

**HEAT PUMP FINANCING SERVICE BYLAW, 2022, AMENDMENT BYLAW, 2022,
NO. 9866**

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Includes Bylaw Amendments: 9911

THE CORPORATION OF THE DISTRICT OF SAANICH

BYLAW NO. 9761

TO ESTABLISH A FINANCING PROGRAM FOR THE CONVERSION OF RESIDENTIAL
FOSSIL FUEL HEATING SYSTEMS TO ELECTRIC HEAT PUMPS

WHEREAS The Corporation of the District of Saanich (the "District") has executed the *Climate Action Charter* with 186 other British Columbia local governments;

AND WHEREAS Council for the District has declared a climate emergency;

AND WHEREAS the District's Climate Plan has identified a target of achieving net zero community greenhouse gas emissions by 2050, objectives that include converting 100% of oil-heated homes and 40% of natural gas space and hot water systems to heat pumps by 2030, and a priority action to launch a Home Energy Retrofit Municipal Financing Pilot;

AND WHEREAS Council for the District wishes to establish a financing program to enable owners to convert residential fossil fuel heating systems to electric heat pumps;

AND WHEREAS Council wishes for the financing program to be structured as a local area service.

NOW THEREFORE the Council of The Corporation of the District of Saanich in open meeting assembled enacts as follows:

Title

1. This Bylaw may be cited for all purposes as "**HEAT PUMP FINANCING SERVICE BYLAW, 2022, NO.9761**".

Definitions

2. In this Bylaw:

"Administrator" means a person, including an individual, society or other corporation, contracted by the District to administer the *Program*;

"Applicant" means a registered owner of an *eligible property* who applies for the *Program*;

"Charge" means an annual liability to repay the *financing amount* under the *Program*, as authorized by a local area service bylaw;

"Council" means the Municipal Council of The Corporation of the District of Saanich;

"Eligible property" means any of the following types of residential buildings that are currently heated with a *fossil fuel* furnace or boiler:

- a) Single-family home;
- b) Mobile home that is permanently affixed, sits on a foundation, and is structurally complete with installed and connected plumbing, heating, electrical, water and sewer services, and which the towing apparatus and axle are removed; or
- c) Duplex, triplex, rowhome or townhome, where each unit has its own BC Hydro electricity meter.

"Greenhouse gas" means any or all of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride or any other substance prescribed by regulation;

"Financing amount" means a loan to the *applicant* to finance a *qualified improvement* as part of the *Program*;

"Financing agreement" means an agreement between the *District* and the *applicant*, which sets out the terms of *financing* for the *Program*;

"Fossil fuel" means fuels such as coal, gasoline, natural gas, oil, diesel, etc., that are sourced from organic materials formed over a long geological time period;

"Petition" means a petition for the *Program* to be offered as a local area service, pursuant to section 212 of the *Community Charter*, SBC 2003, c. 26;

"Pre-installation eligibility requirements" means all requirements that must be carried out by the *applicant* prior to entering into the *financing agreement*, including but not limited to: carrying out an EnerGuide Evaluation on the *eligible property* and securing a quote for the *qualified improvement*;

"Program" means a financing program to enable a property owner in the District to convert a residential fossil fuel heating system to an electric heat pump system, established under this Bylaw;

"Program registration form" means a registration form completed by the *applicant* and submitted to the *administrator*, to demonstrate that the *applicant* is eligible to participate in the *Program*.

"Qualified improvement" means a permanent improvement affixed to real property and intended to decrease *greenhouse gas* emissions and energy consumption or demand using an air source or other electric heat pump that replaces building or water heating by a *fossil fuel* source. The qualified improvement:

- a) may include an electrical service upgrade, additional heat pump air filtration systems, ducting modification and/or cleaning or other work that is directly related and required to enable the installation of the electric heat pump;

- b) must not be a dual fuel system, and can not include any fossil fuel for back-up heating;
- c) must include the ancillary removal of a *fossil fuel* storage tank, where applicable.

Program administration

- (1) An *applicant* may apply to the *Program* by delivering to the *administrator* the *Program Registration Form* and a *petition*.
- (2) Upon receipt and validation of the petition, Council may, in its sole discretion, adopt a local area service bylaw, to offer the Program as a local area service.
- (3) If Council adopts a local area service bylaw, the applicant may secure the financing through:
 - a) Completing the pre-installation eligibility requirements; and
 - b) Entering into a financing agreement with the District.
- (4) Once the qualified improvement is complete, the financing amount shall be disbursed and collected in accordance with the financing agreement.
- (5) The applicant shall repay the financing amount to the District by means of a parcel tax, to be included on the general tax notice for the eligible property. The financing amount will be repaid over a ten (10) year period, with the possibility of paying the outstanding balance of the financing amount at any point as a lump sum amount.
- (6) Nothing in this section 2 precludes the owners or the Council from proceeding by way of a council initiative subject to petition against or subject to elector assent.

Delegation

- 3. (1) Council delegates to the Director of Finance or their designate the administrative authority to enter into financing agreements for the Program.

Eligible costs

- 4. (1) Program financing established under this Bylaw may include:
 - a) disposal fees and cost of labor for the removal of the fossil fuel tank and fossil fuel-burning equipment that was used as a primary space or water heating source;
 - b) the cost of materials and labor necessary for installation or modification of a qualified improvement;
 - c) permit fees;
 - d) inspection fees;
 - e) other fees or costs that may be incurred by the owner incidental to the installation, modification or improvement on a specific or pro rata basis.

(2) The maximum financing amount available through the Program is twelve thousand (\$12,000.00) dollars including all applicable taxes.

Includes Bylaw Amendment No. 9911