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NEWS RELEASE

Program offers benefits that other energy retrofit financing options don't

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TORONTO – An innovative financing mechanism that could help make homes in Ontario more energy efficient comes out on top compared to other financing options, according to a report prepared for the David Suzuki Foundation. The report, “Property Assessed Payments for Energy Retrofits and Other Financing Options”, concludes that a program using local improvement charges to finance energy retrofits for housing would provide benefits that other financing alternatives don't.

“Using this low-interest mechanism makes it easy for fiscally responsible homeowners at all income levels to do energy-saving retrofits,” says author Sonja Persram. “The longer financing terms and larger amounts allow homeowners to do more intensive energy retrofits; the neighbourhood approach allows savings from bulk buying; and the financing does not impact homeowners' credit because it is associated with the property so that any balance automatically transfers to the new owner on sale.”

Local improvement charges have long been used by municipalities to finance infrastructure improvements that benefit homeowners. The charges are repaid through property tax bills. With a “property assessed payments for energy retrofits”, or PAPER, program, homeowners could obtain financing for renovations to improve the energy efficiency of their homes and repay through a temporary fee on their property tax bill. The idea is to have cost savings from energy efficiency exceed payments.

“Financing energy efficiency retrofits of existing building is a challenge, but it's critical to reducing greenhouse gas emissions,” said Peter Love, Hydro One Visiting Distinguished Research Fellow at Ryerson University's Centre for Urban Energy and former Chief Energy Conservation Officer of Ontario. “The David Suzuki Foundation report clearly summarizes the 10 reasons why Ontario needs a PAPER financing program and concludes with five steps that the Ontario government should take.”

The financing program is supported by the Toronto Real Estate Board, whose president, Bill Johnston, says it is “a winner for citizens, governments and future generations.” The province of Nova Scotia has made the mechanism available for Halifax Regional Municipality. Regulatory changes in Ontario would make it easy for municipalities to set up and clarify their authority to use the mechanism for private property energy retrofits when homeowners opt in.

The report is available at:

<http://www.davidsuzuki.org/publications/reports/2011/property-assessed-payments-for-energy-retrofits/>
http://www.sustainable-alternatives.ca/PAPER_and_other_financing_options_-_Persram_for_DSf.pdf

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