

From: ["Mochrie, Paul" <Paul.Mochrie@vancouver.ca>](mailto:Paul.Mochrie@vancouver.ca)
To: ["Direct to Mayor and Council - DL"](#)
Date: 7/28/2023 12:55:59 PM
Subject: Memo - CleanBC Rebate Top-Ups
Attachments: Memo to Mayor Council - CleanBC Rebate Top-ups.pdf

Dear Mayor and Council,

Please find attached a memo from Theresa O'Donnell updating you on the status of our CleanBC Heat Pump Rebate Top-Up.

In summary:

- In partnership with CleanBC (the province) and BC Hydro, Vancouver has provided a top-up incentive for heat pumps for single family homes and duplexes since 2018 but we are now transitioning our incentives to multi-family buildings where there is a greater need.
- Vancouver publicly signaled this transition on May 15 2023, however, BC Hydro underestimated the number of applications in the system meaning approximately 230 homeowners proceeded with their heat pump retrofits assuming they would receive a City of Vancouver top-up, when the budget had already been spent.
- Vancouver will provide a final top-up to this program to ensure these homeowners receive their anticipated rebates.

Any questions can be directed to Theresa.O'Donnell@vancouver.ca.

Best,
Paul

Paul Mochrie (he/him)
City Manager
City of Vancouver
paul.mochrie@vancouver.ca



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səliłwətał (Tsleil-Waututh) Nations.

MEMORANDUM

July 28, 2023

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Maria Pontikis, Chief Communications Officer, CEC
Rosemary Hagiwara, Acting City Clerk
Teresa Jong, Administration Services Manager, City Manager's Office
Mellisa Morphy, Director of Policy, Mayor's Office
Trevor Ford, Interim Chief of Staff, Mayor's Office

FROM: Theresa O'Donnell
General Manager, Planning, Urban Design and Sustainability

SUBJECT: City of Vancouver Top-Ups to CleanBC Heat Pump Rebates

RTS #: N/A

Since 2018 the City of Vancouver has provided top-ups to the provincial government's CleanBC rebates for space heating heat pumps in detached homes and duplexes, in partnership with BC Hydro. In this time, the City has provided approximately \$4.2M in rebate top-ups to Vancouver residents, supporting deep reductions in carbon emissions from nearly a thousand Vancouver homes. Program benefits include tripling our investment with provincial, utility, and homeowner funds, developing a robust supply chain, and building public confidence in heat pump technology; all of which help enable us to regulate this transition in the future.

With the demand for heat pumps increasing and federal rebates and loans now available for single family homes and duplexes, staff decided to reduce and then stop further top-ups to the program for space heating heat pumps and to shift our incentive focus to multi-family buildings, where funding is most needed. This change to the current incentive was communicated publicly on May 15, 2023 by the program administrator, BC Hydro. While we are stopping this particular incentive we are continuing to provide top-up rebates for electrical service upgrades and heat pump water heaters, as well as technical support to homeowners through the Home Energy Navigator program¹.

¹ <https://homeenergynav.ca/vancouver/>

Unfortunately, prior to May 15 the program administrator underestimated the number of outstanding applications by about 230 homes, or about \$975,000 in COV top-ups. While it is good news that the deployment of heat pumps is accelerating faster than anticipated, it resulted in top-up rebate applications being rejected because of a lack of funds. Staff have heard complaints from installers and homeowners that made the switch to heat pumps prior to May 15, as they did so with the reasonable expectation that the top-up rebate would be available from the City. We understand Council is also hearing these same complaints.

In response, the City of Vancouver will provide a final contribution of \$975,000 to provide top-up rebates to these remaining homeowners. Funds are available to support this top-up from the existing Green Building Capital Budget intended for this purpose. As well, there are adequate funds remaining in this budget to ramp up incentives for heat pumps in multi-family buildings. Rebate applicants that were rejected because of a lack of funds will be re-assessed by the program administrator and the top-up rebates will be made available to homeowners who met the program requirements.

This approach follows through on existing commitments and retains public and installer confidence in City of Vancouver incentive programs while shifting our focus to multi-family retrofit supports going forward.

If you have any questions, please contact Theresa.O'Donnell@vancouver.ca

Sincerely,

A handwritten signature in black ink that reads "Theresa O'Donnell". The signature is written in a cursive, flowing style.

Theresa O'Donnell
General Manager, Planning, Urban Design and Sustainability

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