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Town of Aurora

Committee of the Whole Report

No. PDS26-023

Subject: Home Energy Retrofit Program Design Study

Prepared by: Natalie Kehle, Program Manager – Energy and Environment

Department: Planning and Development Services

Date: March 10, 2026

Recommendation

1. That Report No. PDS26-023 be received; and
2. That the Home Energy Retrofit Program Design Study be endorsed; and
3. That staff be directed to move forward with the implementation of the Home Energy Retrofit Program Design Study.

Executive Summary

This report presents to Council the results of the Home Energy Retrofit Program Design Study undertaken by Town staff together with Dunsky Energy and Climate Advisors.

The proposed program design is collaborative with our regional partners, fills existing market gaps, while remaining flexible to the constantly changing environment of home energy retrofits between levels of government and utility partners.

- The proposed Town of Aurora Home Energy Retrofit Program is built upon the findings of the Home Energy Retrofit Program Feasibility Study.
- Market changes in the home energy retrofit field is changing quickly, impacting outcomes on an Aurora-based program.
- The engagement process is the foundation of the study and consisted of gathering internal and external feedback from interested parties.
- The proposed program is a multi-phased, collaborative approach, first focusing on education and outreach for all Aurora households, followed by developing a grant program to support households with low income.

Background

Currently, fewer than 1% of homes undergo energy retrofits each year, falling far short of the 4% needed to achieve Council-approved climate targets (or approximately 850 households per year). Home energy retrofits include such things as attic insulation, window replacement, solar panels and switching heating and cooling systems with heat pumps.

Homeowners cite lack of knowledge and high upfront costs as the main barriers to retrofits. A municipal-based home energy retrofit program has been shown in other jurisdictions to increase the number and depth of retrofits by residents.

Council approved the Aurora Home Energy Loan Program Feasibility Study in June 2025, directing staff to continue into the detailed program design phase of a home energy retrofit program for Aurora.

Climate Change in Aurora

The Town is committed to lowering carbon emissions and mitigating climate risk in the community as part of its 2019 declaration of a climate emergency.

Carbon emissions from Aurora homes are the largest contributor to the Town's total carbon footprint, at 37%. A home energy retrofit program was identified as an essential initiative under the Town's Community Energy Plan (CEP) in reducing community emissions.

Energy Poverty in Aurora

Based on 2021 Census data, approximate 2,300 households (11%) in Aurora experience energy poverty (defined as spending more than 6% of after-tax income on home energy needs). These households are the most exposed to utility cost increases and extreme summer weather events, being least able to invest in energy retrofits. In general, inefficient homes cost more to heat and cool.

The Energy Affordability Program (EAP) is a provincial initiative providing free energy-saving upgrades to low-to-moderate-income households, helping them reduce electricity costs and improve home comfort. Eligible homeowners or renters can receive free energy efficient appliances. Homes heated electrically or with heat oil are eligible for advanced retrofits like home insulation, heat pumps and smart thermostats. Aurora homes are mostly heated with natural gas furnaces; thus, many Aurora income-qualifying households are excluded from the full EAP offer.

Other Municipalities

Many municipalities across Ontario offer home energy retrofit programs for their residents that compliment provincial and national programs, such as the City of Toronto, City of Ottawa, City of Guelph, Durham Region and City of Mississauga. Many early adopters are larger cities and regions, some taking advantage of previously offered Federal Government start-up funding to offer attractive financing to their residents for energy retrofits.

Among the municipalities in York Region, the Town of Newmarket is currently in advanced stages of developing their program, the City of Vaughan completed a feasibility study, and the City of Richmond Hill and City of Markham just started a feasibility study in late 2025.

In the Fall of 2026, York Region announced that they are developing the *York Region Greener Homes Program* to residents, offering energy retrofit coaching to support residents through the complex journey of a retrofit. The York Region program is planned to launch in spring 2026.

Cold-Climate Air Sourced Heat Pumps

Cold-climate air sourced heat pumps (ASHP) are vital for reducing home energy use. They efficiently heat and cool homes in one unit, functioning like reversible air conditioners. Operating effectively in temperatures as low as -30°C, they can reduce greenhouse gas emissions by 40-60% compared to natural gas furnaces. ASHPs are cost-effective when replacing both traditional heating and cooling systems into one unit. They save homeowners on energy bills when used throughout the year. They are flexible and can work together with an existing heating system as a hybrid. Access to ASHPs is also seen as an important climate resiliency measure, as extreme heat waves become more common, access to cooling is a matter of safety.

Analysis

The proposed Town of Aurora Home Energy Retrofit Program is built upon the findings of the Home Energy Retrofit Program Feasibility Study.

The Aurora Home Energy Retrofit Program Feasibility Study was developed last year and approved by Council in June 2025. It looked at the opportunities and risks of a home energy retrofit program to determine if the Town should further explore developing a program, including offering financing to residents.

Several financing models were reviewed and screened for suitability. Three loan models were found to be the most applicable to the Town for further consideration in a detailed design study.

Other energy retrofit market elements initiated by the Town was shown to increase the number of home energy retrofits in Aurora, including energy coaching to support residents through the complex retrofit journey and energy retrofit education and outreach.

Collaboration with York Region and/ or neighbouring municipalities was also recommended to be further developed for economies of scale and funding.

Market changes in the home energy retrofit field is changing quickly, impacting outcomes on an Aurora-based program.

Developing a home energy retrofit program for Aurora has centered on working collaboratively with municipal partners and filling in any existing market gaps. Several market changes have occurred since the approval of the Home Energy Retrofit Program Feasibility Study, impacting the design study outcomes:

- The Federal Government of Canada's *Greener Homes Loan Program* has ended. The program provided zero-interest loans to homeowners for energy retrofits. A replacement program may be launched in the future.
- The Federation of Canadian Municipalities (FCM) Community Efficiency Financing (CEF) program is no longer accepting applications to support home energy retrofit loan programs. Future funding programs may open.
- Discussions are occurring with municipal partners for a regional home energy retrofit financing program.
- The *York Region Greener Homes Program* is under development, with collaboration from lower tier municipalities and utility partners. The program is expected to launch in spring 2026. The program is expected to offer the following:
 - o An energy coaching service to support residents in their retrofit journey including how to access provincial and federal incentives, if eligible.
 - o A Virtual Home Energy Assessment Tool (vHEAT), providing valuable insights into each home's existing energy performance and opportunities for retrofits.
 - o *York Region Greener Homes* web portal, providing a secure web service for residents to easily manage the retrofit journey, including accessing

important home information, utility incentives and managing energy coach appointments

The engagement process is the foundation of the study and consisted of gathering internal and external feedback from interested parties.

Input from interested parties provided the basis of the findings for the feasibility study and program design study. The process included identifying relevant interested parties and seeking input throughout the project. The proposed program incorporates feedback from Town staff, local municipalities, York Region, local utility providers, financial institutions, building industry representatives, and the Town's Environmental Advisory Committee.

The proposed program is a multi-phased, collaborative approach, first focusing on education and outreach for all Aurora households, followed by developing a grant program to support households with low income.

The proposed program is designed to support all Aurora residents to improve the energy efficiency of their homes and reduce greenhouse gas emissions (GHG) from the residential sector. The program is designed to enhance existing retrofit programs and fill existing market gaps. The program also aims to support households with low income through a retrofit grant.

Short term Program (1-3 years):

- **Energy Retrofit Coaching:** Support the *York Region Greener Homes Program* development, launch and promotion with our regional partners.
- **Outreach and Education:** Aurora community engagement and education activities on energy efficiency in residential buildings, such as:
 - Aurora webpages, notice board and e-newsletters
 - Digital street signs and posters in Town buildings
 - Exhibits at the Aurora Home Show
 - Information tables at targeted locations: Library, seniors centre, farmer's markets and at Town-run events
 - Messaging through utility partners and property tax bills
 - Promotion through other Town communities, like the heritage group.
- **Performance Monitoring:** Collect data on the program implementation including uptake, types of retrofits being performed and customer feedback

- **Advocacy and Collaboration:** Continue dialogue, exploration and advocacy with municipal partners including York Region and utility partners on additional program opportunities and improvements, such as:
 - Home energy ratings: Making home energy ratings, like EnerGuide, available to the public regionally, with consultation with interested parties. EnerGuide demonstrates the energy performance of a home and informs homeowners and potential home buyers.
 - Heat pump cost reduction: Explore strategies to reduce the cost of heat pumps through industry engagement and regional collaboration.
 - Workforce training: Investigate ways to improve market readiness.

The proposed short term program has no additional cost to the Town. Funding is available under the existing approved Environmental Initiatives Operating Budget, utilizing existing Town communication channels and resources.

Medium Term Program (3-5 years):

- **Aurora retrofit grant program for homeowners with low income:** Staff to develop a home energy retrofit grant program for income-qualifying Aurora homeowners. The program may consider the following elements:
 - Energy retrofit eligibility: cold climate air source heat pumps, home insulation, and/ or smart thermostats
 - Applicant eligibility: Aurora homeowners with income qualification
 - Grant exclusions: renters and condominiums owners

This program would be funded through the Town's Green Initiatives Reserve Fund, with the goal to maintain principal balance for long-term reserve sustainability.

Long term Program (5-10 years):

- **Region-wide incentive program:** collaborate with York Region and partners to offer incentives for all residents to further encourage home retrofits.
- **Financing Programs:** Continue to engage with York Region and regional partners regarding the consideration of a regional cost-effective, low-risk financing program for home retrofits.
- **Emissions bylaws for existing buildings:** Explore the option of a regional regulatory tool to reduce emissions from existing buildings with a building emissions performance standard.

Advisory Committee Review

Report No. PDS25-028 and consultant presentation introducing the project was brought forth at the Environmental Advisory Committee (EAC) meeting on February 24, 2025. Report No. PDS25-055 and consultant presentation of the feasibility study update was brought forth at the EAC meeting on May 12, 2025. Report No. PDS26-016 and consultant presentation of the draft program design study was brought forth at the EAC meeting on February 23, 2026.

Table 2 lists the EAC comments and considerations into the study from the February 23 meeting.

Table 2: EAC Comment Summary

Comments	Response
Older homes need more improvements, should these homes be focused on for funding	Comment received, current program will look to promote the program with the heritage community.
Lower income households may not have great credit to receive loans to complete retrofits. Also, concerns about property liens on homes.	The Town's Program is a grant program (in the medium term) and does not include a loan program.
Request for stakeholder consultation on publication of energy ratings.	Comment received. The Town plans to wait on a federal standard to be released and consult with interested parties on impacts of public information, before advocating this initiative regionally.
Who is verifying the accuracy of home upgrades / submissions into the home rating system?	Comment received. There is a national steering committee that has discussed this and standards will be released. This will ensure homes across the country will be a like to like comparison.
Request for information on what a heat pump is and how it works.	Comment received, staff report updated to include heat pump description.
Are we confident we can achieve our targets with the proposed plan?	This plan will not meet the goals on its own and is designed to create an action plan that the Town is well-positioned to perform, while avoiding overlap of efforts. Durham Region Greener Homes Program see an average of 40% energy reduction through their home retrofit program.
Do we have any existing by-laws for new construction energy emissions?	The Town's Green Development Standard (GDS) regulates minimum building design that impacts emissions but does not limit emissions directly.

Legal Considerations

If the Town proceeds with the proposed medium-term program of providing grants to income-qualifying homeowners, the homeowner would be required to enter into an agreement with the Town to ensure the requirements of the program are met.

Financial Implications

The development of an Aurora home energy retrofit program is partially being funded by the FCM CEF program.

The proposed short and medium term Home Energy Retrofit Program Design Study initiatives will not result in an incremental impact to the tax levy.

The proposed medium term program would be fully funded through the Green Initiatives reserve in a financially sustainable fashion.

Program reporting deadlines to FCM are in March 2026.

Communications Considerations

Communications will support the Home Energy Retrofit Program through clear, accessible, and coordinated public outreach that raises awareness of retrofit benefits, promotes available supports such as energy coaching, and ensures residents understand how the Town's program aligns with York Region, provincial, and federal initiatives. Messaging will be delivered through the Town's established channels—including the website, e newsletter, social media, digital signs, print materials, and targeted in person engagement—to reach a broad and diverse audience.

Climate Change Considerations

Reducing home energy use was identified as an essential strategy in reducing community energy costs and carbon emissions under the Community Energy Plan.

This program aims to educate residents and enhance climate resiliency by making homes more robust to climate impacts and potentially reducing energy costs and reliance on fossil fuels.

Link to Strategic Plan

A local home energy retrofit program supports the Strategic Plan goal of supporting environmental stewardship and sustainability and aligns overall with the Town's strategic vision of "an innovative and sustainable community where neighbours care and businesses thrive".

Goal: Supporting environmental stewardship and sustainability

Objective 1: Encouraging the stewardship of Aurora's natural resources

- Work with community partners to promote environmental protection and build a culture of environmentalism in the community

Objective 2: Promoting and advancing green initiatives

- Investigate a program that promotes and actively supports innovative green buildings and infrastructure
- Continue to invest in green initiatives and infrastructure to promote environmentalism locally

Alternative(s) to the Recommendation

That the Home Energy Retrofit Program Design Study not be endorsed and staff not move forward with the study and implementation of the Home Energy Retrofit Program.

Conclusions

An Aurora local home energy retrofit program fills existing program market gaps and increases the number and depth of energy retrofits in Aurora. Residents experience many benefits to a home energy retrofit including thermal comfort, reduced energy bills, increased property values and resiliency to more extreme weather events. Energy poverty rates were assessed and equity considerations made throughout the study to ensure Aurora's most vulnerable are included into the program design.

Market support elements like education, outreach, energy coaching services, currently lacking in existing programs, are foundational to the program design, and help overcome many (non-financial) barriers to homeowners.

Attachments

Attachment 1 – Final Draft Home Energy Retrofit Program Design Study

Previous Reports

PDS25-059, Home Energy Retrofit Loan Program Feasibility Study, June 10, 2025

Pre-submission Review

Agenda Management Team review on February 19, 2026

Approvals

Approved by Marco Ramunno, Director, Planning and Development Services

Approved by Doug Nadorozny, Chief Administrative Officer