

# Cutting home energy bills and pollution

Everyone wants a roof over their head that's safe and affordable, but today many Canadians live in homes that aren't energy efficient. This results in more money on your utility bill, more pollution released into the environment, and more wasted energy that could be used for other things. As the number and intensity of floods and wildfires increase because of climate change, more and more homes are under threat. Insurance claims in Canada related to severe weather are four times higher now than in 2008, averaging \$1.8 billion a year over the last decade.<sup>1</sup> As Canada fights climate change, we also need to prepare for and adapt to the realities of what a changing climate means for the places we call home.

## Lowering energy costs with greener homes

Retrofitting existing homes is one of the most effective ways to slash energy bills, create jobs, reduce pollution, and make our homes more comfortable. Over the past four years, we made investments to encourage new homes to be built carbon neutral, and to make new and existing affordable housing more energy efficient, while supporting upgrades to community buildings to help cut energy costs and support our climate action goals.

A re-elected Liberal government will continue to make life more affordable for Canadians as they adapt to the rising costs associated with a changing climate:

- We will retrofit 1.5 million homes, over the next five years, to help Canadians make their homes more energy efficient and better protected from climate-related risks, like flood damage and wildfire. This program will be located within the Canada Mortgage and Housing Corporation (CMHC);
- We will give interested homeowners and landlords a free energy audit;
- We will give homeowners and landlords an interest-free loan of up to \$40,000, based on the results of the audit:
  - This means Canadians can invest more into their retrofits, and cut more off their bills and energy waste;

- The loan can be paid back over ten years through a CMHC insured mortgage, bank loan, or in partnership with a utility company, through energy savings on monthly bills.
- Those who proceed with the loan will receive a cash incentive of \$250-\$750, with the higher amount going to those who cut the most energy waste;
- We will create a Net Zero Homes Grant of up to \$5,000 to help buyers of newly built homes that are certified zero-emissions. This will help reduce the price differential on zero-emission homes and encourage more zero-emission homes to be built;
- We will invest \$100 million in skills training, to ensure there are enough qualified workers to keep up with the increased demand for energy audits, retrofits, and net-zero home construction;
- We will make Energy Star certification mandatory for all new home appliances, as of 2022;

#### Examples of retrofits eligible for no-interest loans

High efficiency furnaces, boilers and cooling systems

Air source heat pumps

Geothermal systems

Insulation

Tankless and high efficiency water heaters

Air sealing

Battery storage

High efficiency windows

High efficiency doors

Water conservation

Rooftop solar panels

In-home ZEV car charger

Basement flood proofing

Sump pumps

### Jen and Tanya cut their energy costs

A free energy efficiency audit reveals that Jennifer and Tanya can save almost \$1,250 on their annual energy costs if they invest in a heat pump, air sealing, a smart thermostat, and a new water heater. But they can't afford the upfront \$10K needed to buy and install the equipment. So they apply for and receive a \$10K interest-free loan backed by the CMHC and also receive a \$300 cash incentive for doing their part to cut energy waste. With the savings from lower energy costs, they pay back the zero-interest loan in less than eight years, while enjoying a draft-free, more comfortable home.

### Helping Canadians Deal with Climate Change Risks and Realities at Home

To help communities prevent and prepare for growing climate risks, our government established the \$2 billion Disaster Mitigation and Adaptation Fund. But as climate risks rise, more needs to be done to help Canadians adapt and have the peace of mind that comes with knowing their homes and livelihoods will be protected if disaster strikes.

A re-elected Liberal government will help Canadians deal with the realities of increased climate-related risks and disasters by doing the following:

- We will help homeowners, who are at high risk of flooding and don't have adequate insurance protection, by creating a low-cost national flood insurance program through CMHC.
- We will help Canadians better understand the risks they face when buying a home by working with provinces and territories to complete all flood maps in Canada and making these maps available through an online database. We will invest \$150 million toward this initiative over the next three years.
- We will develop a national action plan to assist homeowners with potential relocation for those at the highest risk of repeat flooding, by working through CMHC and in collaboration with provinces, territories and communities.

We will help Canadians whose jobs and livelihoods are affected when disaster strikes, by working with stakeholders and experts to design an E.I. Disaster Assistance Benefit that will be available to help Canadians replace their income in the wake of a federally-declared disaster or emergency. This benefit will launch in 2021.

## Costing

The total gross cost of these measures will be approximately \$370 million in 2020-21, rising to \$432 million in 2023-24. All costs associated with retrofits and the Net Zero Home Grant will be financed through CMHC, drawing down on the Corporation's significant shareholder equity that Canadians have built up over time.<sup>2</sup> Costs associated with training and flood mapping will be paid for out of the government's general revenues. As a result, this would represent \$70 million in net cost in 2020-21, falling to \$20 million by 2023-24. Further details related to costing will be announced over the course of the campaign.

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<sup>1</sup> <https://www.canada.ca/content/dam/eccc/documents/pdf/climate-change/clean-canada/Clean-Canada-en.pdf> page 13

<sup>2</sup> The Government of Canada's shareholder equity in CMHC is projected to be \$12.9 Billion as of 2023. Page 46 in: <https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/cmhc/aboutus/corporate%20reporting/pdfs/summary-corporate-plan-2019-2023-cmhc-en.pdf>