

# SAANICH HEAT PUMP FINANCING PROGRAM

## Frequently Asked Questions



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Please see [Program Terms and Conditions](#) for detailed eligibility criteria and program requirements. More information is available at [www.saanich.ca/heatpumpfinancing.ca](http://www.saanich.ca/heatpumpfinancing.ca) or contact [info@SaanichHeatPumpFinancing.ca](mailto:info@SaanichHeatPumpFinancing.ca).

## General Program Information

### What is the Saanich Heat Pump Financing Program?

The Saanich Heat Pump Financing Program provides interest-free financing to qualifying homeowners who are interested in upgrading their fossil fuel-based heating (i.e., oil, natural gas, or propane) to an efficient electric air source heat pump. After installing your heat pump, the municipality will pay your Eligible Contractor directly for the upgrade costs up to \$12,000 and you will pay the municipality back in payments up to a maximum of 10 years on your annual property tax bill that includes other municipal service fees.

### How does the program work?

Homeowners must register and enter into a Financing Agreement with the District before any upgrade work is started. The Registration Form includes a “petition” to provide a local area service for financing the upgrade. This is a unique tool available to local governments under section 200 of the Community Charter. Council will then bring a bylaw forward to enable financing for your property. After you have selected your quote from an Eligible Contractor and completed a pre-retrofit EnerGuide evaluation for your home, you will enter into a Financing Agreement with the municipality and the upgrade may be completed.

The municipality will pay your contractor directly for completed work up to \$12,000 (including taxes), and you will repay the municipality the financed amount through an added charge to the property tax bill over a period of up to 10 years. The homeowner is also able to access CleanBC rebates and federal grants to reduce the cost of the upgrade. This allows homeowners to spread out the potentially restrictive up-front cost of a heat pump into smaller, easier payments without worrying about interest rates or other fees.

### An Example:

Setareh wants to upgrade her oil furnace to a heat pump. The cost of this upgrade is \$13,000, plus \$3000 for electrical upgrades. Setareh decides to access the Saanich Heat Pump Financing Program which covers up to \$12,000 towards the cost of the heat pump installation, the removal of her old oil heating system and oil tank, and the cost of the electrical panel upgrade. After all costs are taken into account, the cost of Setareh’s heat pump upgrade is \$16,000 + applicable taxes.

Because Setareh is participating in the Saanich Heat Pump Financing Program and the program pays the contractor directly, the upfront cost for Setareh will be \$4,000. Setareh’s heat pump upgrade is also eligible for the CleanBC Better Homes rebates and the currently available BC Hydro and Saanich top-ups totaling \$6,350 for a heat pump and \$1000 for the electrical

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panel upgrade. She also participates in the Canada Greener Homes Grant to access an additional \$5,000 for a total of **\$12,350** in rebates.

Setareh normally pays approximately \$4,500 in property taxes on her home. The District of Saanich divides the value of her financing (\$12,000) by 10 years (**\$1,200**). She will now be paying a total of \$5,700 per year on her property tax until the financing is fully paid off, at which point she will once again pay a normal level of property tax. Because her oil heating was costing her about \$4,000 per year and her heat pump will cost about \$1,600 to operate, she will be saving over \$1,000 per year after repaying the District of Saanich.

### Can I participate in this program and apply for other rebates?

Yes. Participants can and are encouraged to access other available incentives, including:

- Up to \$3,000 (plus up to \$1,000 for electrical service upgrades) from the [CleanBC Better Homes program](#) (including Saanich Top-Ups),
- OR up to \$16,000 (plus up to \$5,000 for electrical service upgrades) from the [CleanBC Energy Savings Program](#) (income qualified),

CleanBC program participants must choose between *either* the Income Qualified stream (now called Energy Savings Program) *or* the standard Better Homes Program stream as outlined above. To participate in the CleanBC Energy Savings Program (income qualified), pre-registration is required and can be used as proof of income for Saanich's Heat Pump Financing Program.

For assistance with the CleanBC Energy Savings Program, contact an Energy Saving Program Energy Coach by email at [IncomeQualified@betterhomesbc.ca](mailto:IncomeQualified@betterhomesbc.ca) or by phone at [1-833-856-0333](tel:1-833-856-0333).

For overall assistance in navigating or applying for rebates, please contact the [Home Energy Navigator](#) at [info@homeenergynav.ca](mailto:info@homeenergynav.ca), toll-free at [1-866-381-9995](tel:1-866-381-9995), or visit [homeenergynav.ca](http://homeenergynav.ca).

## Applying for Financing

### How many spaces are there, and how are participants selected?

Space is limited and depends on the budget allocation each year, but approximately 30-60 participants may participate per year on a first come, first served basis. 50% of the spaces in each budget approval cycle (May – April) are reserved for income-qualified participants.

Registration forms that are received after the program is full will be kept as a waitlist and notified in order of receipt when there is a new intake or when a space opens up. At the end of each funding year (in the spring), any unfilled income-qualified spaces will be opened up to the general stream.

### Can I participate if my property is rented?

Yes, tenanted properties can participate if all other eligibility criteria are met. The property owner is responsible for submitting the registration form and entering into the Financing Agreement

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with the District of Saanich. For participation in the Income-Qualified Stream, either the owner or the tenant can qualify. If the tenant will be qualifying, they must submit the Tenant Consent Form and their income documentation directly to the district for review.

### Is there a deadline for the program?

Registration forms may be submitted at any time, with no set deadline. However, the Local Area Service (LAS) bylaws are adopted by Council as a batch, generally twice per year (spring and fall). All registration forms (with petitions) that have been received, reviewed and accepted one month prior to the specified Council meeting will be included in the batch of LAS bylaws that are adopted. Please check the website for upcoming Council dates and deadlines.

Once your Local Area Service is approved by Council, **you will have 10 months** to complete your installation and submit the Work Completion Report. If you think you need longer than this, please request an extension by emailing [info@saanichheatpumpfinancing.ca](mailto:info@saanichheatpumpfinancing.ca) prior to the deadline. If you do not confirm an extension or submit a Work Completion Report within 10 months of the LAS Bylaw being enacted, the Local Area Service Bylaw and Financing Agreement may be repealed.

### Who gets contractor quotes and how do I choose a contractor?

Participants must choose from Saanich's [Eligible Contractor List](#). These contractors have had an additional orientation to Saanich's program, meet additional qualification standards required by CleanBC programs, and are also listed on CleanBC's [Program Registered Contractor](#) list and/or the [Income Qualified Program Contractor list](#).

We recommend you get at least 3 quotes from contractors on this list, and select your preferred quote. After participants have received quotes and selected a contractor, they will submit the quote to the program along with their EnerGuide report for review.

### What if the contractor's quote exceeds the financing limit?

Any costs exceeding the \$12,000 financing offered by the District of Saanich are the responsibility of the homeowner. Financial rebates are also available from CleanBC Better Homes and the Canada Greener Homes Program, as outlined above.

For participants accessing the CleanBC Income Qualified Program, your incentive for that program will be paid directly to the contractor. Any remaining amount is eligible for Saanich Financing. For example, if your heat pump installation costs \$15,000 including taxes and you are eligible for \$9,500 from the CleanBC Income-Qualified Program, you will be eligible for \$5,500 in Saanich Financing, thus there is no up-front cost to the homeowner in this situation.

### Who pays the deposit to the Contractor?

The Program is able to provide Deposit Assistance as outlined below and pay the contractor directly once the Financing Agreement is in place.

If the project cost is \$12,000 or less, or when the participant is participating in the CleanBC Income-Qualified Program, Saanich can provide a deposit (up to 25% of the project cost or to be discussed with the Program Administrator) directly to the contractor.

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If the project cost is more than \$12,000, the participant will pay the difference between the maximum financing amount (\$12,000) and the total project cost. If the deposit requested from the contractor exceeds that amount, the Program will pay the difference.

Take the example below where the total system cost is \$14,000 and a \$3,000 deposit is requested:  $\$14,000 - \$3,000 \text{ deposit} = \$11,000$  owed after installation

	Paid at Deposit	Paid after installation	Total
<b>Saanich Financing</b>	\$1,000	\$11,000	\$12,000
<b>Participant</b>	\$2,000	\$0	\$2,000

### Who receives the financing funds from the District?

Financing funds are released from the District of Saanich directly to the Eligible Contractor that is performing work on the home.

### What is required as proof the fossil fuel heating equipment has been removed?

Documentation requirements are in line with the requirements of the CleanBC Better Homes program and can include the following:

- A line item on the heat pump contractor's invoice detailing what was removed/decommissioned
- An invoice from a junk company/other contractor detailing what was removed/decommissioned, along with before and after pictures of where the equipment and tank were on the property.
- An invoice from the dump or other proper disposal location, detailing what was dropped off, along with before and after pictures of where the equipment and tank were on the property.

If removal/decommissioning work is organized by the homeowner, invoices and pictures must be provided to the contractor before or at the time the homeowner signs the work completion report. Resale of removed heating equipment or oil/propane tanks is not permitted.

### What is an EnerGuide home evaluation and why do I need one?

An EnerGuide home evaluation is a comprehensive service provided by an energy advisor to assess your home's energy performance and determine which areas of your home can be improved to help lower your utility bills and make your home more comfortable. An energy advisor will complete a site visit, including a "blower door test" to measure air leakage, talk to you about concerns about the home, renovation plans, priority areas, rebates and create an energy model of your home. You will receive a report with customized and prioritized energy efficiency recommendations. If you are planning to do any other upgrades (e.g. windows, insulation, solar PV, etc.), mention these to your energy advisor so they can include it in their modelling. Other programs, such as the Canada Greener Homes Grant will require they be included in the EnerGuide report to be eligible for their rebates.

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The evaluation serves to confirm the home's heating system before contractor work takes place, and also gives the homeowner valuable information about other upgrades they could undertake to achieve energy savings and better comfort.

### How do I book my EnerGuide home evaluation?

You can use the CleanBC [Find an Energy Advisor Search Tool](#) to find a registered Energy Advisor operating in your area. Different energy advisor companies may charge different rates for their service. Participants are encouraged to contact multiple advisors to compare prices.

### I have already had an EnerGuide home evaluation, do I need another?

If you have completed a pre-retrofit EnerGuide home evaluation on or after April 1<sup>st</sup>, 2020, you may use this report for the purposes of the financing program. You will need to send a copy of the EnerGuide Renovation Upgrade Report to the program administration.

### What if I decide to withdraw from the program partway through?

If you decide to withdraw from the program after some services have already been completed, you will be responsible for any fees incurred. If the District of Saanich has already covered some costs that cannot be refunded (e.g. contractor deposit), this cost will be recouped on your property taxes. Please provide a request to withdraw in writing to the Program Administrator.

### Who is responsible if I am not satisfied with the work completed?

Homeowners are responsible for selecting a contractor to complete the recommended upgrades, and that contractor is solely and entirely responsible for the quality of the work completed. The District of Saanich accepts no responsibility for defects in the workmanship of participating private businesses (see [Terms and Conditions](#)).

### Do I need approval from my mortgage lender?

The Program strongly recommends homeowners discuss the program with their lender to ensure participation does not violate the terms of their mortgage. The Financing Agreement signed with the District of Saanich includes a declaration that confirms you are not contravening the terms of your mortgage.

### Will this affect my mortgage or my ability to re-mortgage my house?

If you have a mortgage or are planning to re-mortgage your home you will need to discuss participation with your lender to confirm it does not contravene the terms of your mortgage or impact your ability to re-mortgage your home. You may share Saanich's Letter for Lenders to introduce the program and explain the mechanism by which the financing is being administered by the municipality.

## Making Financing Payments



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### How do I make a payment on my financing?

Projects that have submitted a Work Completion Report by December 31 on a given year will be added to the Parcel Tax Roll the following tax year. You will be notified by mail (generally in February) in the year your property is being added. Financing payments will be made as an extra charge on your home's property tax bill up to a maximum of 10 years. The repayment schedule is included in the Financing Agreement signed with the District of Saanich. The tax roll is prepared once per year, with notices mailed to homeowners in May for taxes collected in July. For more details on repayments, including lump sum payments, pre-authorized payments and property tax deferments, please see our "How to Pay Your Bill" resource.

### How long is the financing term?

The District of Saanich is offering a 10 year financing period to pay back the provided amount. For example, a participant who uses the full \$12,000 in available financing will pay an additional \$1,200 on their property tax bill each year over the next 10 years. Participants are permitted to pay the full balance of the financing amount as a lump sum payment, subject to a blackout period between March 1 and the property tax due date each year (see below). To pay your balance off in full, written notice must be received and please allow two weeks (10 business days) for Saanich to process your request.

### What kind of savings are estimated by converting to a heat pump?

Previously oil-heated homes should realize significant energy bill savings and will likely exceed (cover the cost of) the annual financing repayments.

Natural gas heated homes are likely to see similar or reduced energy bills with a switch to a heat pump. More information is available at: [www.saanich.ca/maketheswitch](http://www.saanich.ca/maketheswitch).

### Are there any hidden fees?

No, this program is offering 0% financing, so you will only be required to pay back what you borrowed to upgrade to a heat pump. No interest or fees!

### What if I miss a payment?

Financing payments are subject to the same penalties, remedies, and lien priorities as property taxes if the amount due is not paid by the property tax due date.

### What happens if I sell my home while there is still an outstanding balance on the financing?

When the property is transferred to a new owner, the responsibility of financing payments is transferred to the new owner along with the property. In the same manner as property taxes, the amount owed by each owner is split proportionally to the number of days they owned the property in the year of sale.

During the process of sale, the homeowner should provide a copy of the Financing Agreement to the new owners. You also have the option of paying off the full balance of the financing owed when you decide to sell your house to clear your property of all charges, if you prefer (see [How](#)

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to Pay Your Bill). A written request must be provided and please allow two weeks (10 business days) for Saanich to process your request.

### What if I am deferring my property tax payments?

The annual Heat Pump Financing Parcel Tax amount can be deferred as part of the Province of BC's Property Tax Deferment program. If you are already registered for automatic renewal in the deferment program, you are responsible for notifying the Province of the additional debt. For more information, check the BC Property Tax Deferment Program web pages or contact them at 1-888-355-2700.

Please note that participation in the Heat Pump Financing Program may change the equity calculation for your home and impact your eligibility for the Province's Property Tax Deferment Program. You can use the Province's online Equity Calculator to check whether you are still eligible for property tax deferment: <https://forms.gov.bc.ca/taxes/property-tax-deferment-equity-calculator/>.

### Can I pay off my financing early?

Yes, however there is a blackout period for lump sum payments from March 1 to the property tax due date (early July). Outside of this blackout period, you may pay off the entire balance of the Parcel Tax registered to your property. If you are selling your property during the blackout period, Saanich will honour requests to pay the balance in full where directed by your lawyer. Payments received in full by December 31 will remove your property from the Parcel Tax Roll for the following year. No partial lump sum payments will be accepted.

To pay your balance in full we require 10 business days to process your request. Please book an appointment with the Property Tax Department at the Saanich Municipal Hall by emailing [propertytax@saanich.ca](mailto:propertytax@saanich.ca). Payment can be made by cash, debit, or cheque.

### Who Can I contact for questions?

For more information, contact the program administrator at [info@SaanichHeatPumpFinancing.ca](mailto:info@SaanichHeatPumpFinancing.ca) or by phone at 1 (866) 381-9995 and ask for the Saanich Heat Pump Financing Program.