the development of a local Home Energy Loan Program:

- Options Identification
 - Develop approaches/options for program components related to a Home Energy Loan Program in Saskatoon.
 - Ask industry and public participants to identify and explain their preferences for each component related to the program to determine any trends.
 - Learn which of the program options are preferred by industry stakeholders and if there are any trends/concerns within different segments of the sector.
- Closing the Loop
 - Validate findings and recommended program options with key stakeholder groups.
 - Determine the level of support for the recommended program options and identify any risks to the success of the project.
- Post-Implementation Evaluation
 - Evaluate the program to determine successes and barriers in uptake for the program.
 - A separate engagement plan will be developed in 2021/2022 to conduct this review.

We Are Here

2.1 Stakeholder Groups

Four stakeholder groups were identified with potential to be impacted by implementation of a Home Energy Loan Program. These groups include:

2.1.1 Key Stakeholder Groups

- Saskatoon and Region Home builders Association and members of the Retrofit Roundtable
- Related industry professionals: realtors, developers, builders, property managers and BID executives
- Utility providers: SaskPower, Saskatoon Light and Power, Saskatoon Water and SaskEnergy
- Non-profit and co-op organizations: Energy Management Task Force, First Nations Power Authority, and Saskatchewan Environmental Society (SES)
- Project-specific stakeholders: Sask EV and SES Solar Co-op
- Banks and lenders

2.1.2 Installers

- General Contractors
- Electricians
- HVAC, refrigeration and cooling
- Plumbing and heating
- Solar and Electric Vehicle (EV) station installers

2.1.3 Building Owners

- Business associations, including Business Improvement Districts (BIDs), Greater Saskatoon Chamber of Commerce, North Saskatchewan Business Association (NSBA), Saskatchewan

Regional Economic Development Authority (SREDA) and Saskatoon & Region Home Builder's Association (SRHBA)

- Property managers (residential and commercial)
- Businesses that own their own buildings/properties

2.1.4 Homeowners

- Community associations
- General public
- Single-family-dwelling homeowners

A summary of stakeholder groups, level of engagement, engagement objectives, engagement goals and engagement activities completed are provided below.

Table 1: Summary of Engagement Strategy

| Stakeholder | Level of Influence | Objective | Engagement Goal | Potential Engagement Activity |
|---|--------------------|--|--|---|
| Key Stakeholders, Building Owners, Homeowners, Installers | Involve | Work with citizens to ensure concerns and priorities are understood. | Phase 1: Options Identification Develop Program options based on feedback on the program components. | 1:1 online conversations Surveys (industry and general public) |
| All Stakeholders | Consult | Obtain feedback. | Phase 2: Close the Loop by posting Summary of Phase 1 engagement on Engage page and sent directly to those who have provided contact information. Share the 75% draft program plan with stakeholders to close the loop and provide opportunity to identify red flags. | 1:1 online conversations with some key stakeholders Online Feedback Form (using Survey Monkey) |
| Program Participants and All Stakeholders | Consult | Obtain feedback | Post-implementation Evaluation (2022): Identify potential areas of improvement | To be determined ¹ |

¹ This report only includes the engagement activities scheduled for 2020 that intended to inform the design of the program. A separate engagement plan will be developed in 2021/2022 for a post-implementation evaluation of the program.

3 Engagement Activities

Individual stakeholder meetings and an online public survey were used to collect feedback to Close the Loop on the Home Energy Loan Program Draft Program Options.

The general public were able to provide input through the City of Saskatoon Engage page forum, or contact the Project Manager directly via email, mail, or telephone.

3.1 Individual Stakeholder Meetings

Consultations were held with select Key Stakeholder Groups to determine barriers and opportunities related to the Home Energy Loan Program.

3.1.1 Intended Audience

The stakeholders that participated in the Individual Stakeholder Meetings included the following:

- Energy Management Task Force
- Retrofit Roundtable
- SaskEnergy
- Saskatchewan Environmental Society

3.1.2 Marketing Techniques

No marketing techniques were employed for these activities. Participating stakeholders were contacted individually by the project leads and meetings were organized.

3.1.3 Analysis

Meeting notes were provided by the project team and engagement consultant, which the engagement consultant analyzed using mixed methods. Qualitative methods included a thematic analysis and open coding of responses to identify key concepts.

3.1.4 What We Heard

Eligible Projects

It was strongly recommended that every appropriate installation is Energy Star rated as a minimum (ex. double versus triple paneled windows); however, the participants also identified the National Energy Code for Buildings as a basis of standards for inclusion. It was suggested that even if participants put in all the technical requirements, it doesn't mean they will hit the performance targets, due to the lack of monitoring and evolving technologies.

Energy Audits

Energy audits were viewed as an important facet of the program, allowing for significant improvements to be monitored and participants to be followed-up on to determine their return on investments. However, there can be challenges in energy audits, such as auditors typically following what the client wants and not clearly informing the participant what retrofits should be performed. To ensure quality control there needs to be training for auditors, thermal imaging in every audit, standards that are created that all auditors need to follow, and a checklist should be developed on what participants can expect from their auditors. It was also suggested to have a

proper RFP process to potentially procure a few specific audit firms to streamline the process and improve consistency prior to its widespread application. Smart Meters could be used in conjunction with audits as a requirement to remotely monitor meters installed on the property in order to draw a baseline comparison.

Contractors

Similar programs have shown the potential for contractors to take advantage of homeowners, especially in programs where the municipality pays the contractors directly. The program must determine a way to control for this kind of behaviour to ensure participants are safe while also promoting good decision-making practises. One suggestion to alleviate this was to rely on pre- and post-audits. It was noted that many challenges face auditors, such as changing technologies and quality control; therefore, it is easy for even good contractors to make mistakes.

Contractor payment was a concern for some participants, since receiving payments following the installation could cause installers to have to carry expenses for the lifetime of many projects at once. An example that was provided was if a furnace company installs two furnaces a month, they will be holding the costs of 24 furnaces for a year. A suggestion provided was to explore providing upfront payments for certain thresholds in the project. Another suggestion was to incorporate a hold-back into the program, such as payment being dependant on the percentage of job completion or paying contractors 90% and holding the remaining 10% until the post-audit if performed.

Other Considerations

Additional considerations for the program included:

Continuity: some participants identified the need for continuity to be built into the program to ensure its future even in changing political climates

Educate on value: it is important for developers and realtors to educate buyers on the value the program is adding instead of buyers viewing the retrofit being an extra expense to the house if they are not interested in the energy efficiency

Low-income households: many participants identified needing to account for low-income households in the future

Secondary loans: it will be more common for participants to apply for secondary loans due to retrofit costs being higher than the maximum loan amount for the program

3.2 Closing the Loop Survey

The public survey was open from November 14th, 2020 to November 23rd, 2020 and comprised a total of 26 closed-ended questions for respondents to identify any red flags or potential issues with the draft program components. Respondents were able to write-in an “other” preference for numerous questions and provide explanations for their preferences

3.2.1 Intended Audience

The Closing the Loop Survey was created for all identified stakeholders, including: homeowners, community association members, building managers, business owners, industry professionals as well as any individuals that participated in previous engagement activities.

3.2.2 Marketing Techniques

A variety of marketing techniques were employed to reach the intended audience.

1. City Website
 - a. Updates to the Engage Page (<https://www.saskatoon.ca/engage>) were made to encourage participation in the online survey.
 - b. An article promoting the survey was published on MyCity and the Monday eblast.
2. Social Media
 - a. A social media campaign which ran from November 14th – 23rd, included Facebook and Twitter ads promoting the survey. An Instagram story with a clickable link was also used to promote the survey. All paid social media ads used targeting optimization in an effort to reach our audience most effectively.
3. Email
 - a. Personalized emails were sent to past participants and stakeholders asking them to share the information with their members.

3.2.3 Analysis

The participant-proposed programs were analyzed for the following indicators:

- Any red flags or potential issues with the draft program components
- Thematic analysis of reasoning offered for inclusion of certain program component selections over others
- Look for program component selections that might improve accessibility and uptake and for those that reduce accessibility and uptake

Mixed methods were used to analyze the data. Qualitative methods included the thematic analysis and open coding of responses. Data was also contextualized and analyzed according to stakeholder groups.

3.2.4 Data Limitations

Due to the public health orders related to the COVID-19 pandemic, all engagement activities for this project were conducted virtually. Online engagement has its limitations in not being as inclusive to those individuals with limited to no internet access, including low-income and some equity groups. Multiple avenues were available to the public for providing input to help mitigate potential issues of inclusivity due to the inability to conduct in-person activities; however, engagement practises and procedures were limited due to the pandemic, especially in conducting physical meetings with individual stakeholders. Additional considerations for low-income and equity groups will be considered during the Post-implementation Evaluation.

3.2.5 What We Heard

A total of 271 individuals participated in the Closing the Loop Survey. The majority of respondents were residential homeowners (97%), followed by business operators within an owned building (7%), industry stakeholders within the renewable energy or home/commercial building sectors (7%), property managers for multi-unit residential properties (3%), and property managers for industrial, commercial, or institutional properties (3%).

Participant Eligibility

The vast majority of respondents (88%) agreed with the proposed eligibility criteria for the Home Energy Loan Program, with 11% somewhat agreeing and 1% not. Participants identified the following concerns/red flags:

Abuse: participants should be monitored to ensure they follow the guidelines and practises, primarily landlords

Continuation: there is hesitation in the loan being tied to the property and not the homeowner since the homeowner is more invested in the commitment that was established

First-time property owners: new first-time homeowners do not have years of payment history and therefore would not qualify

Inclusive: make the criteria simple and inclusive, there should be discounts based on income eligibility to create more accessibility for low-income participants

Payment history: multiple years of payment history should not be as important as the most recent year especially in times of COVID-19 where financial uncertainty could limit applications, credit history should be more relevant, admittance should not be based on a person's income

Restrictions: can an individual apply if they currently have a City lien on a property

Time constraints: the top concern identified by the respondents, what if projects are not completed within 12 months due to market conditions, COVID-19 considerations, demand or uncontrollable factors, extending this period to 24 months or allowing for time extensions were suggested

Types of properties: income properties, secondary suites, multi-unit dwellings, commercial/industrial buildings, and condominiums should also be eligible

Home Energy Evaluations or Audits

The majority of respondents (79%) agreed with the proposed recommendations for energy audits, with 18% expressing they somewhat agree and 3% saying they do not. The following concerns/red flags were identified by the respondents:

Cost: identified the most out of all comments provided, might be a barrier to the program, should be kept under a \$200 - \$300 maximum or offered for free if the project moves forward, prices should be standardized by the City, make audits cost effective (ex. discounts, shared by the City, etc.) in order to promote more uptake of sustainable initiatives

COVID-19: home visits should not occur during the pandemic

Delays: delays in receiving an energy audit would delay the overall project as well

Flexibility: allow for simplified and more detailed energy audits that are performed depending on the scale of the project

Follow-up needed: changes need to be measured in order to accurately administer the program

Freedom: homeowners should have the final say on which recommendations they want to proceed with

Made public: audits should be anonymized and made public, adding to a repository of results that can contribute to industry research and better education

Payment: provide an option to pay for audits upfront rather than making them part of the loan, could the costs of permits be included in the loan amount

Plain language: use plain language in the energy audits to improve uptake and simplicity

Separation: the audit should be treated as separate from the loan

Transparency: audits are performed by independent contractors that follow standard industry bidding procedures, limit bureaucratic requirements

Trusted auditors: there should be flexibility for homeowners to hire their own auditor

It should also be noted that the time for retroactive energy audits was a topic of debate, with some individuals agreeing with the proposed time of 1-year, while others wanting it to increase to a minimum of 2 years to a maximum of ten years.

Eligible Projects

The majority of participants (87%) agreed with the proposed eligible projects for the Home Energy Loan Program, with only 11% somewhat agreeing and 1% not. The following concerns/red flags were identified by the respondents:

Compounding installs: the installation of one device may cause the need to retrofit others

Flexibility: allow for alternative technologies/renovations to be considered if they are not currently on the list

Solar: solar is a less efficient option in Saskatchewan due to the longer winter months/snow covered roofs/overcast, this system should be calculated and credited monthly not quarterly

Other proposed projects to be included in the program were suggested, including:

- Aerobarrier
- Appliances
- Attic insulation
- Automated home controls
- Battery storage to existing solar panel system

- Compost program fees could be waived if they participate in the program
- Condensing dryers
- Doors – exterior
- Electric vehicles
- Electric vehicle charging stations other than level 2, upgrading fuse boxes
- Emergency backup systems
- Engineering fees for design work
- Geothermal heating
- Grey/rainwater systems
- Heat/energy recovery ventilation units
- Insulated exterior doors
- Landscaping – rain gardens, native plants
- LED lighting
- Plumbing – replacing lead pipes
- Rain barrels
- Replacement siding
- Replacing wood fireplaces with more efficient options
- Roofing materials – metal
- Solar pumps for rain barrels to feed irrigation systems
- Wind power
- Xeriscaping projects

Contractor Selection and Payment

The majority of respondents (85%) agreed with how participating contractors will be paid, with 13% somewhat agreeing and 3% not. The following concerns/red flags were identified in regards to the recommendations for qualified contractors, contractor lists, and contractor payment:

Fairness: multiple quotes should be required to reduce contractors taking advantage and overpricing, no room for nepotism in awarding contractors

Inclusive contractors: up to 15-20% of the contractors should aim to hire Indigenous employees

Local contractors: only using local contractors could potentially create local monopolies, allow provincial companies to participate to alleviate this

Mandatory training: all training for the program should be mandatory for contractors, the training could include Building Trades Codes and Passive House Trades Person Certified

Payment: timely installment payments should be required by the contractors for larger projects, payment needs to be timely which some respondents stated is not always guaranteed with City projects

Selection: experience should take precedence over the lowest cost

Standardized payment: different payment processes will significantly reduce the pool of participating contractors

Troubleshooting: if a system install results in a defective system there should be a process/hotline to notify a service provider to check and perform warranty services in an efficient/simple manner, should provide participants with detailed instructions/information about how to deal with low-quality workmanship or deficient systems, this process should also include a customer complaints system, should this process be performed by the City or homeowner?

Financing Terms and Amounts

Participants strongly supported the proposed loan repayment and interest rate recommendations (90%), minimum loan amount (80%), and maximum loan amount (77%). However, many individuals commented on the maximum loan amount being too low, primarily due to most large-scale project costs being higher than the maximum. One participant provided more details regarding a recent energy audit that was performed on their property, which included \$15,000 for windows and doors, \$40,000 for insulation and siding, and \$10,000 for an HVAC installation kit, totalling between \$60,000 to \$100,000. Participants also identified that these amounts typically do not include contractor fees, costs of inspections, building permits and annual costs following the installation of the retrofit. It was suggested that this amount forces participants to potentially apply for additional bank loans. To mediate this issue, one individual suggested allowing maximum loan amounts to be increased if a review is performed or if enough of a return on investment is identified (ex. 20%).

Many respondents also identified the minimum loan amount as being too high for small retrofits that are important and valuable for low-income/elderly homeowners (ex. water heaters, windows, etc.). Making the program more accessible for low-income participants by offering a lower minimum loan amount with a shorter repayment period was of importance for many participants that provided comments. Also, having a smaller minimum loan amount supports individuals that are looking for an easy introduction into making energy efficient retrofits to their properties with minimal risks to the provider. Lowering the amount to \$500 - \$1000 and allowing that amount to include multiple projects was thought as being more accessible to these identified groups. Numerous participants commented that many homes could use worthwhile retrofits under the current \$3,000 minimum loan amount and they should be supported.

Other concerns/red flags that were identified included:

Allocation: credits from solar generation could be applied directly to the loan principal

Changes in ownership: if a homeowner initiates a large project and then has to sell will the new owner be able to make adjustments to the term

Combining projects: projects should be able to be combined in order to reach the minimum, it is currently unclear whether the program allows for this

Early payment: will repayment be for just the outstanding principal balance or the expected interest of the loan as well, how flexible is this repayment option and how often, information on loan specifics (i.e., outstanding principal, interest, number of remaining payments, etc.) should be made

available, should include an option to make additional partial prepayments (i.e., through one-off payments, request to increase the value of monthly TIPPS payments, etc.)

Lower interest rates: consider offering lower interest rates to make the program more financially attractive, most home credit interest rates are currently being offered at 2.45%

Penalties: for non-payments should include all court and incurred costs and the loan repayment rate should increase to 7% if the loan account goes into arrears status

Risks: what are the risks for the City associated with foreclosures, bankruptcies, property failures, insurable and uninsurable property damages, etc.

Fees

Numerous comments were provided on the proposed administrative fees associated with the program. Overall, many individuals (32% of comments) stated the administrative fees as being too high overall, encouraging lowering the fees to \$200 or providing the service for free. Many participants identified the administrative fee as being especially too high for smaller projects and for low-income resident uptake in the program. Numerous individuals suggested making the fee percentage-based, allowing larger projects to subsidize the fee for low-income participants. Another participant suggested spending any gained funds from the program on waiving the fees for low-income families or providing them back to the participants.

Individuals that supported the fee stated that if the fee remains transparent and truthful to the actual costs, then there will be no concerns. One individual suggested implementing an annual audit of actual administrative costs in order to promote transparency.

Additional concerns/red flags identified by participants included:

Costs vs. benefits: the added benefits of energy conservation and greenhouse gas reductions could outweigh the administrative costs for many, this program should be viewed as the City providing a benefit to the participating citizens

Change: create a standardized fee and stick to it as best as possible

Financing fees: could the fees be incorporated into the loan or added to their property taxes and repaid with interest

Timing: fees should be paid over a 12-month period and not attached to the loan, with an option to pay the fee in a lump sum, upfront fees could be a deterrent for some participants

Final Thoughts

61% of participants stated they would participate in this program based on the current information provided, while 34% said they might and 5% stated they would not. The reasoning provided by individuals on why they might or would not participate in the program are summarized below by the number of times they were mentioned:

Table 2: Reasons for not participating in the program

| Reasons | Times mentioned |
|--|-----------------|
| Fees and rates are too high | 35 |
| Not financially attractive enough | 15 |
| Competing projects and debt | 9 |
| More flexibility in the program needed | 7 |
| Energy audit costs are too high | 6 |
| Cannot afford any retrofits at this time | 5 |
| Already performed retrofits | 5 |
| More information is needed | 4 |
| Lack of contractors currently available | 4 |
| Attaching the loan to the individual is needed | 3 |
| Associated risks for participant and City | 2 |
| Minimum or maximum loan limits | 2 |
| When will the program be made available | 2 |
| COVID-19 considerations | 1 |
| Not an important program | 1 |

The following comments, divided into various themes, were provided for final consideration:

Corporate considerations:

- The City should maintain net metering in the Saskatoon Light and Power zone. Developing a way to pay for solar panels without maintaining net metering seems like one step forward and two steps backwards
- The City should create an energy/water efficient building code for all new buildings

Low-income, newcomer and equity considerations:

- The project should support low-income households who would greatly benefit from such retrofits
- Efforts should be made to ensure these opportunities do not contribute to increasing the economic, social and racial divisions within Saskatoon
- Make the program instructions/materials available in a number of languages to maximize accessibility

Program Considerations:

- Look for ways to overlap with federal or provincial grants/programs, such as the Home Renovation Tax Credit
- Education is needed on the process for getting home upgrades (i.e., getting multiple quotes, looking at how much they can afford, prioritizing items, what they should expect from a contractor, etc.)
- Educate using cost benefit analysis so participants can see what they would save/earn

- Could numerous neighbours within multiple houses apply for the loan together in order to ease the application process?

Support:

- “Good work people. Thanks for thinking about doing this. Saskatoon is super long overdue for something like this”
- “I’m glad to see leadership coming from the City because the Province seems hesitant to take action on this front”
- “Thank you for pulling this all together it is sorely needed and I will take advantage of it as soon as it comes out”

4 Next Steps

The next steps for development of a Home Energy Loan Program are as follows:

- Develop Program Options
 - Based on what we heard from stakeholders and the surveys the project team will develop a comprehensive strategy including Home Energy Loan Program Draft Program Options
- Closing the Loop
 - Validate findings and recommended program options with key stakeholder groups through individual virtual meetings.
 - Determine the level of support for the recommended program options and identify any risks to the success of the project through an online feedback form.
- City Council Report
 - Home Energy Loan Program Financing Strategy presented to City Council in February 2021.
- Post-Implementation Evaluation
 - Evaluate the program to determine successes and barriers in uptake for the program.
 - A separate engagement plan will be developed in 2021/2022 to conduct this review.

We Are Here

