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MEDIA RELEASE

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Retrofit loans, done differently, mean energy efficient homes plus jobs for BC

A streamlined form of borrowing that enables homeowners to repay the cost of energy retrofits via their electricity bills would, in time, save British Columbia four terawatt hours (TWh) in energy use plus make homes a lot cheaper to run, according to a new study from the Pacific Institute for Climate Solutions (PICS) at the University of Victoria.

The new PICS white paper—[*Cheaper Power Bills, More Jobs, Less CO₂*](#)—explores how on-bill financing (OBF) done right can be a quick win for BC, as it has proven to be in other jurisdictions.

“This is effortless policy magic,” says Dr. Tom Pedersen, PICS executive director. “It costs the public purse essentially nothing, yet it saves BC a significant amount of electricity while helping to reduce greenhouse gas (GHG) emissions.”

Under OBF programs, energy utilities provide loans to customer homeowners or commercial building owners to pay for improvements such as insulation, solar hot water, heat pumps and draft-proofing. Loan payments are simply added to utility bills. But here’s the charm of the idea: the decreased energy demand as a result of the retrofit lowers energy costs so that there’s little-to-no net change in utility bills until the loan is paid off. The customer hardly feels a thing, other than a home that’s a lot more comfortable to live in and—once the loan is repaid—cheaper to run.

Co-author of the report, Carter Williamson, says BC’s attempt at introducing OBF in 2012 via two pilot projects in Colwood and the South Okanagan were failures, with very low uptake from utility customers. However, he says this new study of 30 OBF programmes in Canada, United States and the United Kingdom has identified what works for ensuring success, and how OBF, done differently, could also be a winner for this province.

The report makes **three recommendations** for OBF in BC: i) the government (rather than the utility) should be the champion and marketing face of energy efficiency; ii) that promotion is also supported by accredited construction contractors who can submit loan applications on behalf of homeowners and carry out the retrofits; and iii) loan underwriting criteria should be relaxed compared to typical bank requirements.

“Supplier support for the scheme is crucial,” says Williamson. “Having industry contractors trained in OBF makes a huge difference in terms of grassroots promotion, plus they can remove entrance barriers by helping with the paperwork thus ensuring fast processing turnarounds, and ultimately uptake. OBF has been a huge success, for example, in Manitoba that retrofits 5,000 houses a year, and it can work here too.”

The report concludes that OBF done right in BC should conservatively deliver the following:

- A steady 12,000 homes retrofitted per year.
- Energy savings of 4 TWh after 20 years, which would help the province meet the rising demand for electricity.
- Three million tons in total (direct and indirect) GHG reductions over 20 years.
- \$60 million annually in additional economic activity.
- 600 to 1,080 direct and indirect fulltime jobs (i.e. building/maintenance and construction related).

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