

STAFF REPORT

TO: Committee of the Whole MEETING: September 4, 2018

FROM: Sharon Horsburgh FILE: 6430-05-GBIP

Sustainability Coordinator

SUBJECT: Overview of the Green Building Incentive Program

RECOMMENDATIONS

That the Green Building Incentive Program be reviewed.

SUMMARY

The focus of the Green Building Incentive Program is to encourage homeowners to be more environmentally friendly by reducing energy and water use and by reducing emissions from burning fossil fuels. A number of rebates are offered through the Regional District of Nanaimo (RDN) Green Building Incentive Program (the Program), with the Woodstove Exchange Program being the most popular.

The public uptake of the RDN's Green Building incentive programs have varied historically based on development trends and types of construction. Currently, there has been an increase in applications which reflect a focus on renewable energy and energy conservation with an increase in the electric vehicle charging incentives and an increased interest in the Sustainability Checklist rebate program.

The program was launched in 2011 and some of the rebates are not being utilized as had been envisioned. In view of this, staff are recommending conducting a review of the current rebates and consider new incentives. New rebate programs could be better aligned with new Provincial policy with a stronger emphasis on net zero construction to incentivize high performance energy efficiency buildings.

BACKGROUND

In 2010, the Regional District of Nanaimo (RDN) completed the green building research report entitled "Overcoming Barriers to Green Building". The report highlighted numerous market and regulatory barriers that impede the widespread development of green buildings in the Regional District of Nanaimo, and included various recommendations for the RDN to consider overcoming these barriers.

Based on the recommendations in this report the Green Building Incentive Program was introduced to encourage more green buildings and renewable energy systems in the Region's Electoral Areas. This program was designed to encourage home owners to take action when renovating and building new homes.

One of the most popular programs is the Wood Stove exchange program that encourages the installation of high efficiency wood stoves to reduce particulate matter in the atmosphere and improve air quality. There has not been the same level of uptake in the other rebates although there has been an increased interest in rebates related to home energy assessments and renewable energy. As the Province is moving towards regulating net zero building, staff recommend a review of the current rebates and consider new rebates that will continue to incentivize behavioural change to encourage homeowners to build energy efficient homes.

The Program has been offered to residents in the RDN's Electoral Areas (EAs) and the District of Lantzville since 2011. There are six Green Building Incentive Programs administered by the RDN and these are outlined below:

1. Woodstove Exchange Program - \$250 & \$400

Many homes in the RDN have traditionally used wood as a heating source and this is why the Woodstove Exchange Program is the RDN's most popular Green Building Incentive Program. This rebate program encourages investment in renewable energy systems while supporting local businesses across the region. For 2017, the RDN received \$19,750 in funding from the BC Lung Association for the Woodstove Exchange Program and \$7,500 of this grant funding was transferred to the City of Nanaimo so they can offer a similar program to their residents.

2. Home Energy Assessment - \$150-\$200

The Home Energy Assessment is our next most popular program and with the changes to the building code in December 2017 the RDN has received a number of inquiries from Energy Advisors and owner-builders with respect to the BC Energy Step Code. Builders can now choose to achieve Step 1 or higher. The home energy assessment program allows homeowners to access a rebate during mid-construction and additional incentives are available upon completion. With changes in the BC Building Code, the popularity of this program will likely increase.

The home energy assessment program is a valuable tool for homeowners to learn about the most cost effective energy efficiency measures they can take. The RDN rebate covers roughly 50% of the cost of an initial assessment, up to \$150. This incentive sends a strong signal to RDN residents that home energy efficiency is worthwhile to understand; and that investing in energy efficiency, renovations and retrofits benefits the homeowner while making an important contribution to the local economy.

3. Oil to Heat Pump Rebate - \$250

The busiest time for the Oil to Heat Pump Incentive Program is the fall. The home energy assessments provide residents with information on RDN and Provincial rebates to encourage homeowners in the RDN Electoral Areas and the District of Lantzville to transition from oil heating to heat pumps. The rebate is an additional incentive from the RDN for those who complete the upgrade from oil to heat pump and are eligible for the Provincial Oil to Heat Pump Incentive Program administered by City Green Solutions.

4. Graded Site-Cut Timber - \$250

The Graded Site-Cut Timber Rebate is not very popular as only those homeowners with access to marketable timber on their property come forward to inquire about this particular rebate.

Homeowners can access a rebate of up to \$250 when using graded site-cut timber for structural use in renovations and new construction requiring a building permit. Homeowners in the RDN EAs and the District of Lantzville who harvest and use timber on the same site can take advantage of this rebate.

5. Sustainable Development Checklist - \$500 - \$1,000

The Sustainable Development Checklist is intended to help homeowners and builders in the RDN's Electoral Areas and the District of Lantzville to develop high-performance building projects. Homeowners who achieve a high score on the completed checklist may qualify for incentives valued between \$500 and \$1,000.

The RDN's Home Energy Assessment and Sustainable Development Checklist Incentives both reference the EnerGuide® rating system. Homeowners and owner-builders can earn incentives for achieving a high checklist score. The dollar value of the incentives offered by the RDN is from \$500 - \$1,000.

With funding provided by BC Hydro to promote energy efficient homes the RDN will be participating in a program to educate developers and homeowners about the Sustainability Checklist. By linking the education from the BC Energy Step Code more projects are anticipated to take advantage of this particular rebate program. Many enquiries are received about the Sustainability Checklist. However, as the checklist is voluntary most homeowners do not follow through on pursuing this rebate. With the proposed changes in the BC Building Code new home builders may wish to pursue an application for the Sustainable Development Checklist rebate and this can be initiated at the pre-application meeting.

6. Residential Electric Vehicle Charging Station - \$250

Since 2016, we have received much interest in the Residential Electric Vehicle Charging Station rebate program that was due to the Province of BC's EV changing station incentive program, which has now been disbanded. With the upcoming increases in Provincial rebates to incentivize purchases of electric vehicles the RDN is poised to respond to the potential increased demand for residential EV charging stations. This program enables residents to install a residential Level 2 Electric Vehicle Charging Station, providing immediate emission reductions and encouraging clean energy vehicle deployment in a residential setting in the RDN EAs and the District of Lantzville.

To provide an overview of the funds distributed through the Green Building Incentive Program, Table 1. Provides a comparison between the woodstove exchange program to all of the other incentives and outlines the value of the incentives disbursed from 2013 to 2018.

Table 1. Comparison of Green Building Incentives distributed from 2013-2018.

	2013		2014		2015		2016		2017		2018*	
Incentive Program	No.	Value (\$)	No.	Value (\$)	No.	Value (\$)	No.	Value (\$)	No.	Value (\$)	No.	Value (\$)
Woodstove Exchange	154	38,500	60	15,000	174	43,500	163	40,750	127	31,500	43	11,400
Home Energy Assessment	57	8,670	6	930	9	1,500	22	3,270	18	2,850	10	1,550
Site-cut Timber	2	488	1	200			3	700	1	250		
Renewable Energy Systems	4	1,250	3	750	8	2,000	2	500	6	1,500	3	750
Oil to Heat Pump							5	1,250	1	250	3	750
EV Charging Station									1	250	3	500
Sustainability Checklist	4	4,050	2	1,500								
Totals	217	\$48,900	69	\$18,380	191	\$47,000	195	\$46,470	154	\$36,600	62	\$14,950
Woodstove Rebates as a percentage of total Green Building Incentives	72.70%		82.50%		92.50%		80%		86.10%		76.40%	

^{*2018 –} Total Expenses as of July 2018

ALTERNATIVES

- 1. Receive this report for information only.
- 2. Receive this report for information and initiate a review of the existing Green Building Incentives.

FINANCIAL IMPLICATIONS

The annual funding sources for the Green Building Series are from the Building Inspection service. In addition, the RDN applies for external funding from the BC Lung Association to support the Woodstove Exchange component of the Green Building Incentive Program. The total number of incentives allocated towards the Woodstove Exchange Program accounts for roughly 80% of the Green Building incentives dispersed annually.

RDN incentives are available on a first come first served basis. Once the annual funding is exhausted for the Woodstove Exchange Program and other incentive programs they will be unavailable until the next budgetary cycle for 2019.

Based on the 2018 incentives distributed to date, we are on track to use the funds currently budgeted. As long as funding through the BC Lung Association is available the RDN will continue to apply for funding as the woodstove exchange program as it is the most popular program and provides significant benefits to reducing particulate matter and improving local air quality. One major change for 2018 is that the Province has increased the incentive amount from \$250 to \$400 for homeowners exchanging an old wood burning stove for a qualifying electric, gas, or pellet-fueled stove. This is to encourage residents to install stoves that use cleaner fuel sources. Currently, all the rebates are available to residents and the budget will continue to be monitored throughout 2018.

STRATEGIC PLAN IMPLICATIONS

The Green Building Incentive Program supports the Board's 2016 – 2020 Strategic Plan's sustainability objectives. The Program is consistent with a number of the Board's strategic priorities to enhance collaboration and cooperation between municipalities and electoral areas, and is aligned with the strategic priority to use a collaborative regional model for providing services.

The Green Building Incentive Program has been developed by the RDN to support residents' commitment to building a sustainable and resilient future. This program generates local investment in energy efficiency and in the development of the green business sector. Conversations with interested residents show that the interest in alternative energy systems and high performance buildings is strong, and represents opportunities to build local capacity and create economic benefits to the region.

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July 27, 2018

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