



# Home Energy Improvement Financing

## Terms and Conditions

### 1. Program Purpose and Goal

The primary goal of the home energy retrofit financing program is to reduce the City's community greenhouse gas emissions by helping homeowners transition to, and continue to use, clean renewable energy. The program has the following three objectives:

**1. Reduce Community Greenhouse Gas Emissions** from low-density residential buildings:

Buildings and infrastructure accounted for 31% of the city's 2017 GHG emissions, with a significant portion of those coming from low-density residential buildings. Collectively, the consumption of fossil fuels for home energy needs generates 49,322 tCO<sub>2</sub>e, which is equivalent to 83% of the city's emissions from low-density housing. Supporting homeowners in converting from fossil fuels to low carbon energy equipment, like electric heat pumps, is an essential component of the City's plan to meet its climate targets.

**2. Improve Equity, Access, and Affordability:** Loans should be zero interest, accessible to as many homeowners as possible, and not encourage homeowners to take on unsustainable levels of debt. Proposed upgrades, such as switching from an oil furnace to a heat pump or installing solar panels, should present a good return on investment and result in energy bill savings. Loans should be available to those in greatest need that otherwise would be unlikely to carry out energy retrofits that provide savings and climate and health benefits.

**3. Prepare Nanaimo Residents for a Changing Climate:** *City Plan* acknowledges that the climate is changing. Nanaimo residents can expect hotter and drier summers with more intense and frequent storms that may lead to power outages. These changes will impact Nanaimo residents' home heating and cooling needs. By switching to heat pumps, residents will be able to cool their homes during the warm summer months and reduce exposure to wildfire smoke events. While prolonged power outages are rare in Nanaimo, those residents concerned about losing power can access a loan to install solar panels and a backup battery.

The City of Nanaimo is offering up to \$15,000 in interest free financing for eligible home improvements that help meet the program goals. Financing payments will be made as an additional

charge on property taxes for a period of up to 10 years. To be eligible for financing, acceptance into the Program is required prior to installing equipment.

2. The City of Nanaimo PACE Program (the “Program”) is administered in whole or in part, by City Green Solutions (the “Program Operator”), the City of Nanaimo (the “City”), together the “Administrators”, and in collaboration, from time to time, with additional third-party contributors (each, a “Collaborating Party”).

### **3. Participant Eligibility Requirements**

**a. To be eligible to participate in the program, the homeowner (the “Participant”) must satisfy the following requirements:**

- (a) The Participant must be a registered owner of the participating home subject to the improvements being financed with the loan.
- (b) The participating property must be located in the municipal boundaries of the City of Nanaimo.
- (c) The participating home must be one of the following types of residential buildings:
  - (i) Single family home (detached dwelling).
  - (ii) Manufactured (mobile) home that is permanently fixed, sits on a foundation, and is structurally complete with installed and connected plumbing, heating, electrical, water and sewer services and is not located within a Manufactured Home Park.
- (d) Duplex, triplex, row home, or townhome where each unit has its own BC Hydro electricity meter.
- (e) The property tax status and all municipal utility accounts must be in good standing
- (f) The applicant must apply to the program and sign a financing agreement before starting any work.
- (g) Participants must complete a pre-upgrade EnerGuide evaluation before their financing agreement can be produced. A post EnerGuide evaluation will be required within 60 days of work completion.
- (h) Work must be completed by a contractor registered with the program.
- (i) The applicant must join the free [Home Energy Navigator](#) program.

### **4. Renovation Eligibility Requirements**

The following home improvement retrofits are eligible for funding through the program:

- i) Switching from fossil fuel space heating to an electric heat pump. This must not include dual fuel systems; any fuel systems cannot include any fossil fuels used for backup heating.
- ii) Installing solar panels where the homeowner already has electric heating.
- iii) Installing a backup battery where solar panels are already in place. This upgrade can occur simultaneously to a solar panel installation in this program.
- iv) Building envelope upgrades to reduce air leakage and improve energy efficiency, such as door and window replacements or adding insulation in the attic, crawlspace, or exterior walls. Internal wall insulation and soundproofing is not eligible for funding.
- v) Non-energy related measures that might impede energy retrofits or enhance health and wellbeing, such as better filters in heat pumps or asbestos removal to support heat pump

installation. These measures must be combined with one of the above retrofits. No more than 30% of the individual loan amount can be used to support non-energy measures.

## **5. Acceptance/rejection of applications**

The City, in conjunction with the Program Operator, reserves the right, in their sole discretion, to accept or reject applications into the Program for any reason. Decisions of the City are final and binding and not subject to appeal. The City may provide reasons for its decision but is under no obligation.

Space in the program is limited and available while funds last. Applications will be evaluated based on the following criteria.

- **Climate Impact:** preference will be given to improvements that eliminate fossil fuel use and reduce greenhouse gas emissions.
- **Income/Equity:** priority will be given to applicants who require more income support. Applicants who qualify for income-qualified programs, such as the [BC Energy Savings Program](#), will be encouraged to apply for those grants before applying for a loan. Seniors, especially those living alone, will also be prioritized.
- **Energy Savings:** home energy improvements that result in energy savings will be prioritized.
- **Climate Resilience:** The scoring criteria will also consider how the improvement prepares the homeowner and residents for climate impacts. Improvements that provide cooling (such as heat pumps) or help residents prepare for extreme storm events (solar and battery) will be encouraged.

## **6. Council Discretion**

Nothing in these terms and conditions limits or obliges the discretion of the elected Council of The Corporation of the City of Nanaimo. Without limiting the generality of the foregoing, by receiving an application for the Program and petition for a local area service, the Council is under no obligation to adopt a local area service bylaw in support of this Program. Should Council elect to not proceed with adopting a local area service bylaw, the Participant will not be entitled to financing under the Program and will not be compensated for any money expended.

## **7. Declarations and participant obligations**

By participating in the Program, the Participant agrees to the following representations to the City of Nanaimo:

- (a) The Participant certifies that they and their Property are eligible to participate in the Program under these Terms and Conditions.

- (b) The Participant is aware that any willful or negligent misstatement or misrepresentation on this form may be cause for their rejection/expulsion from the Program, in addition to other remedies available to the District, in law or equity.
- (c) The Participant certifies that they are the registered owner of the real property listed on their application.
- (d) The Participant clearly acknowledges that the City and its partners in the program do not endorse the services of any contractor or specific product and accept no liability in the selection of contractors or the performance of the work completed.
- (e) As of the date of signing the Program Forms, the information is true and accurate to the best of the Participant's knowledge.
- (f) The Participant is undertaking a financial obligation in regards to the designated Property in order to receive financing under the Program, and the Participant has the authority, without the consent of any third party which has not been previously obtained, to execute, undertake, and deliver their obligations under this Program and the various documents and instruments referenced herein.
- (g) The participant is responsible for obtaining all permits and approvals, including but not limited to relevant fuel tank removal, building and electrical permits, and hazards testing and abatement permits or certifications required for the proposed renovations subject to the loan or necessary to support the renovation.
- (h) Where there is a mortgage on the subject property, the participant is responsible for notifying the mortgage provider and confirming participation in the loan program does not breach the terms of the mortgage.
- (i) The Participant understands that they are responsible for meeting all Program requirements and complying with all applicable Federal/Provincial/District laws and the requirements of any agreement which affects the Property or the use of the Property.

#### 8. No Liability

The City and the Program Operators, not being the designer, manufacturer, provider, or installer of the products, equipment, services, and/or improvements make no representations or warranties whatsoever as to the fitness of, the necessity for, the quality of, or the energy efficiencies/savings of, any product, improvement or service, or skill of any contractor or energy advisor.

- i) The Participant hereby indemnifies and saves harmless the City, its elected and appointed officials, officers, agents, employees, and contractors, from all liability, damages, claims, demands, expenses, and costs for claims, costs for injury or death of any person, damage to or destruction of property, and all economic loss suffered by any person (collectively the "Losses") arising from or occurring by reason of the Participant's participation in the Program and/or the implementation of any Program recommendations, including the installation and/or use of recommended products and improvements.
- ii) The Participant irrevocably waives any and all claims against, and irrevocably releases and agrees not to sue the City, its elected and appointed officials, officers, agents, employees,

- contractors, or Program Operators for and against all Losses arising out of the Participant's participation in the Program and/or the implementation of Program recommendations, including the installation and/or use of recommended products and improvements.
- iii) Without limiting the generality of the above sections, the Participant agrees that the selection of eligible equipment (including but not limited to heat pumps, solar panels, and batteries), the selection of program-registered contractor(s), and the decision regarding the purchase, installation, and ownership/maintenance of the upgrades is their sole responsibility.
  - iv) The Participant agrees that the City, its partners, and Program Operator in the program have no liability whatsoever concerning:
    - (1) The quality or safety of any installed equipment, including their fitness for any purpose;
    - (2) The estimated energy savings produced by or performance of the Improvements;
    - (3) The workmanship of any third parties;
    - (4) The installation or use of the Improvements including, but not limited to, any effect on indoor pollutants; and
    - (5) Any other matter with respect to the Program.

This section will survive termination of the Program.

#### 9. Submission requirements and deadlines

The Participant must submit all complete and accurate program forms and documents (collectively, the "Program Forms") in order to receive financing under the program. This includes:

- (1) The Registration Form, including income verification when applicable.
- (2) A sufficient and valid petition for the Program to be offered as a local area service.  
Note, that section 212(3) of the Community Charter requires at least 51% of the owners of the Property to sign the petition.
- (3) An EnerGuide Evaluation completed by a qualified energy advisor on or after April 1, 2020
- (4) One or more Contractor Quotes to be prepared by a registered Contractor(s) encompassing all eligible upgrades the participant wishes to access financing for.
- (5) The Financing Agreement (and Addendum if the final financing amount increases by more than 5% from the Financing Agreement).
- (6) The Final Invoice and Work Completion Report. The Participant may be asked to provide additional verification that includes but is not limited to permits, expense receipts, and/or photographs. Participants will have 10 (ten) months from the date that the Local Area Service Bylaw is adopted for their property to complete the upgrade and submit the Work Completion Report. Written requests for extensions will be considered. If documentation or a request for extension is not received by this date, the City reserves the right to remove the participant from the Program and repeal the Local Area Service Bylaw for the participant's property.
- (7) In instances where tenants occupy the home in part or in its entirety, the owner/landlord must not, under any circumstances, evict or permanently displace the tenant(s), or increase rent as a result of any improvements completed under this

program. Furthermore, the landlord must comply with the terms and conditions of the Residential Tenancy Act and any conditions of the tenancy agreement or lease.

#### 10. Financing

By participating in the Program, the Participant qualifies for 0% interest financing up to fifteen thousand (\$15,000.00) dollars (the “Financing Amount”). The Financing Amount will be paid directly to the Contractor upon receipt of the invoice and submission of the Work Completion Report. This includes any work performed by subcontractors for electrical upgrades, decommissioning of oil tanks, and health and safety work. The Program will consider requests to pay a portion of, or the entire deposit, to the Contractor to secure the preferred quote, as specified by and upon completion of the fully executed Financing Agreement. Where the total cost of the upgrade is more than \$15,000, the participant is encouraged to pay the deposit, if required by the Contractor. If the City does pay the deposit amount, in the event the installation is not completed, then the Participant is responsible for payment of the deposit amount, to be collected through property taxes.

#### 11. Personal Information - Collection, Use, and Disclosure

By submitting an application, the applicant consents to the collection of personal information which is authorized under the *Local Government Act*, Community Charter and section 26 (c) and (e) of the *Freedom of Information and Protection of Privacy Act*. The information will be used to administer and evaluate the program. The City reserves the right to contact Participants up to three years after the completion of the Program to conduct surveys, interviews, assessments, or to provide related program information. The City is engaging City Green Solutions Society's professional services for program design, implementation, and evaluation. If requested, the City is required, under the Community Charter, to disclose the tax roll which would disclose addresses and folio numbers of participating properties.