



Saanich Heat Pump Financing Program Pilot Final Report

February 25, 2026

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Acknowledgements

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This project was carried out with assistance from the Green Municipal Fund, a Fund financed by the Government of Canada and administered by the Federation of Canadian Municipalities. Notwithstanding this support, the views expressed are the personal views of the authors, and the Federation of Canadian Municipalities and the Government of Canada accept no responsibility for them.

City Green Solutions

City Green Solutions is an enterprising environmental non-profit based out of Victoria, BC. We are on a mission to excite, inspire, and lead British Columbians in taking both simple and extraordinary actions to reduce energy use and greenhouse gas emissions from homes and buildings.

For more information on our services, publications, and programs visit Citygreen.ca.

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Land Acknowledgement

City Green acknowledges that we conduct our business on the ancestral and unceded homelands of the Lək̓ʷəŋən and W̱SÁNEĆ Peoples who have been stewarding these lands, along with the waters and all that is above and below, since time immemorial. City Green acknowledges that we are guests on these lands and as newcomers to the Salish Coast, we are on a journey to reciprocate by working towards reconciling with all our relations here and beyond.

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Executive Summary

The purpose of the Saanich Heat Pump Financing Program is to accelerate the adoption of heat pumps for space heating by reducing up-front financial barriers homeowners face when completing this kind of upgrade. The Program offers up to \$12,000 in 0%-interest financing for a term of 10 years to Saanich homeowners upgrading from fossil fuel heating to a heat pump. The pilot of this program launched on April 4th, 2022 and has completed 7 intakes, with 120 approved participants to date.

Status (as of February 13, 2026)

- 72 financing agreements signed
- 70 completed upgrades
- \$788,616.60 in financing allocated to participant projects

On average, oil households saw a 95% reduction in Greenhouse Gas (GHG) emissions and a 44% reduction in energy use, while gas-heated households averaged an 83% reduction in GHG emissions and a 42% reduction in energy use. The Program has already avoided an estimated 359.2 tCO₂e per year in GHG emissions and reduced home energy consumption by an estimated 3,794 GJ per year from the 70 completed projects. Assuming a 15-year lifespan, the current completed upgrades will result in at least 5,412 tCO₂e and 56,910 GJ saved.

Lessons Learned

Providing 0% interest, no fee financial support that reduces the initial out-of-pocket expense can address a significant barrier to homeowners choosing to upgrade to a heat pump. The program affected over 85% of participant's upgrade decisions, with 52% reporting that the program either made the upgrade financially feasible or accelerated their upgrade plans, and 36% reporting they were not considering a heat pump upgrade at all before the program was made available.

All heat pumps installed through the program exceeded the maximum financing amount (\$12,000); heat pump prices ranged from \$12,657 to \$37,590. However, many income-qualified households did not utilize the full \$12,000 due to the incentives available through the CleanBC Income-Qualified Program (IQP) and Energy Savings Program (ESP) that pay contractors directly.

Recommendations

Maintain program availability into the future – Showing residents that the program is consistently available can build trust and confidence, improving chances of participation.

Increase maximum financing amount – Heat pump costs have increased since the program launched, while at the same time availability of incentive programs has decreased. Increasing the maximum financing amount to match more recently launched programs (e.g. Nanaimo's \$15,000 cap) may motivate additional participants and stimulate demand.

Expand eligible home upgrade measures - While heat pumps are by far the single biggest upgrade a resident can do to reduce their home's carbon footprint, there are additional measures that could improve their home's overall function, climate resilience, and further lower energy costs. The program could expand to offer financing for insulation & air sealing to make older homes more suitable for heat pump upgrades, as well as consider financing for baseboard to heat pump and/or solar panel upgrades.



Introduction

The purpose of the Saanich Heat Pump Financing Program is to accelerate the adoption of heat pumps for space heating and improve affordability by reducing energy costs and up-front financial barriers for homeowners. In addition, the program seeks to

- reduce environmental risk of oil spills in the District and achieve greenhouse gas reductions contributing towards climate action targets.
- improve resilience to extreme heat events through the addition of cooling,
- Provide a proof of concept to support enabling PACE legislation in BC

City Green Solutions supported research and development and has acted as the 3rd party administrative partner for the Saanich Heat Pump Financing Pilot. City Green leveraged its experience with heat pump initiatives across BC to inform program design and administration to launch a successful program of this type.

The pilot of this program launched on April 4th, 2022 and has completed seven intakes to date. In this report we summarize the Program design, status, and results from the program, as well as lessons learned and recommendations to optimize the efficiency of an already well-performing program.

Program Overview

The program design was undertaken in collaboration with District of Saanich staff that included representatives from the Sustainability Division, Finance and Legal Services between February 2020 and March 2022. More details on the program design can be found in the Saanich Oil to Heat Pump Financing Program Interim Report, dated January 10, 2023. Some process updates were made to the program since its launch in 2022, as outlined below.

The Heat Pump Financing Program Bylaw was adopted in 2022 and updated in 2023 to include gas-heated homes. The Saanich Heat Pump Financing Program is designed to reduce up-front financial barriers to homeowners choosing to replace their fossil fuel heating system with an all-electric heat pump, and to address inequities for those who may not be able to access traditional financing options. To that end, the Program was designed to directly pay contractors so homeowners would not have to pay the financed amount out-of-pocket at any time. Support to pay upfront costs (including deposits in certain cases), as well as the attractive offer of 0% interest and no administrative fees, increases the Program’s appeal, particularly to the demographic who may benefit most from this kind of support. Additionally, 50% of available spots are reserved for homeowners who meet income-qualification requirements. This ensures space is available to those residents who may benefit most from this kind of low-barrier financing.

Saanich residents love their heat pumps!

Since 2020, over 2,000 Saanich households have replaced their natural gas and oil heating with a heat pump! An electric heat pump can significantly reduce your household's carbon footprint while enhancing comfort and energy efficiency.

Heat pump benefits include:

- ✓ **Cooling:** a heat pump provides heating and cooling in one system
- ✓ **Climate Friendly:** a heat pump runs on renewable, low carbon electricity
- ✓ **Efficient:** a heat pump is roughly three times as efficient as a natural gas furnace or electric baseboards
- ✓ **Cost Savings:** a heat pump can save you money on operating costs



The District of Saanich has handled most of the communications about the program. Marketing strategies have included

- social media
- newsletters
- newspaper ads
- on-hold messages
- utility bill inserts
- door to door promotions
- outreach at events

Contractors

Participating contractors were required to be registered with the CleanBC Better Homes provincial rebate program, complete a brief Program orientation session virtually, and sign the Program Contractor Agreement. The minimal specific program requirements allowed for a streamlined contractor registration process and minimized outreach and administrative burdens by working from an existing contact list of contractors and relying on contractor vetting and training already completed by CleanBC to ensure quality participating contractors.

Of the 33 registered contractors, 24 have completed installations for participants. Larger outfits like RedBlue and Coastal Heat Pumps have been most active, completing 12 and 8 installations respectively, with smaller companies generally completing 1-4 projects each. Anecdotally, contractors have a positive view of the program overall, particularly regarding communication and prompt payment. An occasional critique is confusion around when and how much of a deposit is being covered by the program.

Program Requirements

The Program adheres closely to the documentation, home type, and upgrade requirements of existing programs to further minimize the burden on participants, contractors, and administration.

- Homes are required to be primary residences and must undergo an EnerGuide pre-evaluation, which was also a requirement of the federal Canada Greener Homes Grant and Loan.
- Home type must be either single family detached, duplex, side-by-side rowhome, or mobile home on a permanent foundation, as required by the CleanBC Better Homes rebate program.

- Eligible heat pump systems were required to be present on the CleanBC Better Homes [Qualifying Product List](#) and be sized properly to serve as the home's primary heating system.

One deviation from the existing programs was that homes with broken fossil fuel heating equipment were not allowed to participate, to ensure participation would achieve true greenhouse gas reductions.

Income-Qualified Participants

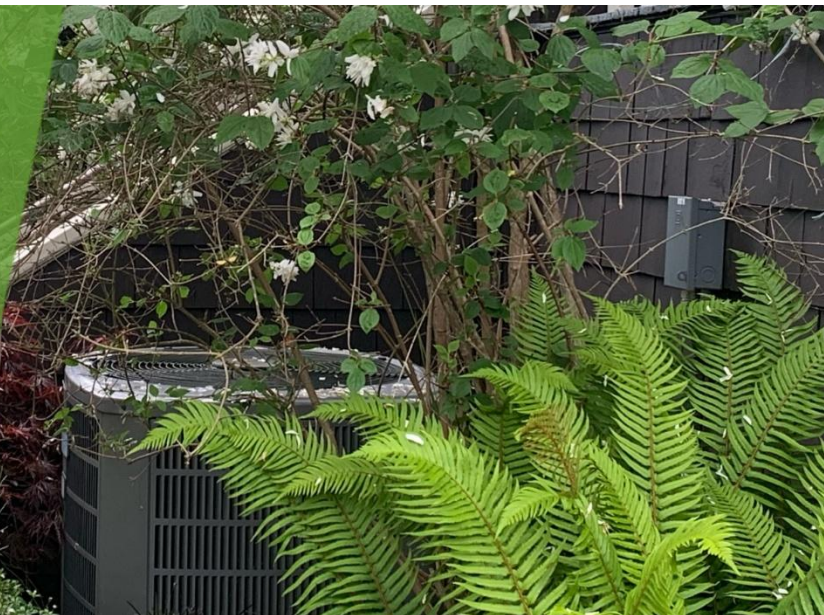
Half of the available spaces in each funding cycle (April to March) are reserved for participants who meet the Program income-qualification requirements. This was particularly important in the first year of the program when demand was exceptionally high, and the non-income qualified program spaces filled within two weeks.

Income levels were matched with the CleanBC Income-Qualified Program (later the Energy Savings Program (ESP)) Tier 2 requirements, then updated to the ESP level 3 requirements. Participants can submit their CleanBC approval code, LIFE program membership, or Notice of Assessment as proof of income.



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Thank you Saanich
for making this
possible for us on
limited incomes.



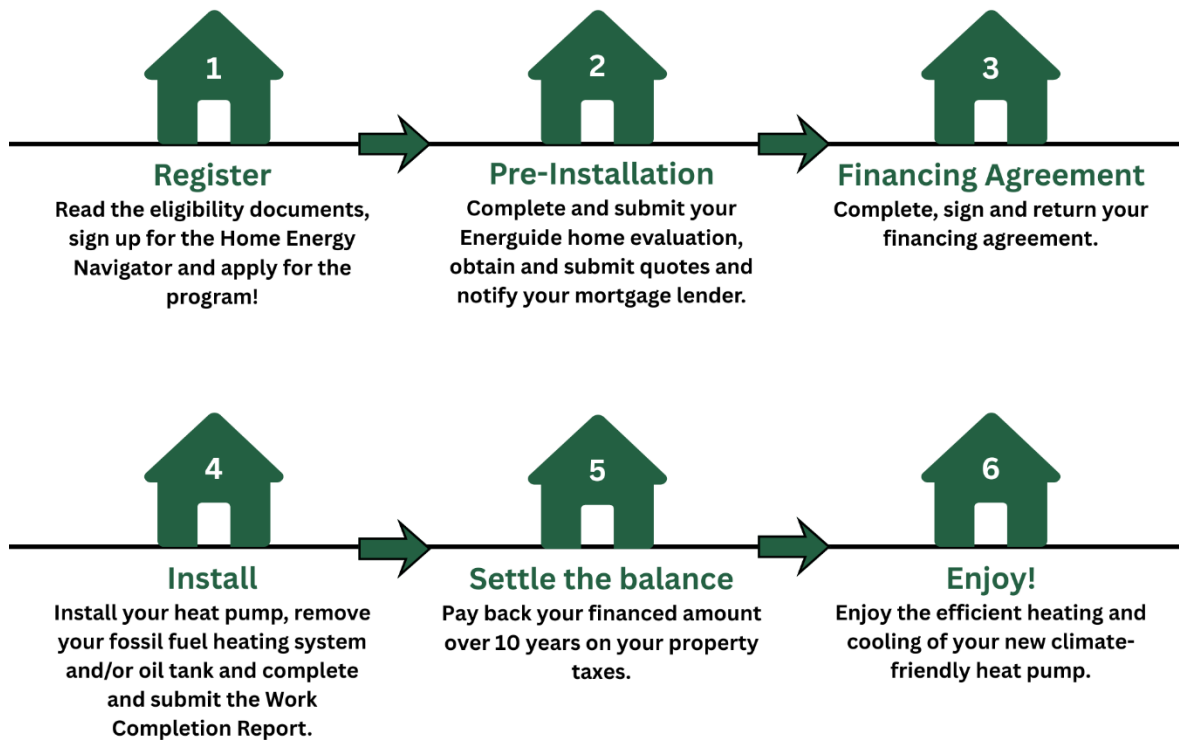


Figure 1: Administrative workflow for the Saanich Heat Pump Financing Program Pilot.

Participant Journey and Admin Overview

- Participant submits registration form – The program generally includes 2 intakes per year to streamline administrative processes. The registration form includes a petition that at least 51% of the property owners must fill out and sign as required by section 212 of the community charter. Initially the petition was its own step, but we experienced a significant administrative challenge ensuring participants filled in the petition, and filled it in with their proper legal property description, before the intake deadline, so it was later added to the registration form. Following the intake, a local area service bylaw is adopted for each participating property to enable the financing service. These bylaws are adopted as a batch on Council’s consent agenda to streamline the process.
- Pre-installation documents are submitted and reviewed – Participants are required to complete a pre-upgrade EnerGuide home evaluation, along with a quote from a registered heat pump contractor, and submit the documents to the program. The administration team collects and reviews the EnerGuide reports to gather GHG and energy reduction estimates, as well as confirm the heating system of the home in question. Quotes are reviewed for heat pump system eligibility and size suitability.
- Financing agreement is co-signed – The financing agreement is drafted by the administration and is sent to the participant, then the District, for signing. The agreement

includes information on the upgrade cost breakdown and total as well as noting the total financing amount being provided and the amount to be provided as a deposit to the contractor-up front. Generally up to 25% of the total system cost can be provided up-front as a deposit, but for participants in the CleanBC Energy Savings Program, we have approved larger deposits on a case-by-case basis. This has been an important way to support participants since while the Energy Savings Program does pay contractors directly, it only provides that support after installation, leaving the upfront cost barrier of deposits in place for homeowners in many cases. Through the Saanich Heat Pump Financing Program, we have been able to greatly reduce that barrier, or remove it entirely for lower income residents. The Agreement also includes an amendment that allows the administration to efficiently note changes to the cost of a project and if the equipment installed changed part way through a project.

4. Installation is completed and work completion documentation submitted – The participant or their contractor provides a copy of the final invoice to the program administration, as well as a co-signed work completion report. The completion report indicates what work was completed at the property and includes declarations that the new heating system is now operating and the fossil fuel heating system has been removed/decommissioned. Once this documentation has been received and approved, City Green disburses funds directly to the participant's contractor.
5. Participants settle the balance via a parcel tax - Properties that complete their project by the end of the calendar year are added to the Parcel Tax roll by the District of Saanich to initiate the process of collecting repayment over a term of 10 years.



Program Status and Results

Participation

As described in Table 1, a total of 120 participants have been approved, with bylaws adopted for the Saanich Heat Pump Financing Program. As of February 13, 2026, 72 of these participants have signed financing agreements to install heat pumps and 70 have completed the program. The original target for the Pilot was 50 participants.

With the expansion in 2023, Saanich partnered with the Home Energy Navigator (HEN) Program, operated by the Capital Regional District, to provide participants with additional holistic project supports. Since then, at least 58 of 72 approved registrants have accessed the HEN program, which achieved a 100% satisfaction rate from participants in 2025. The Saanich Heat Pump Financing program also benefits from a reduced client services burden now, as participants are directed to their HEN Energy Concierge for any questions regarding their projects and other incentive programs. As a result, Saanich receives a subsidy payment for each participant who also signs up for the Home Energy Navigator program.

Table 1: Program status as of February 13, 2026 (excludes participants approved under the 2026 intake).

Participants Approved	125
Local Area Service Bylaws adopted	120
Participants currently registered	101
Attrition (after bylaw adoption)	19
Income-Qualified Participants	40
Oil-Heated Homes	94 (78%)
Gas-Heated Homes	26 (22%)
Signed Financing Agreements	72
Completed Installations	70
Total Financing Allocated to Participants	\$788,616.60
Average Financing Used per Participant	\$10,953.01
IQ Participants requiring max financing amount	31%
Standard Participants requiring max financing amount	100%

ERS Subsidies - Initially the cost barrier of the EnerGuide evaluation was offset by the Canada Greener Homes Grant, but with the ending of this program, the District of Saanich has implemented a dedicated subsidy to maintain a lower cost barrier for participants. As of December 31st, 5 subsidies have been provided and all participants have also accessed the Capital Regional District's Neighbourhood Energy Navigator Offer to cover the entirety of their EnerGuide costs. Further integration with the Home Energy Navigator Program could improve efficiency by offering the available EnerGuide subsidy through the Home Energy Navigator Program, which would reduce the complication for participating EAs needing to invoice multiple programs when homeowners are participating in both the Saanich program and the Neighbourhood Energy Navigator Offer.



Figure 2: Income-qualified and standard-stream program registrations and withdrawals year-over-year.

Table 2: Year-over-year changes to other interacting incentive programs and other events that may affect participation.

2022	2023	2024	2025
<p>March: Program launch and outreach campaign</p> <p>April: CleanBC Launches Income-Qualified Program</p> <p>June: Canada Greener Homes Loan Launches</p>	<p>Q1: Post-COVID inflation rates sharply decline for the first time, sparking fears of recession and housing market declines</p>	<p>June: CleanBC Energy Savings Program replaces Income-Qualified Program, increasing household income limits to allow more participation. Saanich HPF updates IQ requirements to match</p>	<p>February-present: US begins threatening/imposing tariffs on various Canadian industries</p> <p>October: Canada Greener Homes Loan closes to new applicants</p> <p>December: Canada Greener Homes Grant sunsets entirely</p>

Table 3: Income-qualified and standard-stream program registrations and withdrawals year-over-year.

	Income-Qualified		Standard		Total	
	Registrants	Withdrawals	Registrants	Withdrawals	Registrants	Withdrawals
2022	21	4	39	5	60	9
2023	2	0	26	1	28	1
2024	7	3	12	3	19	6
2025	9	2	9	1	18	3
Grand Total	39	9	86	10	125	19

Program demand has stayed fairly steady after the initial launch dip, and may now increase without the CGHL program. There are also opportunities to increase demand through program updates, such as:

- Increase the offered financing amount - Increasing the maximum amount to \$15,000 may give the program some new publicity as well as activate more participation, particularly from middle and high-income residents. This increase would also align with the financing caps of municipal financing programs that have launched more recently like the Nanaimo Home Energy Retrofit Financing Program. Conversely, reducing the maximum amount would render the program more vulnerable to variable events in complimentary but independent programs.
- Provide financing for insulation and air sealing upgrades – Improve home’s efficiency and climate resilience by reducing the heat loss/gain experienced in winter/summer respectively. This upgrade can improve outcomes for homes installing heat pumps and may even result in a home requiring a smaller, more affordable heating system.
- Provide financing for solar installations and battery back-ups – Heat pumps can help eliminate a home’s fossil fuel use for heating, but do increase electricity usage. The business case for installing solar panels is particularly attractive for all-electric homes. Battery back-ups could also be financed as a resiliency measure for black-outs and for potentially supporting the grid during times of peak usage.
- Allow electrically-heated homes to finance heat pumps – Homes switching from baseboards to heat pumps would reduce their electrical consumption, addressing energy poverty and reducing strain on the electrical grid in the winter. Additionally, no incentives exist to replace older heat pumps with new ones. Allowing these homes could help prevent “backsliding”, where homes currently heating with heat pumps decide to install natural gas systems due to lower equipment costs.

Many participants, particularly early in the pilot, withdrew from the program before they submitted their petition. A total of 17 participants have withdrawn after their bylaw was adopted. Reasons for withdrawal included delaying plans to upgrade to a heat pump, home requiring other or higher priority upgrades, and complexity of available support programs. The most common reasons were utilizing other programs, such as the federal Canada Greener Homes Loan or the Fortis Dual Fuel incentive, both of which have either been ended or scaled back as of this time.

Table 4: Stated reasons for withdrawal from participants

Reason For Withdrawal	Count
Did not specify	6
Installed Dual-Fuel	3
Mortgage lender wanted participant to re-apply and get a reappraisal if they participated	1
Too confusing, too many programs, worried about making mistakes	1
Too expensive	1
Too expensive, additional upgrades required	2
Used CleanBC ESP, didn't need financing	1
Used Federal Loan Instead	4
Grand Total	19

Registration Survey

Results from the registration survey suggest the majority of participants (65%) heard about the program via a mailed letter such as the utility bill insert sent to oil heated homes. Other successful outreach methods included articles in the municipal newsletter (13%), fostering word-of-mouth (11%), and earned media from newspapers (9%). The majority of respondents were also 56 years or older (52%), with another 24% being between the ages of 46 and 55. 85% of respondents had been at their current address for 4 or more years and almost half (41%) indicated more than 20 years.

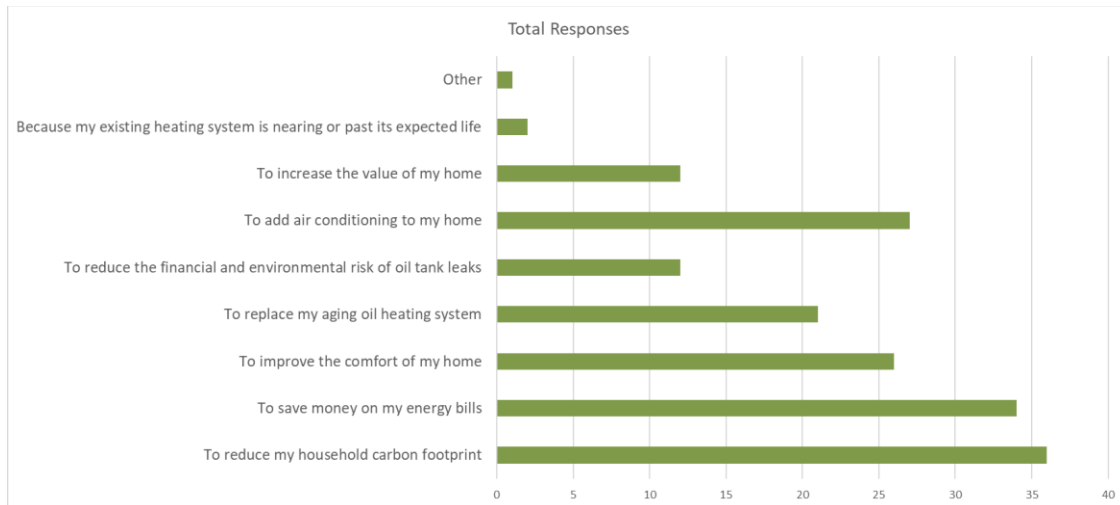


Figure 3: Participant motivations for replacing their existing oil heating with a heat pump

The most common interests in accessing the Heat Pump Financing Program are related to affordability issues, either being unable to pay without financing (69% of respondents) or finding the costs of borrowing to be too expensive without 0% interest financing (50%). Additionally, 23% of participants noted they would not be able to carry the costs of the heat pump multiple months as they waited for rebate payments. As shown in Figure 2, reasons for upgrading to a heat pump varies, with reducing carbon footprint being the top motivator (56% of respondents). Saving money on energy bills (53%), adding air conditioning (42%), and replacing aging heating equipment (46%) were other popular reasons.



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Just wanted to say thank you. Of all 3 levels of governments to deal with, Saanich was the easiest and the best.

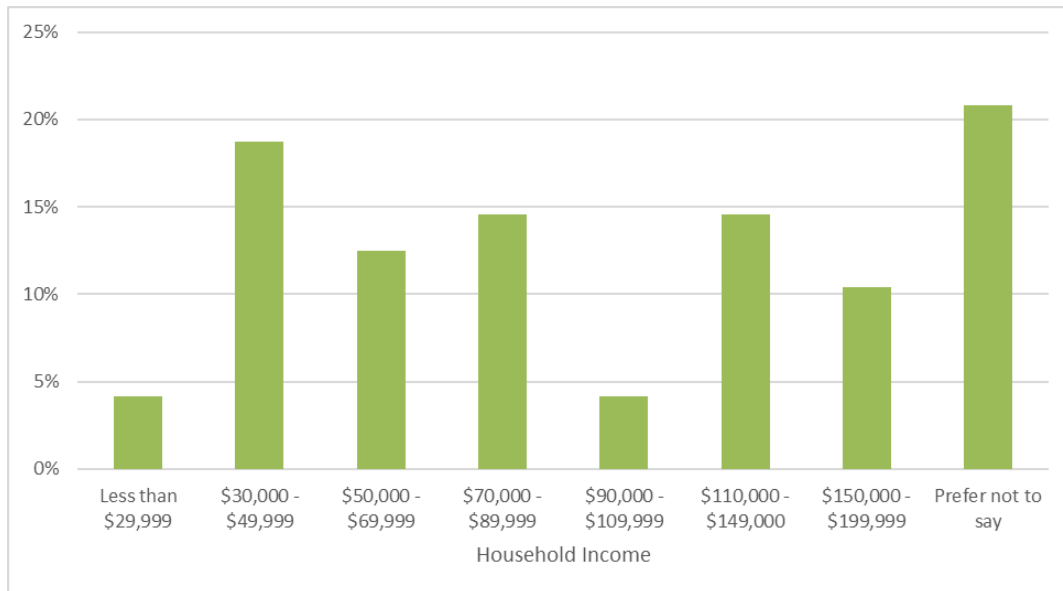


Figure 4: Participant self-reported household incomes.

Household income was wide-ranging across participants based on registration survey results, with the majority of reporting respondents (63%) having a total household income below \$90,000 per year (Figure 4). This distribution of participant incomes suggests the program is serving low and middle-income residents of Saanich. The ongoing nature of the program and providing an income-qualified section appear to be improving participation rates by holding time and space for those households more in need of this kind of financial support to discover and access the program.

Completion Survey

Program satisfaction is high, with participants rating their experience as 9.5 out of 10 on average. When asked to rate various aspects and offers of the program, average participant ratings exceed 4 out of 5 for all aspects of the administration and offerings (Figure 5). The two aspects that averaged 3.5-4.0 ratings are related to the impact of completing an EnerGuide evaluation on the participant’s upgrade choices, which are subject to more nuance in terms of the homeowner’s existing knowledge, upgrade plans, and personality.

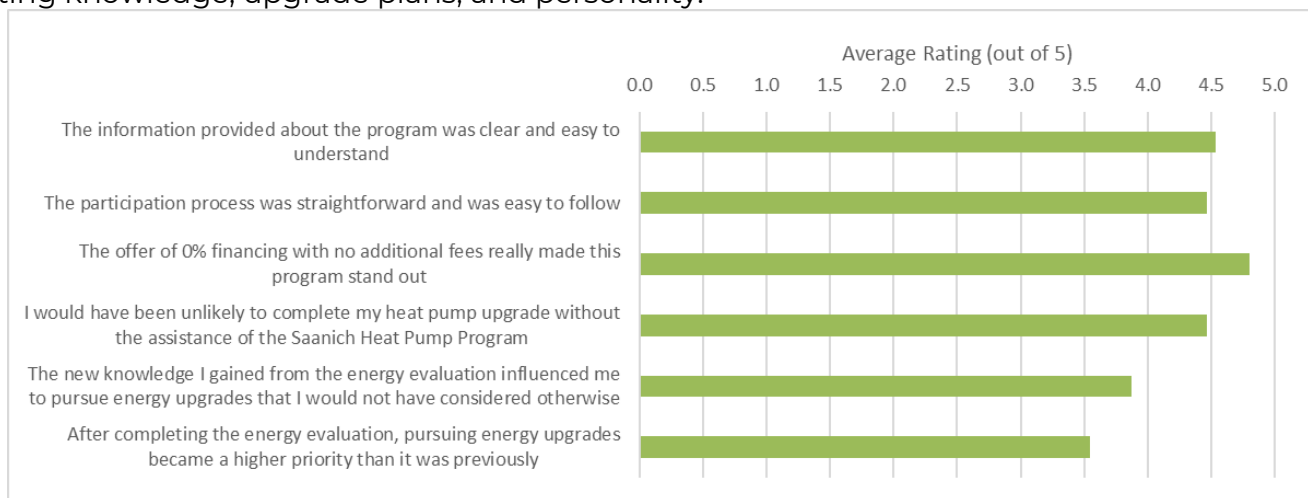


Figure 5: Participant responses to completion survey questions regarding program aspects and offers.

A total of 33 other energy-related upgrades were completed by participants during their upgrade journey (Figure 6). The most common additional upgrades were building envelope-related (insulation and windows & doors). Electric service upgrades were also relatively common, likely completed to accommodate the additional electrical load of their heat pump. In addition to the upgrade knowledge provided by the EnerGuide evaluation, all but 3 respondents also reported accessing provincial and federal incentive programs. This combination of planning and financial support likely made participants feel confident that additional upgrades would benefit their home and that they could afford to complete them.

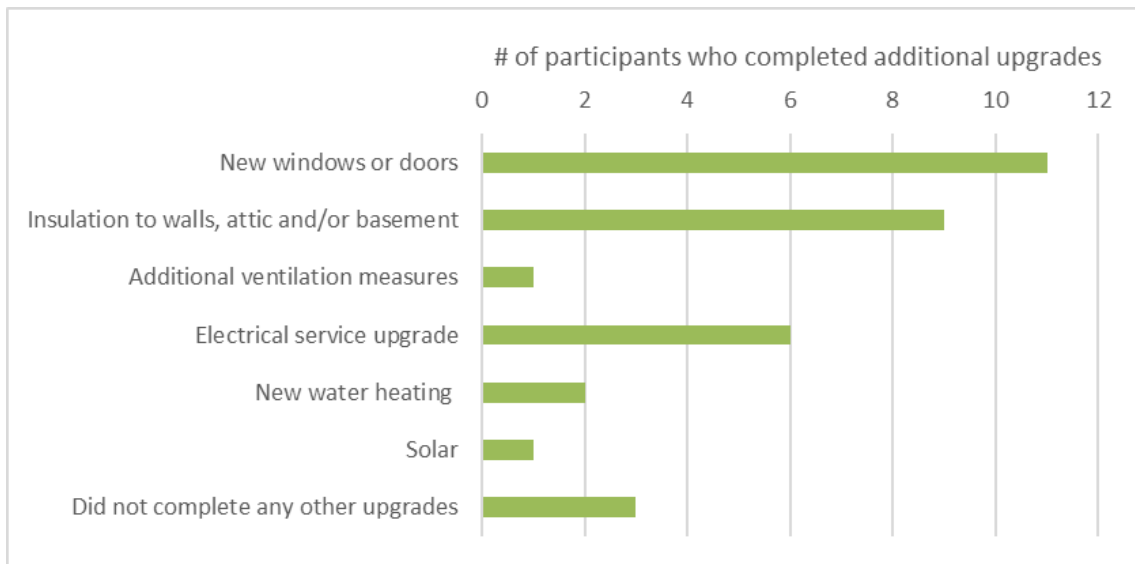


Figure 6: Participant-reported additional upgrades completed in addition to a heat pump at their home (n=23)

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A personal thank you to Grant, Maggie, and their teams for fielding the copious amounts of questions and for the support that you all provided through the process!



Client Services

Table 5: Estimated topic breakdown for time spent providing client services.

Eligibility inquiries	25%
Explaining process and how it fits in with other available programs	30%
Liaising with homeowners and contractors on special cases, documentation issues/questions	40%
Special reassurance cases to keep uncertain homeowners in the program.	5%

Approximately half of client service time is spent discussing or confirming eligibility of a participant or the system they are planning to install, as well as explaining the program processes and how they relate to the other programs (Table 5). Confusion and feeling overwhelmed about keeping track of different programs and requirements is a common reason to call or email for support. The number of support calls overall has decreased significantly since integrating more closely with the Home Energy Navigator Program.

A significant amount of time is spent supporting homeowners and contractors through special cases (e.g. unusually high deposit costs, working with contractors to cover deposits that have already been paid so we can provide full eligible financing to participants, missing or incomplete documentation, etc.). This has been particularly the case for Income-Qualified participants, as program interaction with the CleanBC Energy Savings Program commonly created special situations. Ongoing learning and adaptation has allowed us to now take care of these situations more efficiently and the proportion of time taken by special cases has decreased over the course of the pilot.

A benefit of participation in the CleanBC Energy Savings Program is that these participants commonly do not need the maximum \$12,000 in financing due to larger up-front rebates available, with 69% of IQ participants not needing the full financing amount. However, in the absence of such a program it is likely the maximum would be required. This has meant unused funds can be reallocated to allow additional participants into the program. For these participants, we were still able to offer valuable assistance covering contractor deposits, breaking down another upfront barrier to heat pump adoption.

Home & Upgrade

All but 3 participants in the Saanich Heat Pump Financing Program live in the single family detached home type. One duplex and 2 side-by-side townhomes also have participated.

Table 6: Participating home size and age statistics.

	Range	Mean	Median
Home Size (sqft)	1010 – 4072	2182	2110
Home Age	1912 – 2006	1956	1957

As shown in Table 6, participating households covered a wide range, while the mean and median house size is only slightly higher than provincial average (2000 sqft). Unsurprisingly, nearly all participating homes are older, with no homes less than 20 years old represented.

Regarding electric service upgrades (ESUs), 11 participants have separate charges indicative of an electric service upgrade being completed. The number of completed ESUs may be skewed lower than reality, as homeowners may have completed a service upgrade separate from their heat pump contractor for various reasons (e.g. they had reached the maximum financing amount with the cost of the heat pump, or because their heat pump installer does not provide electric service upgrade directly or via sub-contracts the work). Newly developed resources focused on electrical panel management, such as [BC Housing’s Homeowner Guide to Load Management](#), may help future participants identify when an ESU upgrade may be avoidable in order to reduce costs associated with electrification.

Table 7: Types of heat pumps confirmed in signed financing agreements.

Central Heat Pumps	58
Ductless Heat Pumps	15

Central Heat pump systems were by far the more popular choice for participants, likely due to ducted, forced-air oil furnaces being a more common and affordable heating system than the alternative oil boiler system (Table 7). Ductless heat pumps are a more likely choice when switching from a heating system without ducts, or when existing ductwork is insufficient or damaged.

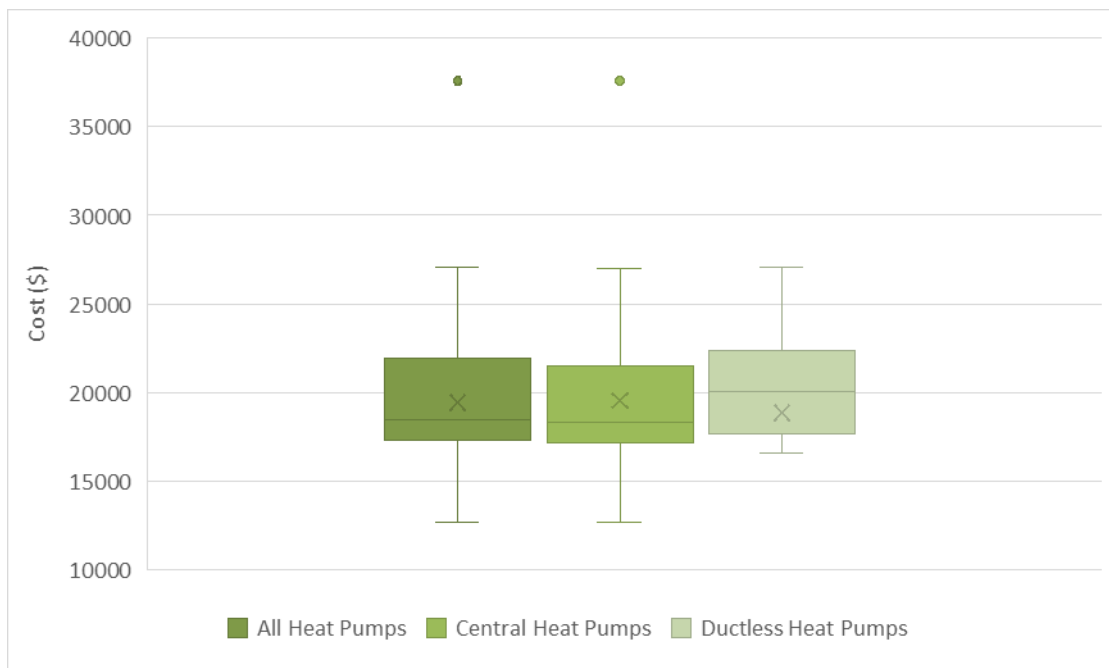


Figure 7: Cost distribution of heat pumps based on submitted quoted and final costs.

Heat pump costs overall ranged from \$12,657 to \$37,590, with the majority of costs falling between \$17,390 and \$21,900 (Figure 7). Central systems generally had a lower cost, with a median cost of \$18,293, compared to a median cost of \$21,137 for ductless systems. One reason for the

higher cost of ductless systems may be that older homes are less likely to have an open-concept design and therefore may require a more complex ductless system to properly service various small, closed-off spaces. Additionally, most central systems are likely being installed into existing ductwork with little to no ductwork modification needed, reducing the cost compared to homes that need ductwork installed or modified to accommodate central systems.

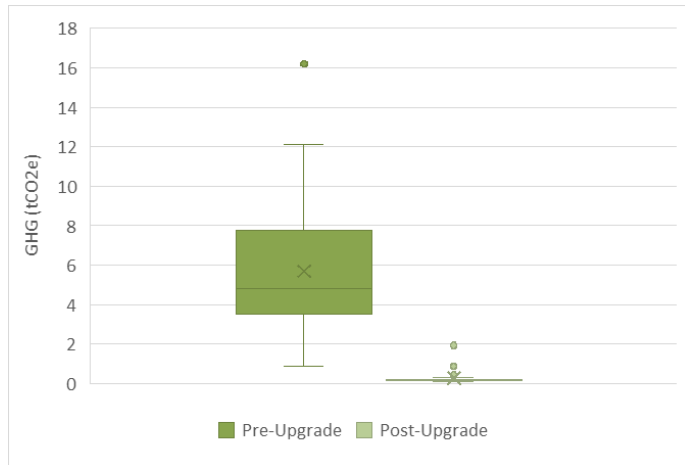


Figure 8: Oil household greenhouse gas emissions pre- and post-heat pump installation based on estimated EnerGuide evaluation emissions reduction.

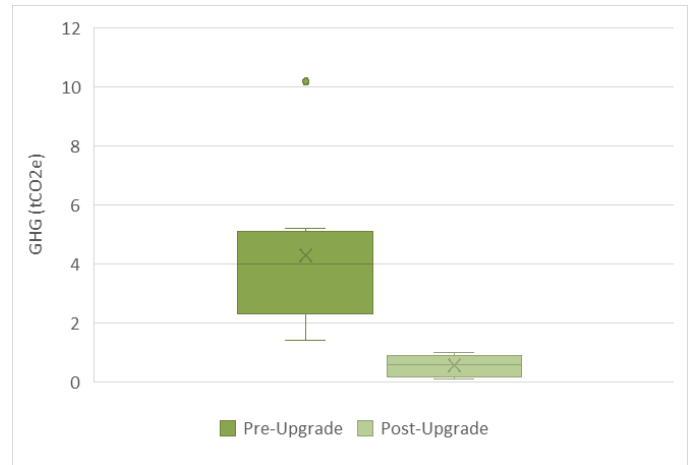


Figure 9: Natural gas household greenhouse gas emissions pre- and post-heat pump installation based on estimated EnerGuide evaluation emissions reduction.

Post-upgrade home emissions and energy use figures are from the modelled estimates of the participant’s pre-upgrade EnerGuide home evaluation. These pre-retrofit estimates reflect modelled emissions from the various end uses and fuel types used in the home as well as estimated energy reductions from completing a heat pump upgrade for primary space heating. Of the 75 EnerGuide reports received from participants for the program, the vast majority of oil-heated homes (57) are expected to experience a reduction in their home’s overall greenhouse gas emissions greater than 90% by switching from oil heating to a heat pump (Figure 8). The other 6 homes with a smaller reduction (between 89.9% and 74.4%) generally continue to use gas for either water heating or secondary space heating. Greenhouse gas reductions have been slightly lower for participating natural gas-heated households (Figure 9), between 98% and 65%. This could be attributed to a combination of homeowners retaining other natural gas appliances like water heaters or stoves, and the somewhat lower emissions inherent in burning natural gas compared to heating oil. Based on the EnerGuide models of the 70 participants who have completed their upgrades, the Heat Pump Financing Program has already reduced GHG emissions in Saanich by an estimated 359.2 tCO2e per year, and an estimated 5,388 to 7,184 tCO2e assuming a lifespan of each system between 15 and 20 years.

Program design and administration costs have totaled \$177,350. From a cost effectiveness standpoint, this means that the program has achieved a cost of approximately \$32 per tonne of carbon dioxide equivalent, proving significant cost-effectiveness when compared to other incentive-based GHG reduction initiatives. To put this into context of cost savings, the Social Cost of Carbon published by the Government of Canada estimates the damage from each incremental tonne of GHG emissions to support government decision making, with the benchmark set at \$275/tonne in 2026, meaning for every \$1 spent administering the program, over \$8.50 is saved in social costs. [Social cost of greenhouse gas emissions - Canada.ca](https://www150.ca.gov/social-cost-of-carbon/)

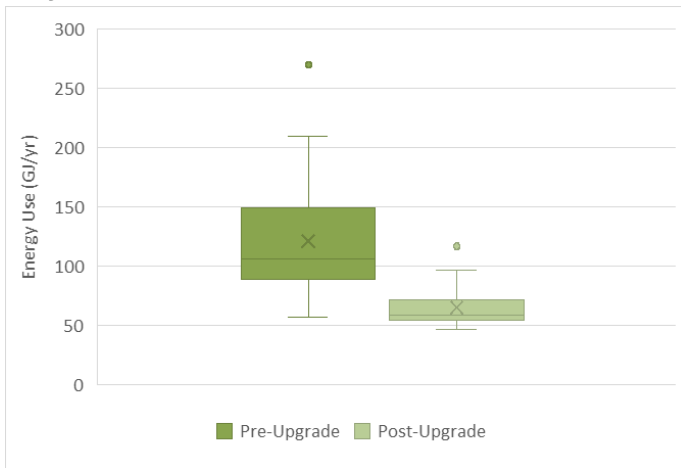


Figure 10: Oil household energy consumption pre- and post- heat pump installation based on estimated EnerGuide evaluation energy savings.

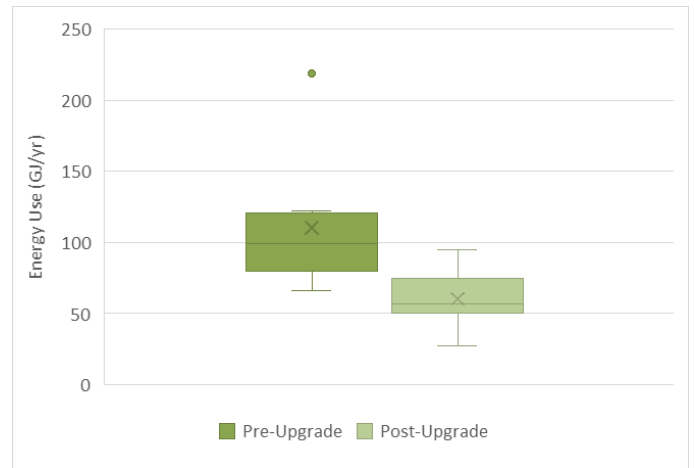


Figure 11: Natural gas household energy consumption pre- and post- heat pump installation based on estimated EnerGuide evaluation energy savings.

EnerGuide-modelled energy reductions shown in Figure 10 for participating oil homes showed an average anticipated energy reduction of 46% of the total household energy use, ranging from 16%¹ to 60%. Natural gas homes (Figure 11) experienced similar changes in energy reduction, averaging 45% and ranging from 26% to 77%. Total home energy use reduction showed a moderate relationship with home size in natural gas homes ($R^2 = 0.61$), but no correlation in oil-heated homes and no relationship with home age.

The Saanich Heat Pump Financing Program has already achieved an estimated energy savings of 3,794 GJ per year from the 70 participants who have completed their upgrades. This equates to between 56,910 and 75,880 GJ over the 15 to 20-year life of the equipment. These modelled reductions in energy and emissions are evidence of the significant energy savings and environmental benefits that can be achieved through efficient electrification of home space heating using heat pumps.

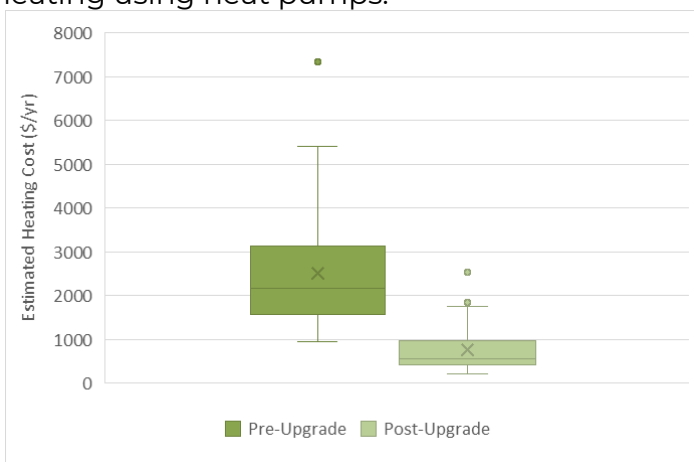


Figure 12: Oil household estimated change in annual heating costs pre- and post- heat pump installation based on estimated EnerGuide evaluation energy savings and available heating fuel cost metrics.

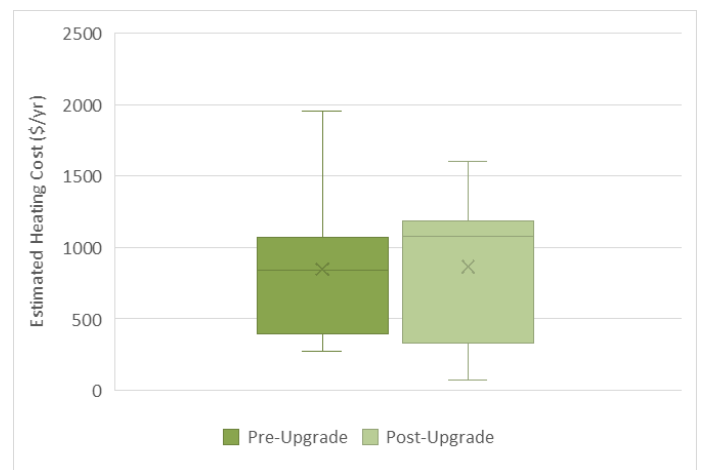


Figure 13: Gas household estimated change in annual heating costs pre- and post- heat pump installation based on estimated EnerGuide evaluation energy savings and available heating fuel cost metrics.

¹ This low minimum reduction resulted from a home's oil furnace being modelled as a back-up heating system in the evaluation. Excluding this home, the minimum energy reduction achieved in an oil-heated home is 30%.

In Figures 12 and 13, the change in annual heating costs pre- and post- upgrade are estimated based on the estimated energy savings noted in the pre-upgrade EnerGuide reports. Oil-heated homes experienced pronounced drops in estimated heating costs, with average annual costs dropping from \$2,503 to \$759 post-upgrade. Heating cost changes for gas-heated homes had less clear of a pattern, with some homes experiencing slight increases and others experiencing decreases. On average, the heating costs stayed effectively the same for homes that started with gas heating, with the pre-upgrade cost being \$849 and post-upgrade cost being \$866, which tracks with the existing understanding of utility costs from previous studies, like the [Make the Switch Study](#).

City Green will also note that these utility costs are generalizations, and are based on estimating utility costs using the heat pump energy reductions expected by the Energy Advisor that conducted the home assessment, which itself is already an estimate. While the averages and the general spread of data points may have value, we strongly recommend against drawing any conclusions based on the estimates for individual homes. Beyond the limitations of the estimations from a modelling perspective, human variability also impacts the accuracy of these estimations, as for example, homeowners in oil-heated homes may have been keeping their home colder in the winter to save heating fuel and with a more efficient system may decide to keep the home at a higher temperature in the winter.

Conclusions

Lessons Learned

- Providing 0% interest, no fee financial support that reduces the initial out-of-pocket expense can address a significant barrier to homeowners choosing to upgrade to a heat pump.
- Participation has remained steady, but at a reduced rate from earlier in the program. This reflects the changing incentive landscape in BC, as well as the economic uncertainty that permeates all aspects of life today. Additionally, income-qualified registrations matched standard-stream registrations in 2025 for the first time, reflecting the updated income requirements that are tied to provincial median household incomes.
- Resident interest in the municipal financing program is expected to increase with the closure of the federal 0% interest financing program in October of 2025.
- Results of the registration survey revealed:
 - Reducing carbon footprint remains a top motivator, but has slipped since the first reporting in the program (68% down to 56%). Saving money on energy bills (53%) and replacing aging heating equipment (46%) have also remained top motivators for participants to upgrade to a heat pump.
 - The program affected over 85% of participant's upgrade decisions, with 52% reporting that the program either made the upgrade financially feasible or accelerated their upgrade plans, and 36% reporting they were not considering a heat pump upgrade at all before the program was made available.
 - 69% of respondents indicated upfront and/or borrowing costs for a heat pump were too expensive without financing, with 50% indicating it would still be infeasible without a 0% interest rate. 23% reported they couldn't afford to wait several months until they received their rebates.

- All heat pumps installed through the program exceeded the maximum financing amount (\$12,000); heat pump prices ranged from \$12,657.17 to \$37,590. However, many income-qualified households did not utilize the full \$12,000 due to the incentives available through the CleanBC Income-Qualified Program (IQP) and Energy Savings Program (ESP) that paid contractors directly.
- Oil heated homes receive the greatest benefit from the heat pump upgrade, achieving significant reductions in GHGs, energy use, and utility costs. While still achieving significant GHG and energy use reductions, gas-heated homes do not consistently see utility bill savings in the same way.
- Creating parallel requirements to other programs eases confusion and increases the efficiency of funding, however discontinuing programs results in ripple effects for interconnected programs.

Recommendations

Program Availability:

With many provincial and federal programs launching then changing or going away, residents are wary to engage or start planning when they think a program may not be there when they need it. By maintaining a consistent offering, trust and confidence can be built, encouraging more residents to participate.

Offered financing amount:

Given that many income-qualified participants did not need to use the total financing (due to interactions with the CleanBC ESP), as well as the demand for the standard stream, keeping the financing amount per participant limited to \$12,000 will allow the program to provide support to more participants than if the amount was increased. That being said, increasing the maximum amount slightly to \$15,000 may give the program some new publicity as well as activate more participation, particularly from middle and high-income residents. Conversely, reducing the maximum amount would render the program more vulnerable to variable events in complimentary but independent programs.

Expand eligible home upgrade measures:

While heat pumps are by far the single biggest upgrade a resident can do to reduce their home's carbon footprint, there are additional measures that could improve their home's overall function or climate resilience. The program could expand to offer financing for:

- Insulation and air sealing – Improve home's efficiency and climate resilience by reducing the heat loss/gain experienced in winter/summer respectively. This upgrade can improve outcomes for homes installing heat pumps and may even result in a home requiring a smaller, more affordable heating system.
- Solar – Heat pumps can help eliminate a home's fossil fuel use for heating, but do increase electricity bills. Installing solar panels can help offset the cost of using more electricity for electrically-heated homes.
- Allow electrically-heated homes to participate – Homes switching from baseboards to heat pumps would reduce their electrical consumption, addressing energy poverty and reducing strain on the electrical grid in the winter. Additionally, no incentives exist to replace older heat pumps with new ones. Allowing these homes to could help prevent "backsliding", where homes currently heating with heat pumps decide to install natural gas systems due to lower equipment costs.

The zero interest loan over a 10 year period is a hugely beneficial feature. Our heat pump is quiet and keeps the house comfortable in all seasons



- Scott

