

HELP Program Status Update and Lessons Learned

The Home Energy Loan Program (HELP) was launched on September 1, 2021, with \$2,500,000 of capital funding to loan to program participants. It was initially estimated that this would be sufficient for 100 participants assuming the average loan provided was \$25,000 and that the program duration would be approximately two years for active administration.

Based on program statistics up until January 4, 2021, the program has received over 335 applications with an average loan request of \$29,700 each. Currently, 69 participants have been approved for funding, 5 applicants have been denied for ineligibility reasons, 5 applicants have dropped out of the program voluntarily, and 256 are waitlisted applicants. When a participants' project information about construction scope and cost becomes available, and if loans are requested of less than \$40,000 or participants drop out, waitlisted applicants move up to participate in the program. To date there is one participant in the program targeting a net zero ready renovation (greater than 50% reduction in energy efficiency).

Of the participants approved, 17 have projects under construction at a value of \$510,389.

Program Successes to date

- Program Interest and Uptake – The program is very popular, even with minimal advertising or a rebate/incentive program. Program interest was much higher than anticipated during program planning due to much lower initial uptake in other jurisdictions. Administration credits the low interest rate, stackable rebates such as Canada Greener Homes and the Provincial tax credit, and the straight-forward and well supported application process for the high uptake.
- Retrofits - 88% of participants with projects under construction are making multiple upgrades to their home, using the program for a bundle of energy renovation projects which is in alignment with HELP's intent.
- Pre-vetted contractor list - The pre-vetted contractor list includes 22 local businesses across a variety of industries including electrical, HVAC, plumbing, heating & cooling, home building, renewable energy installation, building envelope, general contractors and window and door replacement. Program participants with projects under construction are utilizing the pre-vetted contractor list with 10 participants choosing at least one contractor from the list to complete their project.
- Turnover time - Turnover time on the review of deferral agreements is usually within three to five business days before agreements are sent back to participants for signature. If agreements are delayed its because more information is needed from the participant.
- In-house energy modelling - Participants who pursue a retrofit with an energy reduction of 50% or greater are eligible for a maximum loan of \$60,000. All other participants are eligible for a maximum loan of \$40,000. The project team has developed a process using in-house expertise and software to model projects for

participants seeking the \$60,000 maximum and have streamlined modelling turnover time to take one week from the time a participant requests the extra loan balance and provides details about their project.

- Program administration – Collaboration across different departments responsible for the program including Sustainability, Revenue and Finance is excellent, with clear roles and responsibilities for each group. These groups have constant check-ins and proactively problem solve when needed.
- Education - The program coordinator provides education and guidance to each program participant and ensures their projects are eligible for funding prior to drafting a deferral agreement. Since the guidance is unique to each participant, it requires substantial staff time, providing value to participants and reducing barriers throughout the application process since they have an individual to speak to when there are questions or concerns about their application.

Program Challenges to date

- EnerGuide audit delays - Like HELP, the Canada Greener Homes Grant requires all participants to get an EnerGuide Home Energy Audit, resulting in high demand for these in Saskatoon, especially since there are only two organizations that complete audits. While, in some ways this benefits the program as the Canada Greener Homes Grant provides partial funding toward the cost of the audit, the high demand has resulted in a bottleneck to the application process. Participants are typically waiting two months to be approved by Canada Greener Homes, then 3-6 weeks to schedule an energy audit appointment, and another 2-3 weeks to receive the audit report for their home.
- Deposits - For some home upgrades such as window and door replacement or solar installations, participants are required to pay a substantial deposit (30%-50%) upfront to secure their pricing with contractors. The HELP bylaw does not allow the City to pay deposits upfront on behalf of participants, so participants are required to use cash out of pocket or source other financing for the deposit. Once the project is completed, the City reimburses participants for deposits, but, in the interim, this may create a barrier for participants wanting to undergo large, long term, or multi-faceted upgrades if they can not cashflow the deposits. The project team may recommend a bylaw amendment to alleviate this barrier in the future; however, is not proposing any changes at this time.
- Income qualification - The income qualification cut-off used for the base program was 1.5 times Statistics Canada's Low-Income Cut-off (LICO) before tax amount for 2020. LICO is an income threshold used to determine eligibility for programs and takes the household size and community population into account. However, based on existing program uptake, and the current income-qualifying cut-off, only 2 of 69 applicants, or 3% are below this cut off. In addition, 2020 and 2021 may be unusually high-income years for participants as Federal programs to supplement household income such as CERB were provided.
- Funding amount – the original funding level of \$2,500,000 was originally assumed to be enough for 100 participants at \$25,000 per loan. The average

loan request has been approximately \$29,700 and only 69 participants¹ have been confirmed for funding with the other 256 applicants on the waitlist.

With FCM funding, most to all of the wait list applicants can receive funding commitments, and the FCM funding is likely to be fully committed relatively quickly. Once this happens, next steps for the program will need to be considered to determine if HELP continues and what potential funding sources for the loans could be.

Program design feedback from FCM

FCM uses a peer review group to evaluate program design and provide optional feedback for implementation to improve programs going forward. Feedback from the peer review group was very positive.

The peer reviewers felt that HELP is an excellent program design that has benefited from thorough feasibility analysis, design research, and stakeholder engagement. They took note that the program is currently being delivered by a well-qualified cross-departmental team and the initial number of applications is greater than expected, indicating that the approach to program launch has created significant excitement about participating in the program. The peer reviewers believe the program has a high likelihood of success, which can create a positive example and model for other communities in the province.

Suggestions to improve the program were also provided, and included the following:

Table 1 - FCM Program design feedback and resolutions

FCM Suggestion	Administrative Response
Explore partnerships with private financial institutions as a way of potentially ensuring the program can continue and expand after its initial four years of operations.	This will be explored after the funding from internal borrowing and FCM is almost used up.
Organize regular meetings with delivery stakeholder partners (e.g., contractors and utilities) to identify and address any implementation issues.	This has been included in the program's measurement and verification plan, to engage with contractors one year after the program has been in operation.
Consider collaborating with an organization interested in and capable of sharing lessons learned to help facilitate development of similar programs in other Saskatchewan communities.	The project team provides presentations about the program and lessons upon request to other municipalities. To date presentations have been shared at FCM's Sustainable Communities Conference and given to the Canadian Urban Sustainability Practitioner's network.

¹ To determine the 69 participants for the loan commitments in the base program, a conservative \$40,000 per person or the maximum request is assumed, not the average of \$29,700 based on actuals. Five loans have been reserved for low-income participants. As participants confirm the scope of their loan with executed agreements and if their loans are below \$40,000, the total participant number for the base program could increase. Assuming the average loan of \$29,700 is maintained with actual funding requests from participants, the City's original funding could sustain 84 participants.

	Lessons learned have been shared informally with City of Regina staff, but more local collaboration opportunities will be explored.
Develop metrics and targets for water conservation and EV charging.	A count of the number of water conservation and EV charging installation projects has been incorporated into the measurement and verification plan for the program.
Highlight the linkages of the program to broader economic and social goals and plans and consider enhanced tracking and reporting of non-environmental benefits and outcomes to build support and engagement of social and economic focused organizations groups and stakeholders.	Social and economic metrics such as total income qualified participants, participant satisfaction with the program, increased level of home comfort, and actual utility bill savings have been added in the measurement and verification plan.
Consider augmenting the Project Team with additional marketing staff because of the importance of communications and advertising to success of the program.	Additional communications support will be added to the project team as necessary. Communications about HELP can also occur through the broader Sustainability program.
Consider the possibility of providing open-source data that will be generated from the initiative.	Energy audit data can be shared publicly through the use of a citywide energy map.
Review the budgeted operating costs for possible efficiencies.	Currently the program is operating very lean, with one environmental coordinator on staff. Operating costs will be reviewed regularly to ensure efficiencies are maintained as the program grows.