

Ask the

INSPECTOR...

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Energy Incentives

What Federal Government incentives are available to me as a homeowner if I improve the energy efficiency of my home?

The federal government's commitment to the Kyoto Protocol has resulted in the EnerGuide for Houses Program, designed to aid homeowners improve the energy efficiency of their homes and ultimately reduce greenhouse gas emissions. The federal government feels that if it can assist homeowners with reducing their fuel usage and fuel bills, while also reducing greenhouse gas emissions, it is a win-win situation for everyone. The EnerGuide evaluation takes into consideration the type and amount of insulation in the ceiling, walls and basement, the type and size of windows and doors, the type and efficiency of the heating and domestic water heating systems, ventilation and the amount of air leakage from the home. This information is collected by certified energy efficiency advisors and the information is input into a residential heat loss modeling software program which identifies the areas of significant heat loss and energy use. The advisor can then make recommendations as to the most effective methods of reducing energy by putting potential upgrades in priority sequence to show the homeowner where they will get the biggest bang for their renovation buck when it comes to energy efficiency upgrades. The home is also given an 'EnerGuide for Houses Rating' between 0 and 100 based on its efficiency; 0 being an extremely inefficient home, possibly with a very old heating system and some large holes in the building envelope, and 100 being a home that

does not rely on any purchased energy (i.e. electricity or fuel for heating or power) and heat loss/gain from the home is relatively low. What does all this have to do with government rebates? The federal government has introduced a retrofit incentive program in conjunction with the EnerGuide for Houses Program to entice homeowners to reduce energy use, save money, and ultimately reduce greenhouse gas emissions. Here is how it works: The EnerGuide evaluation is performed on the home as it is prior to any upgrades/renovations being completed (the pre-retrofit or 'A' evaluation), resulting in a numerical EnerGuide rating. Then, recommended renovations or upgrades are performed by the homeowner to improve efficiency (e.g. replacing an old furnace, air sealing, upgrading insulation, replacing windows, etc.) and the evaluation is performed a second time (the post-retrofit or 'B' evaluation), hopefully resulting in a higher numerical EnerGuide for Houses rating. The difference between the initial rating and the follow up rating dictates the amount of the grant to be provided by the government. To be eligible for a grant, the home must be owned by a Canadian citizen who uses the home as their primary residence. Rental properties and cottages are not eligible for the retrofit incentive, however they are eligible to have an EnerGuide for Houses evaluation performed on them. Mobile homes on permanent foundations are also eligible for the grant.

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Once a home has had its 'A' evaluation, the homeowner has 18 months to perform energy efficient retrofits and have the 'B' evaluation performed. The type of upgrades performed and the amount (in dollars) spent on any retrofits has no effect on the amount of the grant. It is the effect of the retrofits on the overall efficiency and EnerGuide rating of the home that matters. For example, if spending \$15000 on new windows or \$5000 on storm windows results in a similar increase in the home's rating after the 'B' evaluation, the grant will be the same.

Natural Resources Canada (who oversees the EnerGuide program) monitors the results of the evaluations and maintains statistics as to what the most beneficial upgrades are (in terms of efficiency improvements). The three most effective upgrades reported by Natural Resources Canada are installing basement or crawlspace insulation, replacing an old, inefficient heating system, and sealing air leaks around the home. To date, the average grant has been approximately \$629. Regardless of the grant, any improvement in the home's efficiency will result in less energy being used, and therefore lower energy bills.

In addition to the above home retrofit incentive, Natural Resources Canada also subsidizes the cost of the initial

and follow up energy efficiency evaluations by providing \$150 to certified evaluators for both the A and the B evaluations.

The Canadian Mortgage and Housing Corporation (CMHC) also announced that they will be rewarding homeowners or home buyers who buy a home and renovate to increase its efficiency, build an R-2000 home or build a home with an EnerGuide rating of 80 or more. This program is for people who have purchased a home or who have refinanced their mortgage, and who have obtained CMHC mortgage insurance on or after November 17, 2004. It applies to people building an R-2000 home, building an energy efficient new home that is not R-2000 certified or who have performed energy efficient retrofits on an existing home and had the 'A' and 'B' EnerGuide evaluations completed. The 'reward' is a 10% refund on the CMHC mortgage loan insurance premium for people who build an R-2000 home (or one that has an EnerGuide rating over 80) or for homeowners that improve their rating of an existing house by at least 5 points (the 'B' evaluation rating must also be over 40 points). If you have a CMHC mortgage or are considering refinancing and obtaining a CMHC mortgage, this is definitely a program to consider.



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