

Oil to Heat Pump Financing Program

Lunch and Learn Webinar

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saanich.ca/climateplan



Acknowledgements

We acknowledge that the District of Saanich lies within the territories of the ləkʷəŋən peoples represented by the Songhees and Esquimalt nations and the W̱SÁNEĆ peoples represented by the W̱JOŁEŁP (Tsartlip), BÓKEĆEN (Pauquachin), S̱ÁUTW̱ (Tsawout), W̱SIKEM (Tseycum) and MÁLEXEŁ (Malahat) nations.

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OF CANADIAN
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CANADIENNE DES
MUNICIPALITÉS



Saanich Climate Plan

PLAN GOALS



1. CUT EMISSIONS IN HALF BY 2030 AND TO NET ZERO BY 2050



2. TRANSITION TO 100% RENEWABLE ENERGY BY 2050



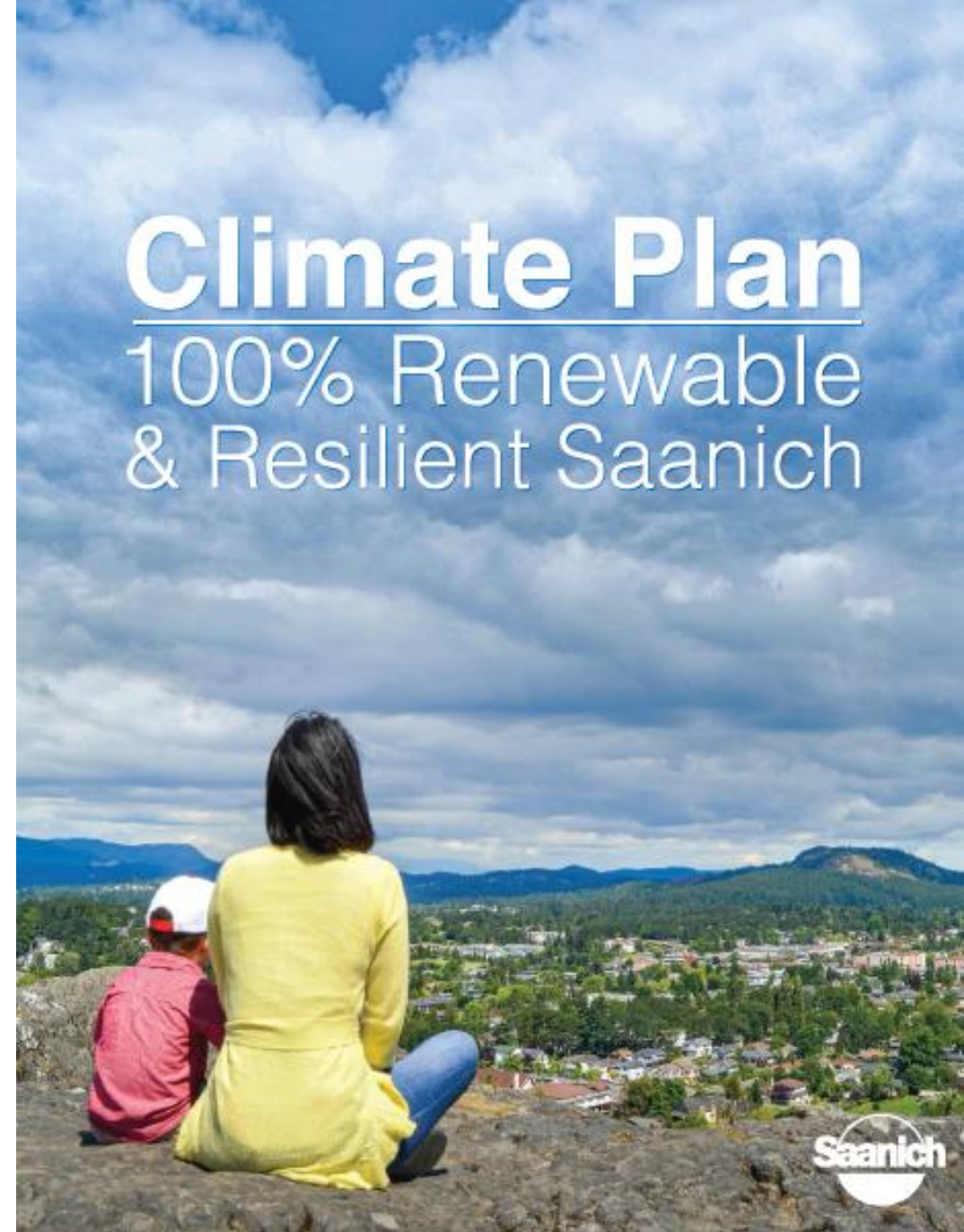
3. PREPARE FOR A CHANGING CLIMATE

LEAD BY EXAMPLE *through municipal operations*

2025



2040



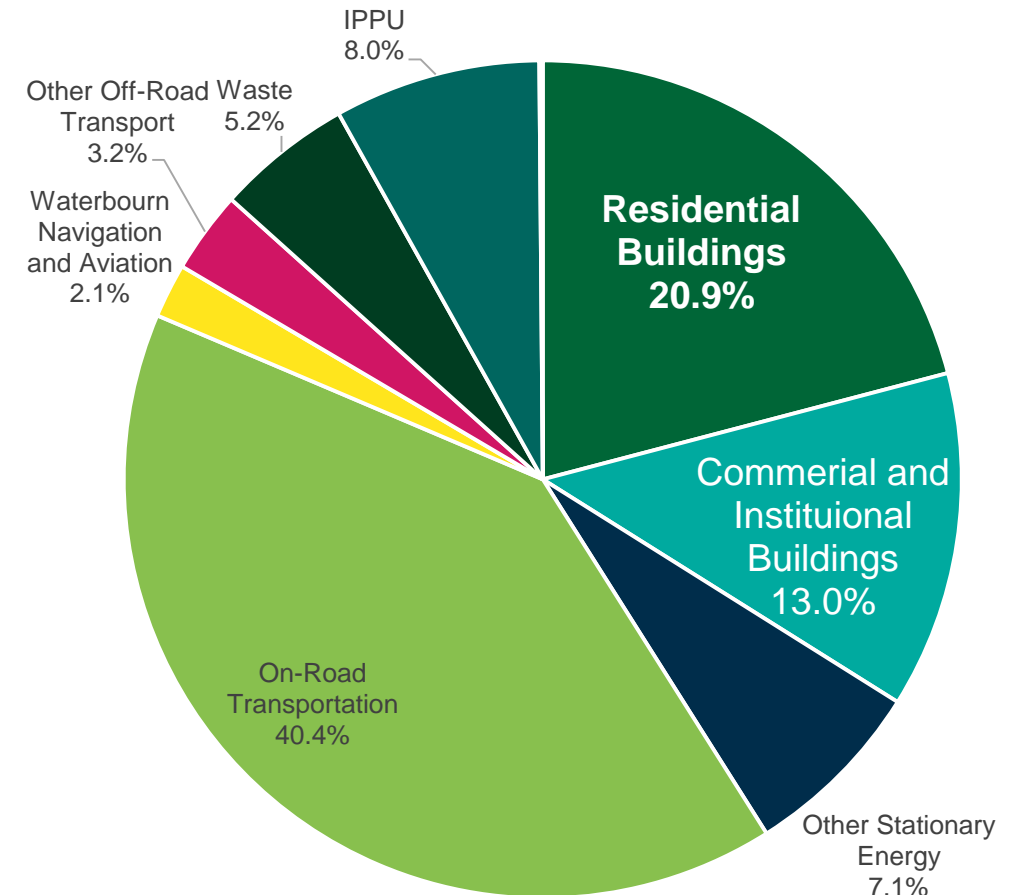
Climate Plan

100% Renewable
& Resilient Saanich

Why Oil Heating Replacement?

- ~4,200 oil furnaces = ~20% of residential bldg GHG emissions
- Climate Plan Target: 100% oil heating systems must transition to renewables by 2030
- BC Hydro electricity: currently 98% renewable & required to be 100% renewable by 2025
- Saanich needs 525 oil to heat pump conversions/year to achieve target
- Climate Plan Action B2.1: Launch a Home Energy Retrofit Municipal Financing Pilot Project

Saanich's Community GHG Emissions, by Sector (2020)



Key Program Goals

- Address the capital cost barrier for heat pump installs
- Improve affordability
- Reduce GHG emissions and improve resilience
- Reduce risk of oil leaks and contamination
- Test and refine property-assessed financing as a tool for climate action



Why Heat Pumps?

Heat pumps are the most energy efficient and the most climate-friendly heating systems available in British Columbia.

- Heat pumps have efficiency ratings between 300% and 400%. In comparison, an oil furnace may be 50-83% efficient based on Natural Resources Canada research.
- Heat pumps can reduce an oil heated home's carbon footprint from over 10 tonnes annually in some cases, to less than 1 tonne.
- Additionally, heat pumps provide not only heating in the winter but cooling in the summer, and offer dehumidification and air filtration features that conventional heating systems typically do not.



Property Assessed Clean Energy Financing

- An innovative financing tool – the first of its kind in BC!
- Council adopted *Heat Pump Financing Service Bylaw* to establish the program (March 28, 2022)
- Uses a “Local Area Service” to provide the financing service to participating properties – and is attached to the property by bylaw
- Repayment is initiated via property taxes through a parcel tax bylaw, once the upgrades are complete



Going forward

- High level of interest in the program!
 - Standard (non-income-qualified) stream already full
 - Currently taking a wait list (with receipt of completed registration form)
 - Still spots available for the income-qualified stream
- Will be learning from this pilot to inform future iterations, and potential expansion



Complementary Programs

- There are also significant provincial and federal incentives for an oil to heat pump upgrade
 - up to \$6,350 (plus up to \$1,000 for electrical service upgrades) from the [CleanBC Better Homes program](#) (including Saanich Top-Ups),
 - OR up to \$9,500 (plus up to \$3,500 for electrical service upgrades) from the [CleanBC Income Qualified Program](#),
 - PLUS up to \$5,000 from the [Canada Greener Homes Grant](#).
- Homeowners can also access a **free Virtual Home Energy Check-Up** offered by the capital region's [Bring It Home 4 The Climate Program](#)
 - Get tailored advice to help plan your home's ideal upgrades over video or phone call with an unbiased expert
 - Access ongoing support such as contractor quote reviews



What is on offer?

- The District of Saanich is offering **up to \$12,000 in 0% interest financing for 10 years** to replace oil furnaces or boilers with electric heat pumps.
- The District is piloting the program with a cap of **50 participants** (25 standard spots and 25 income-qualified spots) with possibility of expansion.



What are the benefits of Saanich Oil to Heat Pump Financing for a homeowner?

- **Low or no up-front cost** to homeowner for upgrading from oil to a heat pump
- **No administrative fees and 0% interest**
- **Savings on energy bills** often cover cost of annual financing payments
- Homeowners maintain eligibility for both **CleanBC rebates** and **Canada Greener Homes Grants**
- **Low barriers to access financing:** no credit checks required and the option to pay the balance in full or transfer the debt to new owners if the home is sold

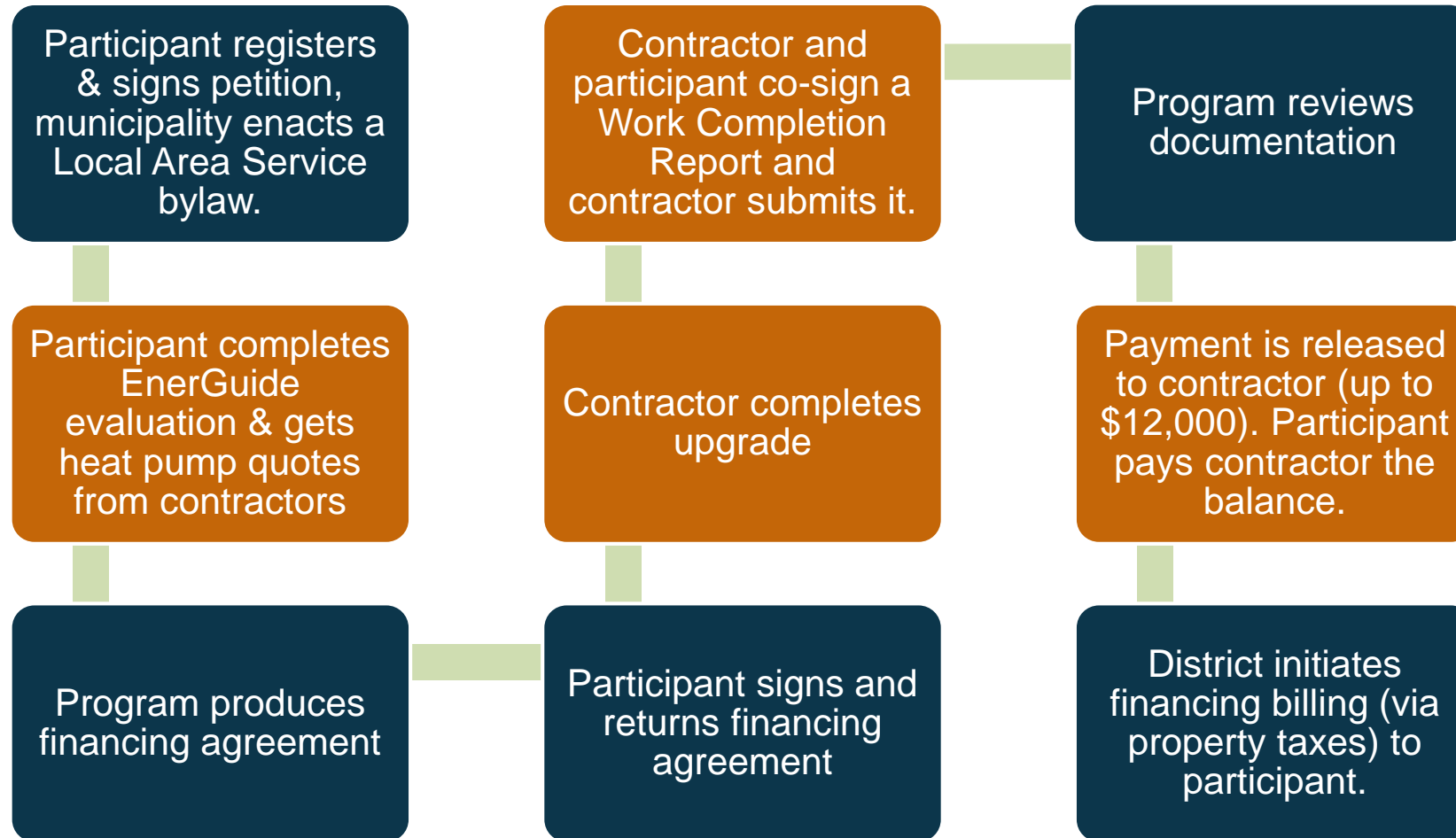


Other important information

- Participants must use pre-approved contractor for our **Eligible Contractor List** (program does not endorse contractors).
- Eligible Contractors are also:
 - Registered for the provincial CleanBC rebate program
 - Have completed provincial heat pump installation best practices training
 - Have commercial liability insurance
- Currently **cannot be combined** with the CleanBC financing offer
- Homeowners **should talk to their mortgage lender** about the program to confirm participation does not contravene the terms of their mortgage.

How It Works

This simplified workflow shows how the program functions for homeowners and contractors. **Please note** there are specific intake dates for participants. The District must receive the Participant's Petition form by this date.



Home Eligibility

- The property must be within the District of Saanich and must be an owner-occupied **primary residence**
 - The home must be eligible for the CleanBC program and must primarily be heated by an oil appliance. **Replacement of broken oil heating equipment will NOT be accepted.**
- Homeowners must apply to the program and obtain pre-approval **before starting any work.**
 - Homeowners must provide a contractor quote for review before signing the financing agreement, work may initiate **after the bylaw is enacted and financing agreement signed**



Eligible systems

- Heat pump system eligibility follows the same requirements of the **CleanBC Better Homes program** and applies to the following system types:
 - Air-to-air ductless systems
 - Air-to-air central systems
 - Air-to-water hydronic heat pump systems (including combi-systems)
- Systems must appear on the corresponding CleanBC list of qualifying products and reference an **all-electric** heat pump system
- Homeowners can check the list at **betterhomesbc.ca**, or call the **CleanBC Energy Coaching Service** at 1-844-881-9790 to discuss rebates and requirements for the provincial program.



What costs will be covered by financing?

- Heat pump capital costs
- Heat pump installation costs
- Oil tank removal costs
- Electrical upgrade costs (i.e. panel amperage upgrades)
- Ducting modification and/or cleaning costs required as part of heat pump installation
- Additional air filtration systems added to heat pump systems



Saanich Income-Qualified Requirements

- 50% of spaces are reserved for income-qualified participants
- To be considered income-qualified, participants will need to fall below the income levels shown on the right before tax.
- Notice of Assessment and alternative documentation will be accepted as proof of income
- Homeowners accessing the CleanBC Income-Qualified Program (IQP) can finance any remaining costs after IQP amount is applied.

Number of people living in your home	Combined annual income of all adults in the home
1	\$55,903
2	\$69,596
3	\$85,560
4	\$103,880
5	\$117,820
6	\$132,880
7 or more	\$147,943

How to submit program documentation

- To protect your personal information, the Oil to Heat Pump Financing Program is using a secure file transfer service to transfer any documents that contain personal information.
- We will provide a brief demonstration of how to send and receive files through this service.
- Homeowners will alternatively be able to drop off documentation to Municipal Hall (3rd Floor Planning Counter) OR submit documentation by mail or in person to:

City Green Solutions

Attn: Saanich Oil to Heat Pump Financing

214-620 View Street

Victoria, BC V8W 1J6

FAQs

- **When should a participant try to get their contractor quote?**
 - Quotes need to be valid **until the financing agreement is signed**, most contractors due to supply issues are only keeping quotes valid for **30 days**, so participants should look to get their official quote a week or two after their EnerGuide evaluation to give time to receive their EnerGuide report, submit documentation, have it reviewed, and sign their financing agreement
- **What happens if the final invoice cost is higher than the quoted cost?**
 - Final cost can exceed quoted cost by up to 5%, without requiring re-approval by the program.
- **What if I am deferring my property taxes?**
 - Participants who are deferring their municipal property taxes may continue to do so. However the financing payments cannot be deferred and will be payable at the same time you would normally pay your property taxes.
 - Participants who are deferring their provincial property taxes need to confirm that the equity in their home still meets the Province's tax deferral requirements.

FAQs

- **Will the program cover deposits?**
 - For quotes where the deposit is greater than the difference between financing and total cost, the District of Saanich will cover the cost up to 25%.
 - e.g. \$14,000 install with \$3,000 deposit, program can pay \$1,000 of deposit, homeowner pays other \$2,000.
- **What deadlines does the program have?**
 - There will be multiple intake deadlines. To participate in a specific intake period, Participants must have their **registration form and petition** in by that intake's deadline.
 - Installation of equipment should occur within **10 months** of the participant's enacted bylaw. This deadline is flexible in special circumstances.
 - All installations of equipment under the pilot program must occur before the **end of 2023**.

A young boy and girl are sitting on a beach, looking at a book together. The boy is on the left, and the girl is on the right. They are both looking down at the book. The background is a bright, sunny beach with trees in the distance.

Questions

AVERAGE HVAC INSTALLATION

Heating System Comparison	High-Efficiency Gas Furnace*	Mini-Split or Ducted Heat Pump**	Cold Climate Central Ducted Heat Pump*
Equipment and Installation Cost	Avg. Range: \$6,000 to \$18,000 Average: \$7,000	Avg. \$9,000 for mini-split Avg. \$11,600 for multi-split Avg. \$13,000 for central	Avg. Range: \$12,000 - \$27,000 Average: \$18,000
Current Rebates Available	Up to \$1,000	Up To \$10,000 + municipal top ups	Up To \$11,000 + municipal top ups
Cost After Rebates	Average: \$6,000 Range: \$5,000 - \$17,000	Avg. Range: \$0 - \$3,000	Average: \$7,000 Range: \$1,000 - \$16,000
Air Conditioning	No	Yes	Yes
After Upgrade Greenhouse Gas Emissions Per Year	3 to 6 Tonnes	Under 1 Tonne	Under 1 Tonne

*Source: City Green (Spring 2022 research for the City of Vancouver, represents “all-in” cost, including electrical service upgrades where required)

**Source: CleanBC (Provincial analysis completed May 2021, includes cost of heat pump installation only)

Sample Invoice

1. Contractor's company name, address, and contact information
2. Invoice number and contractor GST number
3. Invoice date
4. Participant name & address
5. Itemized list of work completed
6. Brief description of work performed, **heat pump description must include:**
 - i. Make
 - ii. Indoor/outdoor models
 - iii. AHRI number
 - iv. Tonnage of system
7. Permit numbers where applicable to the work performed
8. Cost (including labour), with costs over \$12,000 being invoiced to the homeowner



Jamie's Heating & Cooling
123 Saanich Road,
Saanich, BC V9B 0A5
250-051-1563
Jamie@H&C.ca

INVOICE # 123065
GST:123456789 RT0001
DATE: 30/05/2021

Make all **cheques**
payable to Jamie's
Heating & Cooling

**THANK YOU
FOR YOUR
BUSINESS!**

Installation Address

Mrs. Kate Jones
2070 Peninsula Way
Saanich, BC, V8A 5B2
250-153-2462

Salesperson: Jamie
Payment Terms: 30 Days
Due Date: 30/06/20201

ITEM #	DESCRIPTION	ITEM PRICE
1	5 Supply and installation of new SEER 20 and HSPF 10.3 central heat pump with variable speed compressor: <i>Make: Warmair</i> Outdoor Model: KW30-89LUX-012 Indoor Model(s): KWV060UX AHRI number: 123456 Number of Tons: 2.5	11,000.00
2	7 Upgrade of electrical service to home: Subcontracted to Bob's Electrical Electrical Permit: 1234567 Upgrade of electrical panel, conduit replacement, and labour Includes mast alterations, weather head replacement, Utility provided additional service alterations.	2000.00
3	3 Ducting modification & Cleaning: Replacement of 10 ft. of damaged ductwork. Cleaning of remaining ductwork.	500.00
4	4 Additional Air Filtration System: Make: FilterZAir Model: FA1029KX HEPA filtration system installed with air handler.	1500.00
5	5 Decommissioning and removal of oil heating equipment: Subcontracted to Jim's Junk Removal Permit number: 123456 Removed oil tank and destroyed furnace equipment	500.00
	SUBTOTAL	15,500.00
	SALES TAX (5%)	775.00
	TOTAL	16,275.00
	8 INVOICED TO MUNICIPAL FINANCING PROGRAM	12,000.00
	HOMEOWNER PAYS	4,275.00