



Aurora Home Energy Retrofit Loan Program Feasibility Study

Overview for the Environmental Advisory
Committee

Feb 2025



Agenda

- 1 Context
- 2 Work Plan
- 3 Feedback





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Background

In 2019, Aurora declared a **Climate Emergency**. In 2021, the Town adopted a **Community Energy Plan**, which set targets to reduce community GHG emissions by 80%.

In 2022, Aurora adopted a **Climate Change Adaptation Plan**. In 2024, the Town adopted a **net zero carbon target for corporate emissions** by 2050.

Addressing emissions from residential buildings is a crucial step in as **residential buildings account for 37% of community emissions.**

The Town has taken steps to reduce community emissions through:

- A Go Green Challenge
- Demonstrating efforts to reduce emissions at Town buildings
- Installing public EV charging stations
- Waste reduction efforts
- Green Development Standards

Study Objectives

Design a program to support homeowners undertake home energy upgrades



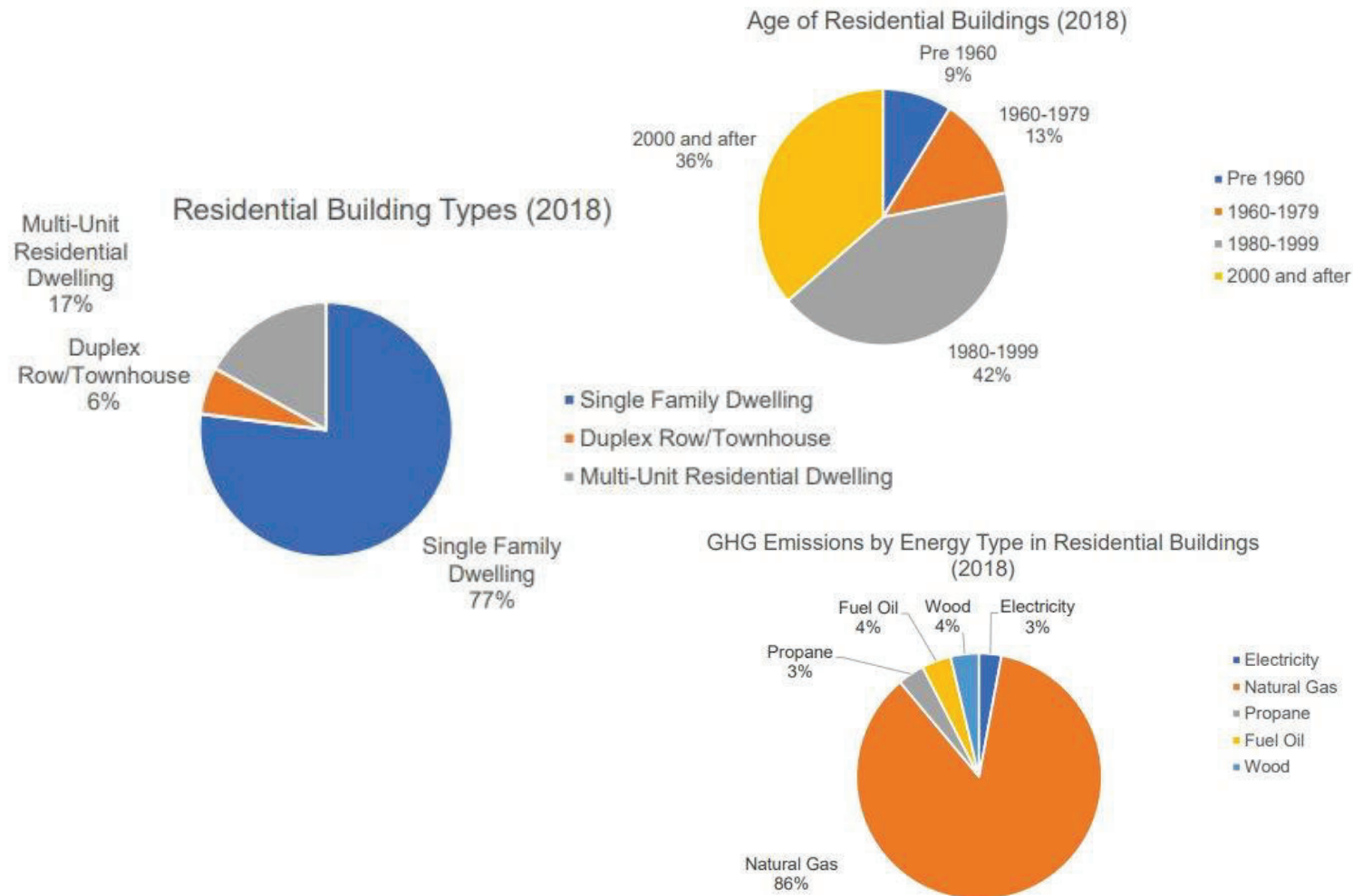
Context

Aurora's Community Energy Plan – for Homes

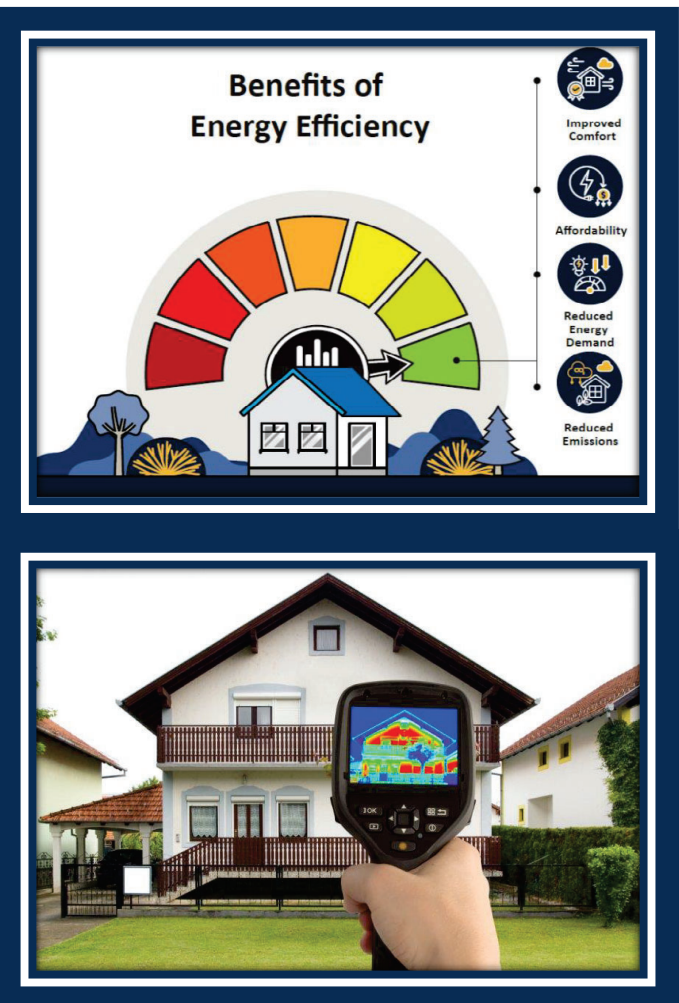


Homes account for 37% of community emissions, mostly from natural gas space and water heating.

Aurora homes are relatively new and mostly single detached (77%).



Barrier	Solution
<ul style="list-style-type: none"> Access to competitive and trustworthy financing 	<ul style="list-style-type: none"> Consider municipal role in offering financing (municipality, utility, etc)
<ul style="list-style-type: none"> Public awareness 	<ul style="list-style-type: none"> Home energy ratings and retrofit pathways Energy hot line Thermal cameras
<ul style="list-style-type: none"> Quality and quantity of skilled labour 	<ul style="list-style-type: none"> Training for contractors
<ul style="list-style-type: none"> Motivation 	<ul style="list-style-type: none"> Incentives for equipment or performance Support for target audiences or outcomes (eg. additional dwelling units, resiliency, etc)



Examples of Municipal Home Energy Loan Programs

Durham Greener Homes Program

Energy coaching and home labeling platform

Private loans to homeowners for energy efficiency and renewables

Ottawa Better Homes Program

Municipal loans for energy efficiency, renewable energy, and secondary units

20 year loan term

Contractor training

Halifax Solar City Program

Municipal loans to homeowners for solar panels

Toronto Home Energy Loan Program

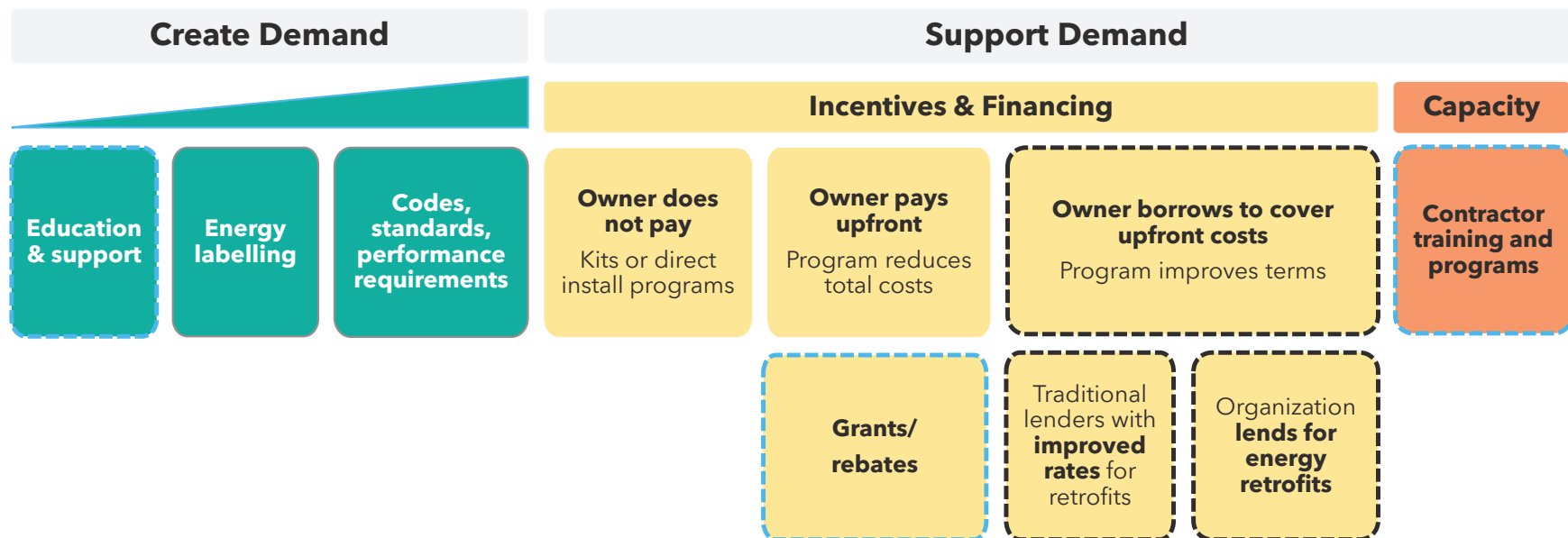
Municipal loans to homeowners for energy efficiency and renewable energy

20 year loan term

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Retrofitting at scale

Financing alone does not generate demand for efficiency retrofits. Financing needs to be aligned with other strategies and policies to meet GHG emission reduction goals. Multiple initiatives must work together to address barriers and accelerate home and building energy retrofits.



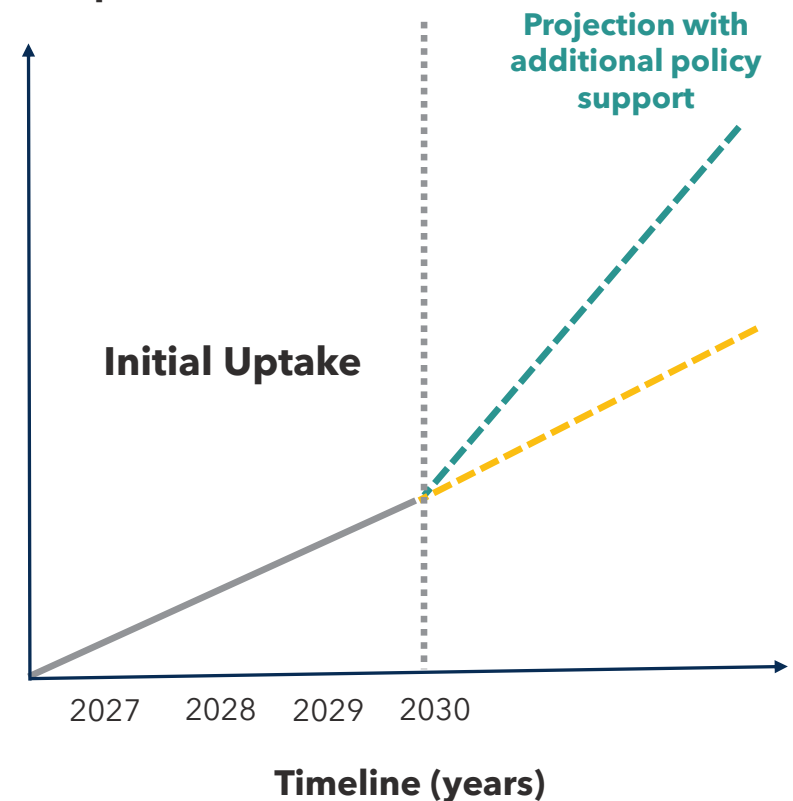
Market readiness

Policy can influence the program uptake **in the long run** after the initial program years. These policies can encourage (or require) homeowners to make retrofits, and thereby **expand the need for financing and uptake.**

Longer term policy support examples include:



- Carbon pricing
- Building regulations (i.e. local building emissions standards)
- Home and Building Energy Rating and Disclosure policies
- Restrictions on fossil fuel use or fossil fuel equipment use/upgrade (as in Quebec)



Projected Uptake



PACE | LIC

 Provincial regulation allows for LIC mechanism? 



 Tax system has the capability to add an LIC line item? 

 Key departments can administer a LIC mechanism? 



On-Bill Repayment



 Provincial regulation or energy regulator allows for OBR mechanism? 

 Utility committed as a partner for the program delivery?  

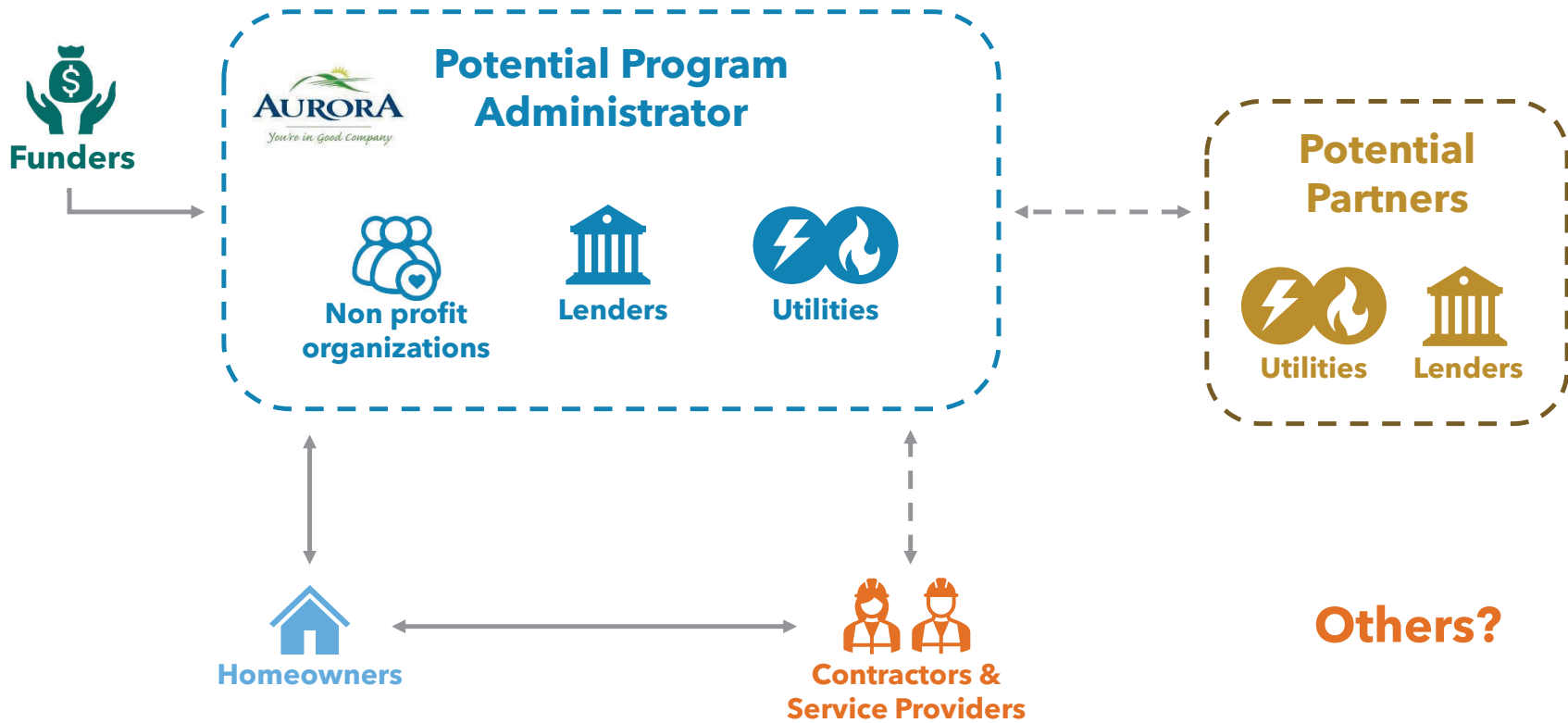
 Utility has restrictions on eligible retrofit measures? (If yes, deal breaker?) 

Third party / Direct Lending

 Municipalities willing to identify financial institution(s) as delivery partner(s)? 

 Financial institution(s) willing to offer loans aligned with program goals and timeline? 

Key stakeholders influencing program delivery



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Stakeholder Engagement

- ❖ Interviews with key stakeholders:
 - ❖ York Region
 - ❖ Local utilities
 - ❖ Local contractors
 - ❖ DEI representatives
 - ❖ Relevant Town staff
- ❖ Surveys of:
 - ❖ Financial institutions
 - ❖ Lower tier municipalities in York Region
- ❖ Homeowner Questionnaire available at Engage Aurora until late Jan, 2025

Have we missed any stakeholders?

Assessing the Feasibility of a HERLP for Aurora

- ❖ Integrate stakeholder consultation input throughout the study
- ❖ Assess building stock data from MPAC, NRCAN (EnerGuide), and Statistics Canada Census
- ❖ Determine most prominent home archetypes (only homes < 4 stories)
- ❖ Develop sample retrofit packages and determine GHG and energy reduction estimates from each package
- ❖ Run Dunsky's finance model to determine projected uptake and capital needs
- ❖ Explore financial models such as municipal LIC financing, utility on-bill financing, private lender green mortgages
- ❖ Conduct Needs and Benefits Assessment of the proposed program design and financing structure
- ❖ Determine the feasibility of a home energy retrofit loan program
- ❖ Present to EAC then Council on the Feasibility Study

Input on the Study methodology?

Program Design Development

- ❖ Pending positive results from the Feasibility Study and Council approval, we will continue with a more detailed program design
- ❖ Adjust model of home archetypes and retrofit uptake estimates based on homeowner demographics and target audiences
- ❖ Develop detailed program design including program features, eligibility criteria, measures included
- ❖ Determine set-up and implementation requirements (budget, partnerships, funding sources, financial flows, delivery model, etc.)
- ❖ Follow up stakeholder consultations
- ❖ General Meeting to confirm program design

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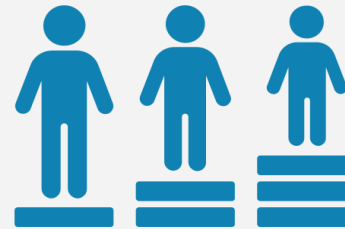


Community Demographics

Are there demographics most ready to participate in this program?
Are there demographics most in need of this program?
Are there ways to reach those communities effectively?



Who is the program's target audience?



What equity considerations are important?

Aurora Home Energy Loan Program

Target buildings:

- Detached residential buildings
 - Pre-1980
 - Post 1980
- Low-rise MURBs

Questions:

1. Do you have suggestions on how Aurora's Home Energy Retrofit Loan Program could cater to **different building types**?
2. Should the program prioritize **volume** (number of retrofits) **or individual impact** (deep retrofits)?
3. Should the program prioritize **GHG emissions reductions, energy efficiency, climate resiliency, cost savings**, or other?

Dunsky will:

1. Stakeholder Engagement:

- Consult internal and external stakeholders to determine program potential

2. Project analysis:

- Assess data to determine program impact

3. Feasibility Study:

- Report to EAC then Council on feasibility of the program and seek guidance on next steps.
- Timeframe is ~June 2025

Contact



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