

## HELP: Year 3 Annual Status Update and Program Improvements

### ISSUE

An annual Home Energy Loan Program (HELP) status update and proposed program enhancement report has been delivered to City Council each year since the program launched in September 2021.

The first iteration of HELP (HELP 1.0) was funded through a Federation of Canadian Municipalities (FCM) loan and grant as well as an internal Line of Credit; this funding will soon be fully allocated. In 2024, additional funding was approved to expand HELP (HELP 2.0) and add commercial and multi-unit buildings into the Community Energy Loan Program (CELP). The program enhancements suggested in this report will be enacted in conjunction with HELP 2.0 being launched, sometime in late 2025.

### RECOMMENDATION

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council:

1. That the City Solicitor be directed to amend *Bylaw No. 9762, The Home Energy Loan Program Bylaw, 2021*, as outlined in this report and Appendix 7 (see section “Program Improvements”);
2. That City Council approve an increase in program administrative fees from \$500 to \$750 for HELP 2.0;
3. That City Council approve and direct Administration to submit an application to Federation of Canadian Municipalities (FCM) Community Efficiency Financing Resiliency PACE - Program Design Study Fund;
4. That if the application is successful, the Mayor and City Clerk be authorized to execute the Agreement(s) under the Corporate Seal; and
5. That if required, the Senior Financial Business Partner be granted delegated authority to sign and submit progress reports and financial claims related to the program(s).

### BACKGROUND

#### History

On March 27, 2024, City Council received the [Home Energy Loan Program 2024 Annual Status Update Report](#) where they resolved: “That the “Proposed HELP Rebate Values” provided in Table 2 be approved. If approved, the new rebate values will come into effect on April 1, 2024.”

On March 27, 2024, City Council, through the [Community Energy Loan Program report](#), approved that up to \$25M of internal borrowing be allocated, subject to public notice and an internal borrowing report, to implement a Property Assessed Clean Energy (PACE) financing program for single-family, multi-unit residential and commercial building owners and property managers with a report back on the proportion of buildings in each sector within the program. Administration was also directed to apply to the FCM Green Municipal Fund – Net Zero Transformation (NZT) Pilot Program.

On June 26, 2024, City Council, through the [Community Energy Loan Program – Additional Program Options](#) report, approved that the Community Energy Loan Program parameters incorporating single-family residential, multi-unit residential and commercial sectors as set-out in Option 1: Balanced Funding Split, be approved in principle for program implementation.

Appendix 1 provides a complete record of Council Reports and Resolutions relevant to HELP since it was launched in 2021.

### **Current Status**

#### **Home Energy Loan Program (HELP) 1.0**

HELP 1.0 was launched on September 1, 2021, through an internal City of Saskatoon (City) loan. On June 8, 2022, the City signed a contract with the FCM to receive a loan and grant through the Community Efficiency Fund to administer HELP for four years.

At the end of 2024, there were 88 spots available in HELP 1.0 and 304 applicants had been approved to participate, including:

- 144 participants had completed their projects, including 10 deep energy retrofits (50% energy reduction or more);
- 4 participants had to withdraw after signing their deferral agreements due to the need to remove the liens on their homes;
- 79 participants had projects in progress;
- 13 were working on providing their requests for funding, meaning they have not signed an agreement with the City yet but were in the process;
- 64 participants had not yet submitted any project documentation and did not have an agreement signed;
- 28% of the participants in the program were income qualified (received waived administration fees and access to more rebates); and
- The most popular upgrades within the program were windows and doors; attic insulation; furnace replacements; and solar panel installations.

Completed projects have resulted in an average energy reduction of 35 GJ per household and an average greenhouse gas (GHG) reduction of 2.2 tonnes CO<sub>2</sub>e which results in a total of over 320 tonnes CO<sub>2</sub>e/yr (equivalent to removing 75 gasoline-powered passenger vehicles from the road for one year). By the end of the program, the total GHGs reduced are estimated to reach 688 tonnes CO<sub>2</sub>e/yr.

*Rebates*

Rebates have been offered to participants using FCM funding since February 2022; updated maximum rebate values were approved by City Council in March 2024 ([see Table 2](#)). Due to higher-than-expected uptake, the rebates were reduced in June 2024 to \$4,000 for standard households and \$6,000 for income-qualified households. In February 2025, it was forecasted that the rebate funds would be fully depleted before the end of HELP 1.0 at current rebate levels. To address this, the rebate amount decreased to \$1,000 (to cover the cost of Energy Audits) for participants applying after February 12, 2025.

*Interest Rate Changes for 2025*

HELP interest rates are updated annually and are derived from calculating what the City would receive if the principal were instead invested in the market for the same period of time. Rate changes only impact participants that have not signed a deferral agreement. Once the agreement is signed, the rate is fixed for the term of the loan. Current and historic interest rates for the program are shown in Table 1, below.

*Table 1- HELP Current and Past Interest Rates*

<b>Loan Term</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
5 Years	1.45%	1.68%	4.32%	3.63%	3.32%
10 Years	2.31%	2.23%	4.20%	3.94%	3.89%
20 Years	3.14%	2.72%	4.86%	4.42%	4.54%

*Updates to Project Specifications*

Each HELP retrofit project is reviewed against a set of requirements. While eligible retrofits are outlined in Bylaw No. 9762, *The Home Energy Loan Program Bylaw, 2021* (“HELP Bylaw”), the specific requirements or specifications are not.

This report recommends updates to the insulation requirements for specific attic types and exterior walls and defines the minimum insulation value for basement slabs and crawl spaces (Appendix 2). Equipment and insulation specification changes only affect participants who have not yet signed a deferral agreement with the City. Updating these specifications does not require an amendment to the HELP Bylaw.

*Educational Energy Efficiency Self-Service Tools and Services*

A suite of education tools and services referred to as the HELP enhancements have been developed and implemented using funding from FCM. They include:

- Residential Solar Potential Map
- Energy Coaching Service
- Home Energy Map
- Real Estate Agent Training Program
- Renovation Education Events Team
- Canadian Home Builders Association (CHBA) Partnership

See Appendix 3 for a summary of the performance of the HELP enhancements to the end of 2024, including progress on key performance indicators, an evaluation of each enhancement, and future considerations for each program.

### *Feedback from Participant Surveys*

After completing a home retrofit through HELP, participants receive a satisfaction survey administered by FCM. The purpose of the Community Efficiency Financing Homeowner Survey is to gather feedback and insights from homeowners that will help to improve HELP. The survey highlights that participants are generally satisfied with HELP. However, it points out opportunities for improvement that are addressed later in this report. The survey included all results from the beginning of the program until November 26, 2024; some feedback included confusion regarding repayments and contacting Corporate Revenue, contractor and Energy Auditor timeframes, and upfront cost barriers related to contractor deposit payments having already been addressed through previous program improvements.

The full survey results are available in Appendix 4; key results are summarized below:

- 86% of respondents were very satisfied or generally satisfied with the program.
- Top success factors include financing, support from program staff, and rebates.
- 70% are very likely to recommend the program.
- 73% would not have done any upgrades without the program's financing.
- Reported Benefits:
  - Durability and Security: 70% reported an increased sense of durability and security.
  - Comfort: 65% experienced better comfort, including improved temperature control and reduced drafts.
  - Energy Use Reduction: 57% saw significant improvements in energy use.
  - Noise Reduction: 53% reported improvements in noise reduction.
  - Indoor Air Quality: 52% noticed better indoor air quality.
- Opportunities for Improvement:
  - Application Process: Some participants found the forms/process hard to follow with many steps.
  - Liens and Mortgage Renewal: Issues with mortgage renewals and need for realtor education on liens.
  - Incentive Program Alignment: Confusion due to unaligned multiple incentive programs.
  - Retrofit Suggestions: Need for clearer suggestions and explanations about impactful retrofits.
  - Cost of Energy Audits: Concerns about the cost.

### *Program Successes*

An in-depth discussion of program successes can be reviewed in the FCM HELP Midterm Report (Appendix 5). Key program successes include:

- High Uptake: Over 300 participants enrolled, showing strong community engagement and demand.

- **Income-Qualified Component:** 28% of participants received additional support, integrating equity considerations.
- **Strong Support:** Collaboration and support from stakeholders, City Council, contractors, and energy advisors.
- **Direct Contractor Payments:** Deposit payments reduced financial barriers for contractors and participants.
- **Efficient Administration:** 88% satisfaction with program staff and support.
- **Rebates and Enhancements:** FCM grant funding enabled rebates and additional resources, enhancing program attractiveness.

#### *Current FCM Contract Status*

On June 8, 2024, the FCM contract reached its halfway mark. Administration projects that all funding from FCM will be allocated within the next 3-6 months. The contract with FCM currently ends in June 2026; however, a Midterm Report was accepted by FCM which included a request for a one-year contract extension to June 8, 2027. The contract extension is pending approval from FCM; Administration believes that the risk that the extension will be denied is low and is aiming to complete the FCM program close out report in early 2027.

#### The Community Energy Loan Program

In 2024, City Council approved \$25 million for the Community Energy Loan Program; \$8.3 million was allocated for the residential portion to expand HELP for four years and \$16.6 million was approved to expand PACE to the Commercial and Multi-unit residential sector (Commercial PACE).

HELP 2.0 is an expansion to HELP 1.0 offering 270 additional spots in the program at a maximum loan amount of \$40,000. HELP 2.0 is expected to launch once FCM funding has been fully allocated (3 to 6 months). HELP 2.0 builds upon HELP 1.0 by incorporating the program enhancements recommended in this report.

Detailed design for the commercial and multi-unit components of Commercial PACE is in progress with a decision report planned for early 2026, prior to the program's launch.

## **DISCUSSION/ANALYSIS**

### **Program Improvements**

#### *Program Improvements Requiring City Council Approval*

Program improvements have been identified based on lessons learned through the last three years of program operations, the participant survey, a municipal best practice scan, and from municipal networking and sharing opportunities during FCM's Community Efficiency Financing working groups and learning forums.

The following recommended program improvements require City Council approval and an update to *Bylaw No. 9762, The Home Energy Loan Program Bylaw*. If approved, the Bylaw amendments will be drafted by the City Solicitor's Office and brought forward for approval at a future meeting of City Council. It is expected that these changes will come into effect in alignment with the launch of HELP 2.0. More information about each

recommended improvement is available in Appendix 6. Recommended improvements include:

Eligibility

1. Update the eligibility criteria to expand the definition of single-family residential properties to include housing options other than detached and semi-detached housing.
2. Update the eligibility criteria to allow the same property to apply to HELP more than once.
3. EnerGuide Audits performed within the past five years, will be accepted for HELP.
4. Eligible upfront contractor deposits will be increased to 50% of total eligible retrofit cost.
5. Remove Air Conditioning units from the eligible project list.

Administration

6. Increase the one-time administration fee to \$750 per property (still waived for income-qualified).

*2026/2027 Budget Requests (Requiring City Council Approval)*

Staffing: Two temporary full-time staff currently manage HELP 1.0; through the 2026-2027 Budget, a request to make these positions permanent will be included.

Home Energy Map: A request to provide ongoing support for the Home Energy Map (a capacity building and education tool for participants) will also be included.

*Program Improvements That Do Not Require City Council Approval*

These program improvements do not require changes to the HELP Bylaw and are within the Administration's delegated authority. More details on the anticipated improvements are available in Appendix 6. Improvements include:

Eligibility

- Health and Safety Projects: Increase the eligible amount to 100% of the eligible loan amount for Health and Safety measures for HELP 2.0.

Participant Requirements

- Income-Qualification: Only the most recent Notice of Assessment (NOA) will be required to verify income-qualification.
- Mortgage Lender Consent: Participants will be encouraged to obtain consent from their mortgage lenders prior to signing their deferral agreement with the City.
- Access to Energy Data: Participants will be required to provide the Administration consent to access and disclose energy data.

Program Administration

- Program Administration: Software is being sought to streamline HELP management, from front-end applications to back-end repayments.
- Partnerships: The City is collaborating with SaskPower and SaskEnergy, who also offer energy efficiency rebate programs, to streamline applications, automatically stack programs, and utilize resources offered through their programs, such as energy coaching services.

- Education and Capacity Building: The City is enhancing [Saskatoon’s Home Energy Renovation Resources webpage](#), which serves as a one stop hub for information on rebate and incentive programs, energy-efficient renovations, and use the self-serve education tools.
- Pre-vetted Contractor List: The City will require that all pre-vetted contractors to complete short web-based training sessions developed by a third-party contractor for the City’s Realtor Training program. The specialized sessions are on topics such as understanding an EnerGuide Audits, Heat Pumps, and Home Energy Efficiency.

**FINANCIAL IMPLICATIONS**

Table 2 below provides a summary of capital funding available to HELP participants. As of December 31, 2024, the City has issued \$4,567,000 in participant loans. Based on remaining funding available, it is estimated that there is sufficient funding for an additional 80 HELP participants.

A new internal Line of Credit for \$25M was approved for CELP / HELP 2.0 in 2024. Of this amount \$8.3M is to be allocated for HELP 2.0. No loans have yet been issued from this funding.

Of the FCM grant funding received, \$1,276,700 has been allocated for rebates. As of February 5, 2025, 242 participants have received rebates totaling \$787,100. Remaining funding will be allocated to 80 participants already approved in the program (\$5,000 per home), and the remaining \$89,000 will fund applicants applying after February 12, 2025 (average of \$1,000 per home).

*Table 2 – HELP Financial Summary*

<b>Funding Source</b>	<b>Total Actual Budget (000’s)</b>	<b>Paid Out (000’s)</b>	<b>Remaining (End of 2024) (000’s)</b>	<b>Reserved for Approved Participants (000’s)</b>	<b>Remaining (Feb 2025) (000’s)</b>
Internal Line of Credit - HELP 1.0 (2021)	\$2,500	\$1,102	\$1,399	\$ -	\$1,399
FCM Loan – HELP 1.0 (2022)	\$ 7,333	\$3,465	\$3,868	\$3,274	\$594
FCM Grant - Rebates	\$1,277	\$787	\$490	\$400	\$90
Internal Line of Credit - HELP 2.0 (2024)	\$8,333	\$ -	\$8,333	\$ -	\$8,333
Internal Line of Credit - CELP (2024)	\$16,667	\$ -	\$16,667	\$ -	\$16,667

This report recommends that City Council approve an increase in program administrative fees from \$500 to \$750 for HELP 2.0. Presently, FCM grant funding is used to offset costs associated with program management that are not recovered

through the administrative fee. As this funding is used up, and costs continue to rise, an increase in the administrative fee is required to ensure the sustainability of the HELP program.

All aspects of this program are funded through capital projects; however, operational funding will be required to ensure the long-term success of this program. As part of the 2026-2027 Multi-Year Business Plan and Budget, Administration will bring forward Business Plan Options for permanent staffing and software. The proposed permanent positions will be partially funded through administrative fees to support HELP 2.0 and CELP. A request for the Home Energy Map (a capacity building and education tool for participants) will also be included.

*Additional FCM Funding Opportunities for CELP*

The City's pre-application to FCM's Green Municipal Fund, [Net-Zero Transformation Pilot Project](#) grant has been approved, which allows the City to proceed with the full application. If approved, funding in the amount of \$500,000 or up to 50% of total project cost will be available for the Community Energy Loan Program. FCM has indicated that the City would be eligible to apply for the Capital Project funding after completing a successful pilot.

The City is also working with FCM to provide feedback on their new Resiliency PACE Initiative. Through this initiative, FCM will offer grant funding for the Community Efficiency Financing Resiliency PACE – Program Design Study Fund. The grant is expected to provide up to \$150K for the study and is expected to launch in the Summer 2025. After completion of the design study, participants will be able to apply for the capital project loan and grant funding, which is anticipated to launch in November 2025. This report recommends that City Council approve and direct Administration to submit an application to FCM Community Efficiency Financing Resiliency PACE - Program Design Study Fund.

**OTHER IMPLICATIONS**

*Program Uptake*

Increase to the administrative fee could have a negative financial impact for program participants and could result in a perceived barriers leading to reduced uptake of the program, although fees will still be waived for income-qualified participants. Additionally, the program has historically offered generous rebates for various retrofits funded through FCM's grant funding. The absence of these rebates could reduce the attractiveness of the program resulting in an uptake risk.

*Legal Implications*

The recommended program improvements will require updates to the HELP Bylaw. The suggested amendments are available in Appendix 6.



**NEXT STEPS**

- Bylaw Amendments: If approved, the City Solicitor’s Office will draft the proposed bylaw amendments, which will be presented to City Council for final review and approval before they go into effect.
- FCM Funding Applications: Apply to FCM’s Green Municipal Fund, [Net-Zero Transformation Pilot Project](#) grant, and if directed, FCM’s Resiliency PACE – Program Design Study Fund.
- Decision Report: Anticipated for early 2026, detailing the program design for CELP and to request approval to accept FCM’s Net-Zero Transformation Pilot Project grant funding, if applicable.
- Communication Updates: If approved, update all communication materials to inform new applicants of the upcoming changes.
- Public Awareness: Increase public awareness about the benefits of HELP and the Saskatoon’s Home Renovation Resources webpage.

**APPENDICES**

- Appendix 1 - HELP Resolution Summary
- Appendix 2 - Equipment and Insulation Specifications Updates
- Appendix 3 - Measuring Success of HELP Enhancements
- Appendix 4 – CEF Homeowner Program – Saskatoon’s Home Energy Loan Program
- Appendix 5 - Schedule E – Saskatoon Home Energy Loan Program Midterm Report
- Appendix 6 - Recommended Program Improvements

Report Approval

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Admin Report - HELP Year 3 Annual Status Update and Proposed Program Improvements