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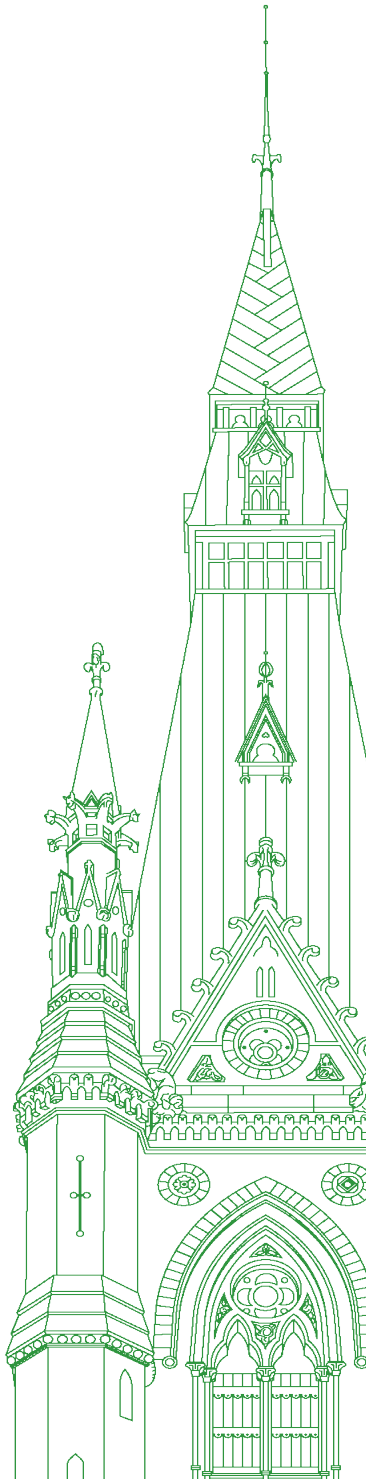
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Chair: Shannon Miedema

Standing Committee on Environment and Sustainable Development

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● (1540)

[*English*]

The Chair (Shannon Miedema (Halifax, Lib.)): Good afternoon, everybody. We will begin.

This is the 50th meeting of the Standing Committee on Environment and Sustainable Development.

For those who are here in person, please follow the health and safety guidelines at your table to prevent any audio or feedback incidents for our interpreters.

I have a reminder for members. If you haven't already done so, please send your recommendations for the carbon pricing report to the clerk as soon as possible. I think that only one member has submitted any recommendations so far. They need to finalize that report for us to review and table.

I have a little update on travelling to COP31 in Turkey. We had budget approval at the Liaison Committee's subcommittee, but we needed approval by all parties in the House. The Conservative Party did not give their approval. Sadly, we will not be travelling to Turkey as a committee.

[*Translation*]

Mr. St-Pierre, do you have a question?

[*English*]

Eric St-Pierre (Honoré-Mercier, Lib.): I'm just curious if you can elaborate on why the Conservatives turned down this travel request. Will the Conservatives be travelling?

Branden Leslie (Portage—Lisgar, CPC): I have a point of order, Madam Chair.

First of all, I was not in the chamber whenever this vote came to pass, but I'm curious. Maybe we could look to the clerk to find out the rules on when a “no” is offered in the House of Commons if it is ever attributed to any one party. Certainly if the chair brings it up at a future meeting and attributes it to one party without any evidence of that being true...because unanimous consent requires anybody to just say “no”.

I'm curious. Is that a rule that's generally followed in the House of Commons?

The Chair: Mr. Leslie, I'm not sure. I'm just giving an update because we had planned to travel as a committee to COP and we are not doing that.

My understanding is that there was not unanimous consent and—

Branden Leslie: That's where the sentence stops.

The Chair: —we can proceed—

Branden Leslie: That's where the sentence stops: There was no unanimous consent.

Some hon. members: Oh, oh!

Eric St-Pierre: Come on.

The Chair: I wasn't informed if that was—

Branden Leslie: On the next unanimous consent motion I move, we'll see who answers and says “no”.

The Chair: Order, please. We can circle back on that.

Branden Leslie: Any MP can say “no”.

The Chair: Thank you, Mr. Leslie.

We need a budget approval for the study that we are on our fourth day of today, which is the home energy efficiency study. It's in the amount of $18,600.

Does the committee agree to adopt this budget for the study we are currently in?

Some hon. members: Agreed.

The Chair: Thank you. That's adopted.

We are going to continue with witnesses for both hours of the energy efficiency study today.

We have three witnesses for the first hour.

In person, we have Isabelle Demers, vice-president, strategic development, public affairs and innovation, from the Association des professionnels de la construction et de l'habitation du Québec. We also have with us in person, from the Canadian Propane Association, Shannon Watt and Jeff Daley. Shannon is the president and CEO, and Jeff is a designer in heating, ventilation and air conditioning. Online, we have David Saulnier, the president of JD Composites.

Welcome, witnesses. Thank you for joining us. You all have up to five minutes per organization to provide an opening statement. I don't have my time card today, but I will give you a little flag if you're heading over your five minutes.

We'll begin with Ms. Demers.

The floor is yours for five minutes.

● (1545)

Isabelle Demers (Vice-President, Strategic Development, Public Affairs and Innovation, Association des professionnels de la construction et de l'habitation du Québec): Thank you so much.

[*Translation*]

Madam Chair, members of the committee, thank you for welcoming us here today and for allowing the APCHQ—the Association of Construction and Housing Professionals of Quebec—to contribute to your work on renovations aimed at improving energy efficiency in the housing sector.

My name is Isabelle Demers and I am vice-president of Strategic Development, Public Affairs and Innovation.

Founded in 1961, the APCHQ represents and supports more than 28,000 businesses in the residential construction and renovation sector in Quebec. It is also the largest voluntary membership association in the construction sector in Canada.

[*English*]

Our message today is simple. To reduce energy costs in a lasting way, buildings must be renovated as a whole, starting with the envelope. This also has the added benefit of preserving existing homes in good condition for the households who live in them.

[*Translation*]

In this regard, the announcement made by Prime Minister Carney on October 8, which allocates $2 billion to carry out renovation work on 1 million homes, is excellent news.

The national heat pump rebate program is aimed at 800,000 homeowners. Furthermore, the funding mechanisms will support the renovation of around 280,000 rental properties.

With this significant announcement, the government recognizes that the renovation of the existing housing stock is at the heart of the energy transition, and is thus championing a recommendation long advocated by the APCHQ.

[*English*]

These measures meet real and significant needs and must be part of a broader strategy. A high-performance heat pump does not correct the heat loss of a poorly insulated or leaky building. Beyond installing a piece of equipment, it is the building's performance that must be bettered. Otherwise, the heat pump efficiently heats the outdoors.

Yearly, the energy output of two Hydro-Québec dams—or the equivalent of the electricity consumption of roughly 850,000 households—is being wasted through the walls of the unrenovated homes in Quebec. Energy retrofits of the existing building stock, mainly buildings constructed before 1980, could generate electricity savings of 11 to 15 terawatt hours, which could be resold at a profit to energy-intensive sectors.

Gains are to be made everywhere in Canada. Indeed, according to StatsCan, nearly half of the homes in Canada were built before 1981.

[*Translation*]

These renovations reduce heating bills and emissions. They improve comfort during heatwaves and cold spells, strengthen the resilience of homes in the face of extreme weather events, and allow households to save on energy costs. How can this be achieved? By insulating the building envelope, ensuring it is airtight, and replacing the doors and windows in old buildings.

The APCHQ recommends the introduction of stable, multi-year support that would facilitate significant upscaling through a combination of three measures: targeted grants to reduce the net cost of the work; loans to help households overcome the barrier of upfront costs, for example through a PACE-style approach; and a refundable tax credit for energy-efficient renovation.

Energy-efficient renovation is not only an energy, climate and affordability policy, but also a productivity policy.

The APCHQ is, of course, ready to work with the committee and the government to develop a sustainable, simple and tailored approach to ensure scaling up with superior results.

Thank you for your attention. I will, of course, be happy to answer any questions you may have.

The Chair: Thank you very much.

[*English*]

We'll now turn to Ms. Watt for five minutes.

Shannon Watt (President and Chief Executive Officer, Canadian Propane Association): Good afternoon.

My name is Shannon Watt, president and CEO of the Canadian Propane Association. I want to thank you for inviting us to today's meeting.

The CPA represents 400 members from coast to coast to coast. They are composed of producers, wholesale marketers, transporters, retail marketers and manufacturers of appliances, cylinders and equipment.

I am pleased to have Jeff Daley join us today. Jeff is a propane and HVAC specialist. For the past 15 years, Jeff's been with Bryan's Fuel of Orangeville, Ontario. He is BCIN-certified and does heat loss-gain drawings, duct design, hydronic design and geothermal designs for permits. He will be available to answer questions about retrofits and hybrid energy.

All Canadians should have access to an affordable, lower-emissions energy choice. Perhaps more than any other energy source, propane ensures that Canadians, no matter where they live, have the energy they need when and where they need it, and at a price they can afford. This is particularly true in regions beyond the natural gas grid, where many homeowners are still using heating oil. In fact, propane serves many of the communities the national electricity strategy risks leaving behind.

Propane provides critical energy when extreme events occur. During winter storms or weather disruptions, propane space heating and backup generation protect homes. A policy built exclusively around electrification risks stranding rural, remote and indigenous communities with fewer affordable energy options, higher utility rates and increased energy insecurity.

Regarding retrofits, propane provides substantial savings relative to heating oil, costing less than half the price of heating oil across much of Canada. Supporting conversions from heating oil to high-efficiency propane delivers immediate financial relief to families facing high heating bills.

Full heat-pump retrofits often require rural and older homes to overhaul their electrical infrastructure by upgrading 60-amp or 100-amp service panels to 200-amp service, which frequently costs between $5,000 to $10,000 in out-of-pocket expenses before a heat pump can even be installed. Propane systems eliminate these expensive electrical upgrade barriers with hybrid propane and heat pump systems delivering the best of both worlds.

Cold snaps drastically reduce the efficiency of many electric air-source heat pumps, triggering expensive electric resistance backup heating that could spike winter utility bills. Hybrid systems combine an electric heat pump for moderate days with high-efficiency propane furnaces for deep sub-zero temperatures to keep homes warm and energy bills manageable.

We have seen proven policy models at the provincial and territorial levels. Ontario's energy for generations plan, through its home renovation savings program, already includes rebates for hybrid propane and heat pump systems. Yukon has introduced the dependable grid program that focuses on practical measures that deliver the biggest impact on peak winter demand and household resilience. It features dual-fuel heating systems, such as those pairing an energy-efficient electric heat pump with a propane backup system during extreme cold.

Federal retrofit programs such as the Canada greener homes affordability program should adopt these practical models and make hybrid propane systems fully eligible for federal incentives. Just last month, in its report to Parliament regarding the 2026 budget, the Standing Committee on Finance endorsed the CPA's position and recommended that the government “Expand lower-emission energy access in Indigenous, rural and remote communities by ensuring affordable energy choice through the inclusion of propane in federal rural energy assistance programs.”

Including propane will also improve emissions. At 72 grams of carbon dioxide equivalent per megajoule, propane emits about 30% fewer emissions than heating oil. Going further, in western Canada, the propane industry is producing renewable propane with emissions as low as 12 grams of CO2 equivalent per megajoule.

While the national electrification strategy includes a dedicated subsection recognizing natural gas's strategic role in Canada's energy mix, propane, an energy that can go where natural gas can't, is treated solely as a fuel to be displaced.

In the end, the fairest way to provide affordable low-emissions energy is to take an agnostic approach to the type of affordable low-emissions energy that is used. In other words, provide all Canadians with affordable energy choices, and that includes propane.

Thank you for your attention.

● (1550)

The Chair: Thank you very much, Ms. Watt.

We'll now turn to Mr. Saulnier, online, for five minutes, please.

David Saulnier (President, JD Composites): Thank you, Madam Chair and all members present.

Good afternoon. My name is David Saulnier. I'm president of JD Composites in Meteghan, Nova Scotia.

We started our composite company in 2018. We build composite structures, both residential and commercial, out of 100% recycled polyethylene terephthalate, otherwise known as PET plastic. We apply fibreglass skins on each side, creating a SIP, or a sandwich construction as it's known in the marine industry, where I cut my teeth in this.

As commercial boatbuilders using these materials, we thought it was overdue to bring to land the high-strength, low-weight properties that commercial boats have on the unforgiving oceans. We thought we'd bring this onto land and exploit and maximize returns for homeowners. Obviously, in an increasingly uncertain climate, especially in Nova Scotia, it keeps getting damper, wetter and colder as well.

Exterior composite panels could be and can be mechanically attached to existing homes, creating a proven exterior shell that needs no siding. Controlling the environment inside a home is key, and composites are an extremely good fit for this. Being inorganic as a material, it's nothing that was ever alive. It's different from wood. It's immune to water ingress and highly preventative for mould growth.

Also, these homes and structures become multi-generational in their proven durability and low maintenance. Obviously, a lot of people haven't heard of sandwich construction using PET yet. It's a new technology on land but not really in the marine boatbuilding world, where it's been proven for many years.

Hopefully we can prove its use and positive impact on new construction and, obviously, on refits as an exterior shell on existing homes.

Thank you very much.

● (1555)

The Chair: Thank you, Mr. Saulnier.

We will now turn to questions from members, and we'll begin with Mr. Leslie for six minutes.

Branden Leslie: Thank you, Madam Chair.

Thank you for being here, everyone.

I'd like to start with you, Ms. Demers.

Our committee has heard that households in one study received only about 60% of the predicted energy savings that the claims that were made said they would. Your association proposes linking incentives to actual gains. Will you support verifying those gains after the work rather than paying rebates and simply assuming that the forecast was correct?

Isabelle Demers: We propose to put in place numerous actions that would scale up the renovation needed so that we can get the energy savings that we should be targeting.

One of the challenges is that when there are multiple programs, making it possible to demonstrate the impact of their addition implies having to fill out a lot of paperwork. One of the issues is that they don't always confirm or compare the same elements. It would be good to have something from the get-go, but also at the end. Once the renovation is done, we should be able to see in a very specific way through the electricity bill that there was a direct impact on the efficiency of the building. It should also be targeted that way.

Branden Leslie: I completely agree with you. All that matters at the end of the day is that the bill actually goes down. I think you outlined correctly what some of those challenges are.

My question to you is this: What should we be measuring, if anything, beyond the total energy costs for the home? Who should be verifying that, what role does the homeowner have to play and when would they be receiving that information to confirm it all?

Isabelle Demers: I would like to say that it's all of those elements. It's not the responsibility of only one person and only one organization. In Quebec, for instance, Hydro-Québec has a role to play, but the homeowners also have a role to play. When there is no incentive to renovate because you cannot, for instance, recharge the renovation to the persons who are living there, then you are removing the possibility of making a real impact.

It's a responsibility that is shared between those who are living in the places, whether they are renters or homeowners, and the government, which needs to make sure that they put in place the proper regulations and programs so that we can scale up the renovations that are needed. At the moment, we're not scaling up as much as we should.

Branden Leslie: In that vein, you've proposed that, basically, that is the opportunity. When a renovation is happening, that is when we should be doing the energy improvements and not just, for example, on a different side of things, replacing an existing furnace with one item because the end of the life cycle makes the most sense.

How do you provide some safeguards for, say, a young family repairing an older home by making an affordable upgrade and enhancing it with those energy improvements? How do you maintain that affordability that might deter or defer the entirety of the renovation?

● (1600)

Isabelle Demers: There are two things in there.

First, we need to look not at the very short-term ROI but at the cost of not renovating or the cost of the energy loss. This is something that we can look at on a long-term basis. It becomes more costly every year to not renovate. This is one thing that we should look at.

Second, there are programs that exist. One of the great ones is called the PACE program. The leader in Canada is Alberta, for instance, which has implemented PACE programs that help by providing loans to do some really effective renovations. The impact is immediate when the house is renovated.

The great thing about this program is that it's not given to a person but is attached to a building. The fact that it's attached to a building makes it so that the next time the building is sold, for instance, the loan stays with the building. That way, it can be repaid without allowing the individual to make a profit off the loan. It's a great program, and at this moment, Alberta is the leader in it.

Branden Leslie: Thank you.

That's an obvious challenge. First, who is going to be doing these projects? It's people who are going to do them anyway, versus those who might need vastly more important energy improvements for a home or a residence.

In that vein, in your Quebec budget submission, you asked for renovation subsidies and faster recovery of landlords' investments through rent increases.

The Chair: Mr. Leslie, I'm sorry, but we're out of time.

We will move on to Mr. Malette for six minutes, please.

Chris Malette (Bay of Quinte, Lib.): Thank you very much, Madam Chair.

Thank you very much for being with us here today.

My first question is for Ms. Demers.

In your estimation, Ms. Demers, how can federal incentive programs better support homeowners who want to improve heating efficiency but can't afford the upfront cost of replacing their existing systems?

Isabelle Demers: There are three ways that we would recommend doing that.

The first, of course, is to provide some sort of grant that helps to reduce the net cost of the work. This is one way to put it. Then we could strengthen some existing federal energy efficiency retrofit programs that already exist, such as the Canada greener homes affordability program and the Canada greener homes loan program.

The second way is this idea of providing loans to help households overcome the barrier of upfront costs. The PACE program that I just spoke about is one great example. It links the repayment of an energy-efficient renovation loan to the property tax account, so it's managed by municipalities. At this moment, Alberta is the leader in Canada, but Saskatchewan also has some smaller-scale projects of that kind. Nova Scotia has some, and there are pilot projects in Quebec. The obligation is transferred from one owner to the next in the case of a sale. That way, we make sure that the loan helps the building as opposed to helping an individual person. It's a very strong project.

The third way is tax credits for energy efficiency renovations. There's a perception that efficient renovations are more costly, but they're not. Eventually, after a few years, they become a great value because they enhance the value of the building. Instead of a depreciation of the building, there is an appreciation of the building. That's why we need to move away from a very short-term ROI.

● (1605)

Chris Malette: Thank you very much for that.

My next question is for Mr. Saulnier.

Mr. Saulnier, you've explained that recycled PET composites can be used to construct a home. In your estimation, what changes to Canada's building codes, standards or approval processes would help this technology gain wider acceptance?

David Saulnier: Unfortunately, it's a long road ahead. We have contacted CCMC to try to get some traction and some groundwork done for exactly what you're saying.

To be honest, the challenge is getting architects and designers educated on sandwich construction, especially in composites.

I deal in recycled plastic using fibreglass skins. SIP homes are built with OSB and expanded polystyrene, with OSB skins on the outside. Architects and the Canadian building code are very well versed in that type of construction. I have the same thing, except in my opinion, it's very much more durable and resistant to the elements.

As I said in my introduction, I've built many commercial boats out of the same material. They go on the ocean and get pounded in 20-foot seas for years. The fishermen bring their boat to the wharf and tie it up, and there it is the next day, whereas if you have a storm go through.... You all know the challenges storms give to conventional construction.

As far as the building code goes, here in Nova Scotia I deal closely with building inspectors. We have engineer-stamped drawings on anything we do, because recycled PET plastic is not in the building code yet.

Chris Malette: I have one final question. It's for Ms. Watt.

Across my riding in the Bay of Quinte, many residents rely on propane to heat their homes and businesses. In your estimation, how can the federal government ensure its environmental policies recognize the realities facing rural households in keeping energy affordable and reliable?

We're limited here, I think.

Shannon Watt: To me, it's about energy choice. It's about making sure that homeowners know what their choices are and what the trade-offs are and are able to access them. It's about ensuring that any federal program has all the options on the table for those homeowners.

Chris Malette: What innovations in propane equipment and heating efficiency offer the greatest potential to reduce emissions, while maintaining that reliable service for households and businesses?

Shannon Watt: It's renewable propane.

We're going to need molecules, no matter how we look at electrification or the future of energy. Propane is a really great molecule. Renewable propane is identical and can do the exact same thing with a much lower carbon intensity and much lower criteria air contamination. It's really a very clean energy that most of you can find in your backyard when you cook on your barbecue.

The Chair: Thank you very much.

[*Translation*]

Mr. Bonin, you have the floor for six minutes.

Patrick Bonin (Repentigny, BQ): Thank you, Madam Chair.

Ms. Demers, you mentioned the federal government's national heat pump rebate program, which has just been announced. In your view, is this sufficient, particularly in terms of the funding itself, but perhaps also in terms of the overall budget?

For example, we have heard comments suggesting that, for people or families on lower incomes, the lack of the initial capital required to access the funding remains an issue.

Isabelle Demers: Thank you. That's a good question.

Of course, programs like these are absolutely essential. However, we recommend going beyond simply providing technical equipment. It is important to realize that low-income families often live in homes that are what we call energy inefficient, especially if they were built a long time ago. However, even if a building considered an energy-inefficient building were fitted with a heat pump capable of effectively heating the outside air in winter or cooling it in summer, this would not necessarily ensure the building's energy efficiency. Heat pumps certainly provide lower-income households with a certain level of comfort, but they do not enable eco-efficiency targets to be met.

This is where we need to ensure, for example, that landlords see the benefit of implementing such measures. At present, landlords often fail to see this, particularly those who own a small number of units. In Quebec, we have the highest concentration of small landlords, but also the most dilapidated housing stock in Canada. Consequently, these properties do not necessarily meet people's needs. However, it is not the tenants who will take the necessary steps to ensure their accommodation complies with standards. Rather, landlords need to see the benefits of renovating a property and recognize the drawbacks of not doing so. There must be sufficient incentives for them to take action.

This obviously requires measures specific to the rental sector, but there must also be a budget large enough to cover the costs of rectifying issues when renovating a building's envelope. Carrying out work on a building's roof, drains, waterproofing, doors and windows is costly. In this regard, substantial support is needed. We must also ensure that the costs are not passed on, for example, directly to households or tenants, who are often on low incomes.

● (1610)

Patrick Bonin: Some have criticized this or suggested that it might have been better for the federal funds to be channelled to Hydro-Québec, which manages programs tailored to the reality of Quebec and oversees their planning.

Do you have a view on this? It varies from province to province, of course.

Isabelle Demers: Hydro-Québec has introduced several programs that are positive, but which also have certain limitations. There is no such thing as a perfect program. What is needed, however, is a shared vision that will promote energy-efficient renovation, rather than merely accessories, which in themselves lead to better energy performance.

That is where the difference lies. We can choose to be more efficient while continuing to consume the same amount, or we can consume less without it being noticeable, and this will essentially benefit everyone, as we will be able to resell the energy that has not been wasted, at a better rate, to industries that need it. This will likely involve a combination of government programs at provincial and federal levels, of course, and municipal measures that support such programs. At the moment, local authorities are not very active in this area. In any case, they are not active enough.

Patrick Bonin: Speaking of local authorities, you mentioned the energy-efficiency funding scheme for property, known as a PACE-type model. Unfortunately, I can't recall the French acronym.

Isabelle Demers: I can't think of it either, I'm sorry.

Patrick Bonin: I don't know if there is one.

Would that be relevant for Quebec? I don't think Quebec has such a model. You mentioned that there were pilot projects in Quebec. Is there a reason why we do not have this model in Quebec?

Isabelle Demers: This program would be highly relevant for Quebec. In fact, it would be relevant for all local authorities wishing to take advantage of it, as it acts as a catalyst for energy-efficient refurbishment. It is also a program that allows for significant scaling up and presents virtually no risk. Indeed, the lender is not at risk as they are not lending to an individual, but to a building, which remains in place. It also helps to limit the adverse effects that are often feared. When grants are awarded, tax breaks offered or loans provided, there is a fear that individuals might enrich themselves at the expense of collective funds or loans. This program helps to circumvent that effect.

This program certainly has a place in Quebec. It remains to be seen whether the new government in Quebec will be in favour of this type of program. Steps are certainly being taken to that end. It is a program that has proven its worth.

Patrick Bonin: You mentioned pilot projects, which are being carried out in Quebec, I believe. Is there an element of innovation involved, or is it the same as what is being done in Alberta? Is there anything we can learn from these pilot projects?

Isabelle Demers: There is certainly an element of innovation in relation to the program in Alberta, because Alberta's housing stock is, after all, different from that of Quebec, if only because it is more recent than Quebec's. Furthermore, Alberta's housing stock generally comprises more single-family dwellings than that of Quebec.

● (1615)

The Chair: We are out of time.

Isabelle Demers: Quebec has a large number of multiplex units, for example.

The Chair: Thank you very much, Ms. Demers and Mr. Bonin.

[*English*]

We'll now switch to Mr. Leslie again for five minutes, please.

Branden Leslie: Thank you, Madam Chair.

To the Propane Association, your association has raised concerns about limited electrical capacity in rural communities. I'm wondering if you can provide actual cases of heating conversions that required a panel service or transformer upgrade and what the costs and delays involved with that might have been.

Shannon Watt: I'll send it over to my colleague.

Jeff Daley (Designer in Heating, Ventilation, and Air Conditioning, Canadian Propane Association): As mechanical contractors, we literally see that every day. In a lot of cases, 200-amp service is required for an all-electric heat pump, but the homeowner has only 100-amp service.

Branden Leslie: Thank you for raising that. I actually checked my own house, and I'm on 100 amps. I thought to myself, “How do I get my electric car plug-in, my heat pump and all my other appliances on this without doing a conversion?” My math tells me that's not possible.

What is the implication for all of those folks who are looking to embrace this heat pump program, any of the other government-related programs or just enhancements to their own house? In terms of the cost, timelines and any other associated headaches, what does it look like for that family's home in requiring those upgrades?

Jeff Daley: Across the country, there's a pretty broad spectrum of cases. Some houses already have 200-amp service. In some cases, 200-amp service is roughed in to the electrical meter, and it's simply a matter of replacing the panel. In some cases, the house is 500 metres from the road, and it would require 500 metres of new electrical line to be trenched in, which could be in the tens of thousands of dollars. It varies, based on the case.

Branden Leslie: Do you have any indication, based on your own experiences in the technical field? Would each of those cases be about a third of those scenarios? What is your guesstimate?

Jeff Daley: I would say that most rural houses built in the last 40 years have 200 amps roughed in to the hydro meter base, which would make it a $3,000 to $5,000 upgrade. The more rural and older a property is, the greater the chance that a more extensive upgrade will be required.

Branden Leslie: A lot of what we talk about is the ROI for these more efficient heat sources or cooling sources. Do you think that in a lot of the pitches about why we should be having a heat pump program for however many million Canadians are allegedly going to get this, that possibility needs to be considered for all those people before they apply?

Jeff Daley: I think it's important to provide a choice. Somebody who already has 200 amps will have very little financial obligation to make it happen. Someone with a more difficult retrofit should have the option to have something like propane as their backup.

Branden Leslie: Much as you just said in your initial testimony, the Canada Green Building Council told this committee that hybrid heating can be appropriate in colder regions, where keeping a working propane furnace alongside a heat pump may give a family the lowest reliable lifetime cost.

Should federal programs explicitly accommodate that option, in your view? You mentioned that Ontario, I believe, has something in that space.

Shannon Watt: In these cases, we're seeing provinces actually include propane. In Yukon's dependable grid program—that's what they've called it—they've included propane as part of the hybrid option. With provinces seeing more on-the-ground implementation, we are seeing more propane being included.

Branden Leslie: In the event that somebody adopts that, what should a rural homeowner budget for maintenance, delivery charges and an urgent winter repair over the equipment's lifetime? Are those costs included in the savings that your industry is painting as part of this?

Shannon Watt: We actually have some numbers. In fact, Jeff showed up with a bunch of numbers. Perhaps we could provide you with a report that gives you that detailed information.

Branden Leslie: Sure. I would appreciate that.

I'll move over to Mr. Saulnier.

The building system you've outlined here sounds very interesting. I have a company in my riding that has a very similar system, but they build sheds—machine sheds or garages—and they're all new. Yours talks about retrofitting.

I'm curious about how many occupied homes your technologies or your systems have undertaken so far and what the evidence shows in terms of the outcomes in emissions reductions or, more importantly, the cost for the folks who have undertaken those projects.

David Saulnier: That's a really good question. Thank you.

We have between 60 and 70 homes that people are living in right now. We have a sister company in Lloydminster, Alberta, that's building for first nations right now, and obviously, I've been building in Nova Scotia.

They did a one-to-one comparison, I believe in Saskatchewan, for first nations. They ordered a unit. They used it for one fiscal year and compared the energy efficiencies of a conventional home with those of the composite home. They found that the composite home used 30% of the energy used by the conventional home right next to it. They have since put in orders for.... I think they want over 170 homes put in. They're finalizing those contracts now.

● (1620)

Branden Leslie: Were those new builds or were those expansions?

The Chair: You are out of time, Mr. Leslie.

Give a quick answer, please, Mr. Saulnier.

David Saulnier: Those were new builds.

The Chair: That's perfect.

We will now turn to Mr. Greaves for five minutes, please.

Will Greaves (Victoria, Lib.): Thank you, Madam Chair.

Good afternoon, colleagues. Thank you to our witnesses for joining us today.

I would like to pick up on a line of questioning similar to the one my colleague opposite was engaging in a moment ago.

I'll go to you first, Mr. Daley, as the person here who I think installs these systems most directly.

In previous discussions in this committee, we've heard questions about the suitability of heat pump systems in cold weather and questions about whether or not, as you've noted today in your opening statement, they require a secondary heating system as a backup.

The Government of Yukon had a study that was released, I believe, in 2022. It identified heat pumps as being effective for all home heating purposes down to a temperature of -18°C. I'm wondering, in light of the improving effectiveness of this technology, if it is only in the parts of the country where winter temperatures regularly go below -18°C that you would say it's necessary to have that kind of a backup system.

Jeff Daley: I would pick up on something that Madame Demers said earlier. If you're leaking all of the energy out of the house, the heat pump isn't very effective. I would say that the state of the building envelope or building enclosure has more to do with the effectiveness of the heat pump than the outdoor temperature does.

In my area, we have areas where, within a 10-kilometre radius, one house would work only to 5°C and another might work to -25°C with the exact same heat pump. It has more to do with the building enclosure than the climate.

Will Greaves: I appreciate that answer. Thank you.

You're saying it's less about generalizing across different regions of the country and it's much more specific to the actual building envelope as to whether or not one source of heating or two would be necessary to have reliable home heating.

Jeff Daley: Absolutely.

Will Greaves: Okay, I appreciate that. Thank you.

An earlier question essentially identified household energy savings as the only factor worth considering here. I would quibble with that. I don't think that's accurate in any way. Obviously, government can try to achieve multiple policy goals at one time. Household energy affordability is an important one, but the government is also focused on emissions reductions, and we also have questions about energy security and reliability.

I don't mean the international dimensions of energy security. I mean home heating fuels that have to be transported to the home. Especially if we're talking about extreme winter weather, storms and so on, there's going to be the risk of disruption to those supplies. I'm wondering if you could speak to that. In those cold temperature areas where a heat pump may not be sufficient to keep homes at a comfortable temperature, are there concerns about the reliability of propane supplies to those homes to keep them refuelled, given the weather that they'd likely be dealing with at that time?

That could go to Ms. Watt or Mr. Daley.

Shannon Watt: The propane industry very much cares about their customers. There's a lot of automation and monitoring of those tanks that already happens. I have heard numerous stories of how members will go out of their way to ensure that your tank is full and that you are not going to be cold at night.

Yes, there is a delivery piece to this, but there's a real dedication from our industry. They know that a warm customer is a happy customer, and to the nth degree, they will make sure that's the case.

Will Greaves: That's great. Thank you.

I'd like to stay with you, Ms. Watt, if I may. I'd love to hear more about what you described as renewable propane. I'd love to hear a little bit about the amount of propane in Canada that is renewable versus non-renewable, what that growth trajectory looks like and any major issues that you would flag in terms of the transition towards a lower-emitting source of propane in your sector.

Shannon Watt: Renewable propane is a really interesting area that we'd love to see grow and get bigger. One of the barriers is the fact that not a lot of programs support renewable propane. They support renewable diesel. They support ethanol. Renewable propane gets lost in the mix, but if you are making renewable diesel, you are making renewable propane. In the same way you're doing diesel or natural gas now, you're making propane. It tends to be a co-product in the process.

We're finding that more and more industries and more and more of our members are making renewable propane and putting it into their own propane, reducing their carbon intensities by 10% or 15%. Right now it's a small drop in the bucket. We'd love to see that grow. In fact, we'd love to see an approach where smaller family-owned businesses could actually get involved and have renewable propane. Often they need that incentive. They need a level playing field, I would say, with other biofuels that are already out there.

There has certainly been interest in trying to provide more. In fact, if you were on the canal last year during Winterlude and you had yourself a BeaverTail, that BeaverTail was cooked and kept warm with renewable propane.

● (1625)

Will Greaves: I mean, when you're speaking BeaverTails, you're speaking directly to my heart.

Voices: Oh, oh!

Will Greaves: I appreciate that. Thank you.

Could you also just touch briefly on—

The Chair: I'm sorry. You're out of time.

Will Greaves: Oh, too bad.

Thank you very much.

[*Translation*]

The Chair: Mr. Bonin, you have two and a half minutes.

Patrick Bonin: Ms. Demers, you say that you want to reinstate the Canada greener homes loan program, if I am not mistaken.

Could you explain why it would be important to reinstate this program?

Isabelle Demers: Firstly, one of the problems with the various existing programs, whether in Quebec or at federal level, is that they often have very specific eligibility or usage criteria.

What we recommend is looking at the building as a whole when it comes to renovation. If we look at the building as a whole, sometimes the problem concerns waterproofing, for example, or water ingress, or the doors and windows. We need a certain degree of flexibility to be able to take action where necessary. Not every building or structure necessarily has the same requirements. Nor were they all built at the same time, so they do not necessarily involve the same technologies. The costs are not the same either. So, programs must be reviewed with this in mind as well.

There are some programs that are very specific, which may simplify their use, but they certainly do not allow for scalability, because the requirements are different. Particularly when it comes to weatherproofing: if it is a semi-detached house, the work required is not the same as for a block of flats or a detached house. The work that needs to be carried out is not necessarily the same.

So, we would like the programs to be more flexible in order to meet actual needs. We must focus on the objective of energy efficiency, rather than the process of achieving it.

Patrick Bonin: What impact has the withdrawal of the Canada greener homes loan program had on expertise or on businesses working in this field, for example?

Isabelle Demers: What we can see is that there is a trend showing that construction or renovation contractors who have developed expertise in energy-efficient renovation or building resilience are in high demand, because they are familiar not only with the programs but also with the terminology, and they are able to find the right solutions for the right buildings.

There is certainly a need to increase the number of contractors who possess this knowledge and these skills. There are, of course, many contractors who have not yet necessarily realized the benefits of moving forward and making use of these programs, as they are not familiar with them.

The Chair: Thank you.

Thank you, Mr. Bonin.

[*English*]

We'll now turn to Mr. Leslie for five minutes, please.

Branden Leslie: Thank you, Madam Chair.

Ms. Demers, my colleague Mr. Greaves has stated that the government has many policies in place that are aimed at reducing emissions. In fact, I assume you'd be pleased to know that home energy efficiency is part of the government's emissions plan. Are you aware of that? Were you also aware that the government, a little over five years ago, passed something called the Canadian Net-Zero Emissions Accountability Act?

I have tried to move this motion on two occasions, because the act is up for review after the five-year statutory period.

Madam Chair, I'd like to begin by putting on notice the following motion:

> That, pursuant to Section 27.1 of the Canadian Net-Zero Emissions Accountability Act, the committee undertake a comprehensive review of the Act and its effectiveness; that the study consist of four meetings, including one hour with the Minister of the Environment, Climate Change and Nature; and that the committee report its findings and recommendations to the House.

Moving back, I am hopeful that perhaps you would be interested in appearing as a witness on that important study, the review of whether or not the intended accountability of the Canadian Net-Zero Emissions Accountability Act has actually been achieved. Given that I've already tried twice and that I've used a little bit different wording this time, we'll see if the government is willing to bring forward the minister and witnesses to discuss that very important issue.

Ms. Demers, going back to the heat pump program you outlined in your opening remarks, the announced process has homeowners purchasing and installing the heat pump before submitting receipts for approval. For a family that doesn't have any savings—and increasingly we see statistically that there are many families who are on the brink of bankruptcy if they are faced with a substantial cost to their lives—that could prevent them from accessing such a rebate.

Should advance payments or direct payment to installers be available so that the households needing the most help can actually participate in the program?

● (1630)

Isabelle Demers: There are two things. I have to say that wasted energy always costs much more than renovations. If we look at it that way, whenever we help a family in Canada to renovate their house—

Branden Leslie: I'm sorry. This is specifically on the heat pump program.

Isabelle Demers: The heat pump program is a start. It's the easiest way to start some energy savings or energy efficiencies. It's a start.

Is it the end? It shouldn't be the end. Should we help all the families that want to get on board this program? Yes, because this will help to achieve less wastage than we now have in terms of energy.

That being said, many families are not homeowners, so they are not the ones who are deciding whether or not they will go ahead with the program.

Branden Leslie: I appreciate that you mentioned that. As I was saying in an earlier question regarding your Quebec budget submission asking for renovation subsidies and fast recovery of landlords' investments through rent increases, I think that's an important problem here.

Some renters are going to be paying their bills separately. If there's a renovation of some sort or if a heat pump is placed in the unit that you're renting, there should be a clear benefit, because the total electricity cost should be decreased. However, many people who are renting are paying a whole, all-encompassing rent. How do you protect those renters so that they actually receive the benefits accrued by a landlord going through a taxpayer-funded program?

Isabelle Demers: This is why we need a specific program that is tailored to the needs of the landlord. We could then make sure that at the end of the day, if they benefit from renovating the buildings, we all benefit from having a more efficient system because we don't waste so much energy and we can use it elsewhere. This program should make sure and should be tailored in a way that the renters will not be paying the bill at the end.

Again, this is why programs such as the PACE program are great ways to look at how we make sure that we renovate buildings without directly affecting the people, because the loan is on the building and not on the person. This is why this program is a very efficient program that should be tailored and looked at so that it can be adapted to landlords, for instance.

Branden Leslie: Thank you.

I'll cede the rest of my time to my colleague.

The Chair: You have four seconds.

Some hon. members: Oh, oh!

The Chair: For the last five minutes, we'll turn to Mr. Grant, please.

Wade Grant (Vancouver Quadra, Lib.): If I have four seconds at the end, I'll pass it over to you.

I'm also thinking about my colleague who's not here tonight, Mr. Ross, because he talks about growing up in a rural and remote community. I grew up on a first nation in an urban setting, but I have a lot of family who live in rural and remote areas, especially my stepfather, who lives about a two-and-a-half-hour drive northwest of Prince George in a very remote area. There are still many communities that are on diesel and those types of things and are trying to transition off of that.

Ms. Watt, what role do you believe propane can play in reducing emissions from residential heating, particularly in those rural and remote areas where there may be limited options for energy efficiency?

● (1635)

Shannon Watt: About 200,000 Canadians live in the roughly 280 off-grid, off-natural-gas-pipeline communities across Canada that must rely on their local energy grids. The important thing is that those communities have to decide their energy for themselves, and they need to have all the choices put before them.

It could be a complement. It could be a renewable backed up by propane. It could be diesel. They have to decide for themselves what their energy security and energy resiliency is going to be, because when the lights go out, when it's -40°C wherever you are, nobody's coming to help. You have to figure it out yourself, and you need to know that you can trust your system and have the resources and the capability to do so.

I will say this about propane: One of its strengths is that it can sit there. You can have propane sit there for decades. We have examples of containers sitting for two decades and getting fired up without a problem. This is an energy that can be there when the lights go out. It's a great backup. It's a great primary fuel, of course, but it's a great backup fuel, especially for communities that might need that energy to show up on days when the lights go out.

Wade Grant: Mr. Daley, last week I was able to visit the beautiful town of Manotick with my friend Mr. Fanjoy and meet Manotick Heating & Cooling, a company that's based there. From a practical HVAC design perspective, what technical challenges would most often prevent homeowners from installing heat pumps to other high-efficiency heating systems?

Jeff Daley: In addition to the electrical challenges we've already discussed, in some cases the ductwork is not appropriately sized for a heat pump to carry the entire load without a backup. In some cases, the heat pump size must be smaller than would otherwise be optimal, in which case there would be a requirement for a substantial backup.

Wade Grant: I do have reading glasses coming. It's sometimes difficult for me to read my questions off the paper.

Voices: Oh, oh!

Wade Grant: Mr. Saulnier, what you've discussed has intrigued me. I grew up on the water. I went fishing on a boat with my father for a number of years.

How can innovations in building materials and prefabricated construction help make energy retrofits faster, more affordable and more scalable?

David Saulnier: It can be by introducing better materials that are suited for the Canadian environment.

I find that composites excel in many areas. Because they are inorganic, there are no worries about anything rotting on you. Their weight-to-strength ratios are off the charts. If you have a green thumb and you want to think about anything sustainable, you are building with 100% recycled PET. All of the global companies put together are using 0.007% of it right now, so there's room for many companies like mine that want to use that material.

It has obviously proven its point commercially on the water. In a static environment like a home, it can become multi-generational very quickly, with low maintenance, and it can give you all the energy efficiencies you could care to mention.

Wade Grant: I thought about what you were talking about—being impermeable to water and whatnot. In a lot of communities I've visited, because of water damage, mould comes in. Is this something that could help combat that as well?

David Saulnier: Absolutely.

The PET I use is 100% closed-cell material. It's five-pound density foam clad with different laminates, depending on what I'm using it for, whether beams or roofs or walls. It's all built differently, but it's very sustainable and energy-efficient and very rot- and mould-resistant.

Wade Grant: Thank you.

The Chair: Thank you so much to all of our witnesses for their time and expertise today. We really appreciate it.

We will take a brief pause to switch to our next set of witnesses.

● (1635)

_____(Pause)_____

● (1645)

The Chair: For our second hour of witness testimony for the energy efficiency study, we welcome our three new witnesses, all in person.

We have Jana Elbrecht, senior policy adviser from Clean Energy Canada, as well as Vincent Moreau, general director of the Greater Montreal Climate Fund, and Aaron Thornell, manager, programs and operations, from the Ottawa Climate Action Fund.

Thank you very much for coming. You have up to five minutes to provide opening statements.

I will begin with you, Ms. Elbrecht. The floor is yours for five minutes.

Jana Elbrecht (Senior Policy Advisor, Clean Energy Canada): Thank you so much for having me.

Clean Energy Canada is a think tank based out of Simon Fraser University. We work to accelerate energy transition through research, policy and communications. I lead our work on household electrification, and I'm happy to answer any of your questions today on cost savings, effective policy design and consumer attitudes.

As electrification becomes an increasingly important national priority, we must acknowledge that many key decisions will happen at kitchen tables across the country. According to the IEA, households are already the main investors in energy efficiency worldwide, accounting for 70% of spending in the buildings sector. In Canada, households invested $59 billion in home renovations in 2025. Of course, some of that money would have gone to new kitchen countertops, but a lot of it flows into roofs, windows and new heating systems. We need to make sure that when households are making these spending decisions, the affordable, efficient and clean options are the easy choices.

This year, in response to rising fossil fuel costs, at least 25 countries around the world have accelerated policies to advance electrification. The EU published an electrification action plan, recognizing that electrification is the path to affordability, competitiveness and energy security.

Canadian households should reap the benefits alongside businesses and industries. Making homes more energy-efficient and switching to efficient electric technologies like heat pumps can reduce energy bills every month. Clean Energy Canada published an updated analysis this April that shows savings from electrifying a home, while dependent on the previous heating fuel and varying province by province, can save as much as $285 per month, and that is accounting for upfront as well as operating costs.

Now that oil prices have reached record highs, potential savings have increased dramatically. At the beginning of this year, when we estimated household savings for a single attached home in Nova Scotia, we found that such a household could save $610 in annual heating costs by switching from an oil furnace to a cold climate heat pump. Rerunning that analysis with current furnace oil prices, we find that the same household would save as much as $1,639 per year, an additional $1,000.

Retrofits and electrification also unlock benefits beyond savings. Fixing a drafty home increases everyday comfort. Also, in many parts of Canada, having an AC was not historically necessary, but hot summers have changed that. In B.C., which faced a deadly heat dome in 2021, fewer than half the households have access to cooling. A heat pump can provide that cooling and reduce health risks from overheating.

These are benefits that are not just hypothetical; they already are being experienced by Canadian households that have been able to invest in energy efficiency, including the 8% that currently have a heat pump. This winter, when we surveyed existing heat pump owners across Canada, 91% of them said they would recommend a heat pump to their friend or neighbour. The benefits they mentioned the most were lower bills, improved comfort and improved cooling.

Our research also shows that on top of savings for households, electrified technologies can be used by utilities to store energy or to spread demand away from peaks, offering cost-effective solutions to meet growing electricity demands and lower system costs.

However, as we all know, the biggest barrier for households to making energy efficiency upgrades is still upfront costs. When a furnace or a water heater breaks down, households or building owners often do not have the spare cash to opt for a more energy-efficient option if that option comes at a higher upfront cost, even if it will save money down the road.

The recently announced heat pump rebate is a great step in the right direction. In particular, the promise to process applications within 24 hours and to ensure that households receive that support within their decision window after a furnace breaks is a key improvement.

The government has committed to retrofitting one million homes, and this program will help us get close to installing one million new heat pumps, but the reality is that an estimated 11 million homes will need to be retrofitted across Canada. That includes electrification, but it also includes improving things like insulation and airtightness. To achieve that scale, it is crucial that we complement the rebate program with measures that offer longer-term certainty for the sector, cover a broader set of upgrades, unlock private sector dollars and set households up to make beneficial investments in their own homes.

● (1650)

Alongside other organizations, we recommend that in addition to continued funding of low-income and market development programs, the government adopt a green bank model in which the federal government works with financial institutions, utilities, fintechs and municipalities to provide financing solutions that meet households close to home and when they are making decisions about their next renovation or new heating system or installing central cooling for the first time.

I hope this study will open the discussion on what comes next.

The Chair: Thank you very much, Ms. Elbrecht.

● (1655)

[*Translation*]

I now give the floor to Mr. Moreau for five minutes.

Vincent Moreau (General Director, Greater Montreal Climate Funds): Thank you, Madam Chair.

I would like to thank the members of the committee for inviting me.

As a regional climate institution, the Greater Montreal Climate Fund's mission is to accelerate the decarbonization of the entire greater Montreal metropolitan area by acting as a catalyst for climate finance. The Greater Montreal Climate Fund is a member of the Low-Carbon Cities Canada network, commonly known as the LC3, which helps cities and communities realize their potential for reducing carbon emissions. Since its creation, the network has mobilized over $150 million for this purpose.

According to the general consensus, we collectively have enough information today to justify the urgent need to modernize the residential housing stock, whether to ensure affordability by reducing building running costs, to cut energy consumption and thereby free up kilowatt-hours for the electrification needs of our economies of the future, or to reduce greenhouse gas emissions in the fight against climate change. The technologies for improving the energy efficiency of our buildings are well established. Their effectiveness in reducing energy consumption and bills is also well established and recognized. Regulation is also a key lever for implementing and harmonizing the minimum renovation standards that must be met. However, major challenges remain. What is lacking to speed up renovation projects, particularly in the residential sector, is innovative financing combined with turnkey support.

By way of example, I would like to tell you briefly about MultiRés, a turnkey energy-efficient renovation program for owners of multi-unit residential buildings in the Montreal Metropolitan Community, which we have set up with Efficiency Capital, our private-sector partners. This program was specifically designed to overcome several obstacles faced by owners of multi-unit residential buildings, whether privately owned or social housing providers, such as co-operatives or non-profit housing organizations. The program provides funding and coordination for 100% of the renovation work while guaranteeing energy savings. This combination of funding and support thus lifts the burden from the shoulders of property owners, who have neither the time, nor the expertise, nor the teams in place, nor, very often, the financial resources required to manage a renovation project that is, nevertheless, absolutely essential.

MultiRés is the perfect example of a catalyzing public-private partnership, supported by structural funding mobilized through public money capitalized in a sustainable fund, which targets a residential market sector that is difficult to renovate. The Greater Montreal Climate Fund is contributing $1 million over five years, making nearly $70 million available to owners for their energy-efficiency renovations.

This type of financial leverage leads me to talk to you about climate finance innovation.

Public money and grants alone will not be able to finance the energy and ecological transition. Canada must find new financing mechanisms to enable the implementation of measures for a just and equitable energy transition. These mechanisms must ensure that government investment acts as a catalyst for private and philanthropic investors in order to meet the need for accelerated action towards decarbonization and resilience. This is at the heart of the mission of the Greater Montreal Climate Fund and LC3.

For the energy transition in buildings, several innovative funding models are already well established. I am thinking in particular of the PACE model, which was mentioned in discussions with several stakeholders.

Other models are yet to be tested. For example, the Greater Montreal Climate Fund is working to set up a bridging loan fund for major energy conversions, such as geothermal energy, to bridge the gap in capital required immediately, as public grants alone are insufficient to cover this gap or are only paid out once the conversion is complete.

Furthermore, financial innovation makes it possible to link funding mechanisms to a building's energy performance, thereby ensuring that the desired targets for energy efficiency and cost-effectiveness are met.

My point here is to demonstrate that public money can be used in a more sustainable way than through simple financial incentives, i.e., grants alone. When pooled within an endowment fund, as is the case with the Greater Montreal Climate Fund, it not only ensures the long-term sustainability of financial support through the returns generated, but also acts as a catalyst—by mitigating the associated risks—for innovative, tailor-made programs designed to accelerate existing transition pathways or to open up new, transformative avenues. It is in this spirit, moreover, that a budget request has been submitted to the government to extend the LC3's scope to other major urban centres in Canada in order to achieve the same impact.

In conclusion, I would say that, to accelerate residential renovation, we need to combine innovative financing, public and private capital, and turnkey support.

Thank you.

The Chair: Thank you very much, Mr. Moreau.

● (1700)

[*English*]

I'll turn now to Mr. Thornell for five minutes.

The floor is yours.

Aaron Thornell (Manager, Programs and Operations, Ottawa Climate Action Fund): Thank you, Madam Chair.

Good afternoon, committee members. Thank you for the opportunity to speak today. My name is Aaron Thornell. I'm the manager of programs and operations for the Ottawa Climate Action Fund. OCAF is a non-profit based here in Ottawa, focused on reducing greenhouse gas emissions while fostering positive social and economic outcomes. We do so through a combination of granting, direct investing and programming. Like Mr. Moreau, OCAF is a member of the low-carbon cities Canada network. We've been grateful to be part of that network and learn from each other.

I first wish to commend the committee on its in-depth analysis of home energy efficiency retrofits for Canada's housing stock. I'll begin by echoing what other witnesses have said in previous meetings: When done well, energy efficiency policy is much more than climate policy. It is housing, public health, affordability and economic development policy all at once.

My first recommendation to the committee would be to highlight the need for alignment of federal programming and funding with provincial utility and municipal offerings. To illustrate this, I'll recount an experience from my previous role working at the City of Ottawa on the ongoing better homes Ottawa loan program. This municipally led program, which leverages the PACE financing model we've spoken about already several times during this meeting, was launched in Ottawa with the help of funding from the Federation of Canadian Municipalities. The City of Ottawa was able to provide 20-year interest-free loans to support deep home energy efficiency retrofits.

Out of the gate, the program's uptake was substantial, with program demand outstripping available funding within about three months. With an eye toward longer-term sustainability, the city approached private financiers to recapitalize the program, and ultimately pulled in $30 million from the Vancity Community Investment Bank to extend the program. Just two weeks later, however, the federal government announced the launch of the greener homes loan program, offering loans with 0% interest nationwide, which effectively undercut the offer the city had just secured.

While I'm not here to suggest that the greener homes loan program was a negative program overall—it spurred thousands of retrofits across the country—alignment between levels of government would have supported a more cohesive retrofit offering in the city of Ottawa, reduced confusion for the end-user and ultimately produced a more sustainable retrofit ecosystem here in the nation's capital.

My second recommendation, which others have mentioned before me, would be to shift away from the boom and bust cycle of incentives and grant programs. A move toward a financing-focused ecosystem for middle- and higher-income households and private sector operators would move Canada toward a more mature and sustainable energy retrofit ecosystem. As you have heard from others, such as Mr. Moreau and Brendan Haley from Efficiency Canada, we have examples of places like Australia and the United States from which to draw inspiration for these types of green bank models.

Finally, and perhaps most importantly, I would encourage the committee to consider ways in which federal efficiency policy and funding can complement the country's overarching housing goals. A key focus for OCAF is the intersection of affordable housing and climate action, particularly how retrofits can help preserve existing affordable housing stock, home to many of our most vulnerable residents. Here in Ottawa, analysis shows that for every one unit of affordable housing that is built, we lose 31 through demolition, rental increases and renovictions.

To this end, we recommend providing focused funding for non-market housing retrofits, specifically capital work, through the re-capitalization of such programs as the Canada greener affordable housing program and the previously offered co-investment renewal and repair stream, both offered through CMHC. This should be accompanied by supports for housing providers to plan and tackle what can be complex and time-consuming projects. Where opportunities present themselves, combining this funding with the recently announced Canada housing acquisition fund would further enable timely retrofits for community housing providers at opportune times of turnover and ownership. Similarly, we've seen targeted incentives and low-interest loans to be better suited to private market affordable housing, sometimes referred to as naturally occurring affordable housing. This funding should continue and be accompanied, where appropriate, by tenant protection measures.

I'll conclude with this. It is critical that we preserve these affordable housing units and, more importantly, provide those living there with dignified, resilient and safe places to call home. As our climate continues to become more volatile and our affordable housing stock ages, ensuring that these homes are preserved and prepared is an opportunity that cannot be overlooked.

Thank you. I look forward to answering any questions from the committee.

The Chair: Thank you very much, Mr. Thornell.

We will turn to questions from members. We'll start with the Conservative Party.

Mr. Leslie, you have six minutes, please.

Branden Leslie: Thank you, Madam Chair.

Thank you to all for being here in person today.

I'll start with you, Ms. Elbrecht. The federal government has signed agreements with almost all the provinces to deliver the Canada greener homes affordability program. In the province of Manitoba—I can't speak to others, as I've reviewed only Manitoba in detail—there are no safeguards on whether the homeowner could immediately sell their property.

I'm curious to hear your thoughts on this. Should agreements with the provinces include safeguards to prevent the program from subsidizing house flipping incidentally?

● (1705)

Jana Elbrecht: That's a very good question.

I'll start by saying that we were really happy to see the launch of the greener homes affordability program, and we're hoping to see it in other provinces as well. Manitoba has been a real leader. The program specifically targets low-income households and households facing energy poverty. I'd be curious as to whether you have any sense of this being an actual risk that has been observed. I don't think there's a—

Branden Leslie: That's fair enough in the Manitoba context. I know that other provinces aren't as income-tested. Manitoba has a fairly low income test to be eligible for that program, but I could see people who are thinking about downsizing their homes anyway saying, sure, they'll take the free government money, get an upgrade and then flip their house for more money. We're humans. That's probably going to happen. Building in a safeguard like that makes sense to me.

Moving on now, your April analysis found that a heat pump could cost more than natural gas in the Prairies. With the new heat pump rebate announced, will you be able to show which households now come out ahead after all costs and how much of that improvement comes from the equipment versus the taxpayer subsidy portion?

Jana Elbrecht: Absolutely.

When it comes to a comparison between natural gas and a heat pump, it's primarily about the ratio between the natural gas price and the electricity price, and the rebate doesn't change that. When we're talking about the prairie provinces, in most cases a natural gas furnace would still come out ahead, and it's important that we are honest about that.

That is compared to an air-source heat pump. That does not take into account a ground-source heat pump, which, again, Manitoba has a great program for. It is a very cost-effective solution.

Branden Leslie: The geothermal is different. Yes, I agree.

You did a survey that found, as you mentioned, that 91% of participating owners would recommend a heat pump, but I'm curious as to how many of those respondents actually had some sort of independent verification of the bills of the installation and the before and after of their actual heating or cooling bills.

Jana Elbrecht: The survey was asking people about their experience. On the 91%, that is as self-reported: “Would you recommend this to your friend or a neighbour?” When asked what some of the benefits were, cost savings was one of them, but improved comfort and cooling were two other really big ones that half of respondents cited. There are many reasons to recommend something to a friend or neighbour.

Branden Leslie: Yes, I think we're seeing a bit of a trend here. One of our early witnesses talked about the various types of home energy improvements or renovations and whether or not they were actually effective.

A lot of these are promised amounts. You even talked about the possible future benefits with higher prices of fossil fuels, as I believe you mentioned. A lot of this seems not to be based on “here was the bill before and here was the bill after” and what human activity changed in the sense of, “Well, now I can afford it, so I'm turning up my heat a little bit more and my savings are a little bit less,” versus somebody who's trying to be more frugal.

How do we go about getting better data to prove whether or not...? It's not to say that these technologies don't work but to say that the cost savings for individuals actually can be borne out, and we can say with confidence that on a yearly average you'll be saving this many dollars, especially when folks are trying to consider, as our last witness talked about, the potential of moving from 100 amps to 200 amps, where a heat pump being trenched in costs tens of thousands of dollars. I feel that it requires certainty for the individuals who are hearing these potentially big numbers.

Over time, the ROI is going to be good, but if they're going to do an analysis of their own home, with tens of thousands of dollars above and beyond the installation regardless of rebates for a heat pump, for example, how do we do a better job of having actual math showing whether this is going to be cost-effective for people participating in the program or just doing it of their own free will?

Jana Elbrecht: There are a lot of pieces there to respond to.

Firstly, our 91% recommendation number is from people who have had their heat pumps for years, so that is from people experiencing those real savings. That is in line with other surveys. The CMHC mortgage user survey found that 93% of people who renovated their home for energy efficiency were satisfied and 76% of them experienced savings—

Branden Leslie: You see the challenge. My personal satisfaction versus two sets of numbers are very different things.

Jana Elbrecht: Okay. You mentioned the instance where someone, because they are saving more, might be using more energy. I would say that is a good outcome.

If you are keeping your thermostat lower in the winter because you're choosing between your groceries or your heating bills, and your heat now is becoming more affordable, you may turn up your thermostat to a comfortable temperature. You might be saving fewer dollars on your energy bill, but I would say that is a beneficial outcome for the homeowner or the renter.

● (1710)

Branden Leslie: Okay.

In a recent article, you said that the heat pump can work alongside an existing gas furnace where that arrangement is the most affordable and reliable choice. Would you support federal eligibility rules that clearly allow the homeowner to keep their gas furnace in place?

Jana Elbrecht: Yes, we would recommend that the heat pump rebate be available to households that want to do a hybrid set-up. Part of the reason is that we think a really big opportunity is in people installing heat pumps as a cooling system.

Branden Leslie: Are you familiar with challenges with insurance for a complete removal and swap-out to a heat pump in a more moderate climate than the one I'm from? Are insurance companies asking that there be a secondary heat source maintained as part of a transition?

The Chair: Give a short answer, please.

Jana Elbrecht: I'm not aware of any such insurance requirements.

The Chair: Thank you very much, Mr. Leslie.

Mr. Watchorn, it's over to you for six minutes.

[*Translation*]

Tim Watchorn (Les Pays-d'en-Haut, Lib.): Thank you, Madam Chair.

Thank you to the witnesses for being with us today.

My first question is for Mr. Moreau.

You mentioned a PACE-style program. I imagine you're well aware that the Government of Quebec does not allow municipalities to use a PACE model, even though it's extremely effective in other provinces. Beyond that, the mayor of Prévost, who lives in my riding, wrote a letter that was published in La Presse and co-signed by 33 mayors who say that the Government of Quebec should change the regulations that apply to municipalities to allow for this program.

In what ways would doing so benefit municipalities? How should the Government of Quebec change its regulations to allow municipalities to do so?

Vincent Moreau: I don't know the regulation details, but what I do know is that there's a need to harmonize regulations in Quebec so that the PACE mechanism can be scaled up.

Quebec had a precursor to the PACE model, which was called Financement innovateur pour des municipalités efficaces, or FIME. In particular, Plessisville put that in place. It's well known that it works.

Now, to enable municipalities to lend money, there has to be a regulatory change to make it possible to scale up. I agree with that.

There's another barrier to implementing the PACE model. Once the municipalities have provided the grants or budgets for implementing the PACE model, there will be very few private investors there to support or simply continue the PACE-style programs. It's important to know that grants are limited. The model is effective as long as the grants are there, but afterward, how can municipalities go about demonstrating the effectiveness of the economic model to attract private investors? What can be done to allow a private investor to invest or to lend funds to the municipality? How can capital be pooled so that the municipality can lend money through property taxes to carry out energy retrofits on homes?

Tim Watchorn: I'll give you the example of the program set up by the municipalities to replace septic tanks. Private capital isn't needed. Municipalities can introduce borrowing by-laws, set up their own bank and enable homeowners who don't have much money to do really cost-effective retrofits. In the long term, this benefits homeowners, who will have comfort in the summer and cost savings in the winter.

Do you think that's something that could be used?

Vincent Moreau: In fact, that's a parallel for the program, or a copy paste of it.

The only thing I would emphasize is support. I think the best example is Ecohome, which campaigned for the JeRénovÉco model. The organization also does other things, but it supports homeowners from start to finish. It gives them confidence and reassurance when it comes to the best technology choices or the most effective retrofits to make. Afterward, it speeds up the process for the owner when it comes to implementing a PACE-style program or funding such as that of septic systems.

Tim Watchorn: Thank you for the answer.

[*English*]

My next question will be for Mr. Thornell.

You talked about a green bank model. I'd like you to elaborate a bit on that. How would that work with the other programs that are already offered by the federal and provincial governments?

Aaron Thornell: I'm not an expert in this, but I think there's been extensive research done by other groups—Efficiency Canada, to name one.

Fundamentally, I think the way it would work would be a one-time injection of public funding to set a baseline. Then different actors would be allowed to access that funding for their own purposes, be that contractor financing, community efficiency financing or PACE financing at the municipal level.

A comparable model, I suppose, in some respects, would be what the federal government did with the Canada Infrastructure Bank, albeit at a larger scale. The building retrofit component of that program targets large-scale commercial building retrofits and institutional retrofits, but replicating that model for the homeowner level or the small residential and multi-unit residential level would provide for flexibility in financing models and terms and be able to address these different disparate challenges that we see from province to province and even from jurisdiction to jurisdiction. I think there's lots of potential.

Again, there are models in the U.S. Michigan Saves is a program that comes to mind. It's been very successful over a long period of time. As well, I believe Australia has developed a fund of a similar nature. I think there are good models to look at and compare.

● (1715)

Tim Watchorn: Thank you.

Ms. Elbrecht, I'd like to have your opinion on that. What would be the best model to get people to retrofit their homes so that they can benefit from the cost savings and comfort savings?

Jana Elbrecht: I would definitely agree with the green bank recommendation. This is a model in which the federal government provides low-cost capital and a first loss responsibility, but the financing is provided through institutions that are closer to a homeowner. That could be a municipality, a utility with energy as a service option, on-bill financing or fintechs that are ready to go to work with contractors.

Obviously, we don't want a contractor to become a bank, but if a fintech can work with a contractor, the contractor can come to a homeowner and say, “If you go for the heat pump option, we can offer you a model where you pay *x* dollars per month.” To a homeowner, it might not be obvious that there are federal dollars behind this. You might have to give up some of the credit.

It is a way to provide those solutions in different models that work for different households. It could be that your furnace breaks and you need an emergency replacement, or you want to engage in a municipal or utility program.

Tim Watchorn: Thank you very much.

Thank you, Madam Chair.

The Chair: Thank you, Mr. Watchorn.

[*Translation*]

Mr. Bonin, you have the floor for six minutes.

Patrick Bonin: Thank you, Madam Chair.

Mr. Moreau, I'd like to know something. You mentioned the private sector when it came to PACE-style programs, but I'm not sure why PACE-style programs would need the private sector.

Vincent Moreau: As Mr. Watchorn mentioned, municipalities operate according to borrowing capacity, but they have a borrowing limit. Once a municipality has exceeded that borrowing limit, where will it get the money from? Does it end the PACE-style program, which works?

What we're seeing right now is that it's very popular; people sign up for it, PACE-style programs are implemented, but the envelopes empty out very quickly, and the municipalities depend on grants, which often come through the green municipal fund, which means the Federation of Canadian Municipalities, or through other public funders.

Now, what can be done to interest private investors through a financial vehicle that could give them a certain return and enable them to lend, at a higher volume, the amounts needed to accelerate the decarbonization of homes?

Patrick Bonin: Let us continue talking about the PACE model.

Why isn't Quebec implementing it? The APCHQ told us about pilot projects in Quebec. However, do we know why there aren't any in Quebec?

Vincent Moreau: It's currently due to a regulatory limit. I couldn't go into the details of the regulatory limit, but it's a matter of interpretation. It depends on how a type of retrofit is considered. Can it be incorporated in a PACE-style program? Is it considered an energy retrofit or a home renovation? It's purely a matter of regulatory interpretation. It depends on how it's applied, actually. Quebec's legislation has to be amended to enable municipalities to scale up PACE-type programs and incorporate retrofits.

Patrick Bonin: Have you ever heard a proper justification?

Vincent Moreau: I think I could refer you to someone who works on the file more, namely Mathieu Gillet from Ecohome. He could tell you a bit more about that.

Patrick Bonin: It would be a pleasure. I also encourage you to submit this information in writing. It's always useful for us.

We saw that the federal government recently implemented a heat pump program. In Quebec, there are also grants through Hydro-Québec. Those do indeed concern heat pumps, among other things, but also electric thermal storage systems, which are actually subsidized to the tune of several thousand dollars. That doesn't exist at the federal level.

Do you think initiatives such as funding for electric thermal storage systems are worthwhile?

Vincent Moreau: In fact, let us be clear about something: When it comes to the multi-residential program, right now, when a multiplex owner sends us an application, we're agnostic when it comes to technology. We will look at all available technologies to improve energy efficiency and performance and to get oil and gas out of the building. An electric thermal storage system is one of those technologies. I would say that it's important to be technologically agnostic.

I would also say that, even in terms of the grants we provide, they're very technology-focused, but we could instead target energy performance or a goal, an energy target, through the grant programs.

That said, it's a good option to have. It depends on the application and use of the technology in question. Now, those are more technical details, but it's a case-by-case basis.

● (1720)

Patrick Bonin: Okay.

You mentioned that it's necessary to get fossil fuels out of buildings. Do you have a position on whether we need to quickly or gradually transition away from fossil fuels if we're serious about reducing emissions, particularly in terms of buildings?

Vincent Moreau: Actually, yes. The MultiRés program was originally designed to remove fuel oil and natural gas from buildings. The goal is precisely to phase them out. As stated in the texts, it was even agreed at COP 29 that the fossil fuel industry needed to be phased out to make it possible to meet greenhouse gas reduction targets. In addition, all the programs we're implementing aim to accelerate decarbonization. It's related to the phase-out of fossil fuels.

Patrick Bonin: The energy sector often faces challenges with managing peak periods. Quebec has a program, or at least an initiative, that's described as dual energy. What I'm particularly interested in is dual energy when there are already gas plants, for example, or gas heating in a building. Dual-energy programs make it possible for existing facilities to add heat pumps, for example, and reduce gas consumption by more than 70%.

When it comes to any gas heating systems that currently exist and haven't reached the end of their useful lives, do you think it would be best to quickly roll out heat pumps or other measures that can reduce the demand for gas by nearly 70% overnight?

Vincent Moreau: In fact, any technology that reduces our consumption of oil and gas or fossil fuels is a good strategy. That means that the dual-energy approach, in some cases—not all cases—is very appropriate for reducing natural gas consumption by more than 70%, as you said, while maintaining electrification in the long term. In other words, this gets done when the furnace needs replacing. Dual energy is introduced, but it's made sure that the electrical installation is already in place so that it's possible to move on to the full electrification of the building. It's often a step that can be taken quickly to reduce demand now, reduce the carbon footprint and, at the same time, increase the building's energy efficiency.

Patrick Bonin: I'm a bit surprised to hear you say that a furnace gets replaced if it's at the end of its life, because a number of authorities say that new furnaces should no longer be added. The Government of Quebec is moving in that direction. We're talking about a modern furnace that still has some life, then. I just want to clarify what you're telling me. If it's at the end of its life, ideally, it's time to move to electrification.

The Chair: Please give a short answer.

Vincent Moreau: Indeed, electrification must be prioritized above all else.

The Chair: Thank you very much, Mr. Bonin.

[*English*]

Mr. Reynolds, it's over to you for five minutes.

Colin Reynolds (Elmwood—Transcona, CPC): Thank you, Madam Chair.

Thank you, witnesses, for coming here today.

Ms. Elbrecht, under the greener homes affordability grants, prior to any funds being approved, are energy assessments done on people's homes in general on the insulation, the outside, the windows and all of those sorts of things? Are they done before the approval of funds?

Jana Elbrecht: The program is implemented slightly differently in every province where it's active. It depends on the delivery partner the federal government works with.

Generally, there is an on-the-spot assessment of what improvements would be most beneficial to the household and what would cut energy bills the most. That usually includes an energy assessment.

Colin Reynolds: They do that in Manitoba, actually. Before they approve you for any funding at all, Manitoba Hydro will do a full energy assessment.

A couple of previous witnesses talked about getting windows or heat pumps done and the efficiency of a home. You can get new windows and doors, but homes that were built prior to roughly 1980 have two-by-four exterior walls, which have only R-14 insulation. You could put a heat pump in, but it's not going to function to the best efficiency it really could.

Do you know the average cost of an install for a heat pump for, say, a 1,200-square-foot home? I know they vary quite a bit.

● (1725)

Jana Elbrecht: I don't have the numbers in front of me—I could send you what I have—but it really depends on the size of the heat pump, the size of the home and the heating load, which, as you say, is dependent on insulation and airtightness, as well as on outside temperatures. You're really talking anywhere between $5,000 and $15,000.

Colin Reynolds: Do you know the cost of retrofitting just a furnace? If you had a gas furnace that had to be replaced, do you know how much the change-out would be?

Jana Elbrecht: Again, you're talking about different heating loads, different sizes and different markets, but it's probably closer to $7,000 to $8,000.

I would call a local HVAC company if you wanted a more certain answer.

Colin Reynolds: My next question is for Mr. Thornell.

Under your program, what kinds of retrofits would qualify?

Aaron Thornell: Are you referring to the City of Ottawa program that I mentioned? I don't work there anymore.

Colin Reynolds: Yes.

Aaron Thornell: That program was fairly comprehensive. It essentially looked at anything, including the building envelope and HVAC. It also included some climate adaptation measures.

Notably—this is another thing that came up with the previous witnesses—it also covered the cost of electrical service upgrade, should that be necessary. You were able to finance that over a 20-year period, which helped a lot with that upfront cost that was discussed.

It was fairly comprehensive. There were also some water-saving measures, home energy storage and EV chargers. It was pretty much the whole kit and caboodle.

Colin Reynolds: Are you working primarily with commercial clients or residential clients?

Aaron Thornell: That program with the City of Ottawa—I'm no longer there—was strictly for small residential property owners.

Colin Reynolds: Were there any particular projects that were prioritized and would receive, say, 80% funding versus a particular retrofit that would receive only 20% funding?

Aaron Thornell: The amount of funding available to the property owner was dependent on the property valuation, because that's the information the city can readily, easily and quickly access. There was a calculation based on that. There was a set-aside for low-income housing residents, and they could access a different suite of supports. We set aside 0% loan capital for them to access as well.

It was variable, based on the valuation of the property in terms of how much could be accessed, but up to 100% of the costs could be covered.

Colin Reynolds: That's pretty good.

I have half a minute left.

Mr. Moreau, you were talking about freeing up kilowatt hours on the grid. Do you want to elaborate a bit more on that? You mentioned it in your opening statement.

Vincent Moreau: I'm sorry. I didn't understand. Can you repeat the question, please?

Colin Reynolds: In your opening statement, you mentioned that one of your goals was to free up kilowatt hours on the grid. I just wanted to give you an opportunity to explain that a bit more.

What would you be doing to free up more kilowatt hours on the grid?

[*Translation*]

Vincent Moreau: I talked about freeing up kilowatt hours because we're talking about accelerating electrification, whether in terms of transport, buildings, processes or the industrial sector. However, to do that, it's necessary to improve energy efficiency and free up electrons.

We're talking about a network that is sometimes overloaded. For the greater Montreal area alone, the distribution network is operating at full capacity. In that case, how can we electrify certain buildings or electrify transport? Electrons need to be freed up, and that requires energy efficiency.

When we talk about freeing up electrons and freeing up kilowatt hours, that's for the sake of the economy of tomorrow, which must be fully electric.

The Chair: Thank you, Mr. Moreau.

[*English*]

Thank you, Mr. Reynolds.

We will now turn to Mr. Fanjoy for five minutes.

Bruce Fanjoy (Carleton, Lib.): Thank you, Chair.

Thank you, witnesses.

I'd like to revisit an important point that Mr. Leslie made earlier. Performing home energy retrofits raises property values. A property is more valuable after a retrofit than it was before. When we talk about investments of $5,000 or $10,000—

● (1730)

Branden Leslie: It was more than that.

Bruce Fanjoy: Excuse me, Mr. Leslie. I'm speaking.

Those investments come back out of the house when a homeowner sells. In the meantime, they benefit from dramatically lower operating costs.

I'd like to start with you, Mr. Thornell. You previously worked in the city on home retrofit programming. You're now with the Ottawa Climate Action Fund. I'm curious. In your experience in implementing and managing these programs, what changes to federal policies would make it easier for municipalities to deliver energy efficiency improvements faster to more Canadians?

Aaron Thornell: As I mentioned during my opening remarks, coordination among federal governments, utilities, provinces and, ultimately, municipalities, which are generally closest to the residents themselves, could allow for a much smoother delivery of programming and for consistency of programming. I think municipalities have tools in their tool belts. You made mention of LIC and PACE programming here in Ontario, which allow for the municipality to play the role of financier, where appropriate, for these kinds of energy-efficiency retrofits and backstop those through the property tax system.

As both of my co-witnesses said, there's a lot of stability there, and there's a lot of risk prevention or risk protection, given that model. I think leveraging those opportunities for coordination would be key number one.

Then, again, it would be just moving as much as possible away from, perhaps, the boom and bust cycle and giving municipalities, utilities and provinces tools to develop more structured blended-finance models to sustain these kinds of retrofit programs in the long term.

Bruce Fanjoy: Okay. Thank you.

[*Translation*]

Mr. Moreau, you talked about the MultiRés program, which provides full funding for energy-efficient retrofits tailored to the needs of buildings.

How has this funding model helped to overcome the financial barriers that prevent building owners from undertaking energy efficiency retrofits?

Vincent Moreau: Thank you for the question.

The most interesting thing about the MultiRés program is that the costs are 100% borne by investors. After choosing a financial plan and a profitability or amortization model based on the various energy retrofits they want to carry out or the energy efficiency rates they want to achieve, the owner chooses a plan or model for investment and renovation.

Not having to make a down payment at the outset is a major incentive. It removes a lot of red tape. When it comes to multi-residential buildings—that is, six to 15 housing units—not everyone has the cash needed to start retrofits. MultiRés is a program that absorbs 100% of the retrofit costs and puts the homeowner in a rebate program for a set period.

Bruce Fanjoy: Thank you very much.

[*English*]

Ms. Elbrecht, how can investments in residential electrification contribute to greater Canadian energy security while reducing household costs and helping to support a domestic clean industry and job growth?

Jana Elbrecht: Furnace oil is the most obvious example right now. I don't think that people planning for their winter household budget should need to read global affairs pages to see what's going to happen to their energy prices. Historically, the price of electricity across all provinces has been relatively stable, whereas the prices of both oil and natural gas have been incredibly volatile. Predictability is security when you're planning your household budget.

On top of that, when we're talking about doubling the grid, we're also talking about electrifying in a smart way, building the grid of tomorrow. Those technologies in people's homes—whether those are electric water heaters, heat pumps with smart thermostats, solar or at-home batteries—can be leveraged to store energy or to shift the peak. Part of this is a beautiful future scenario, and part of this is already happening with the peak perks program and with similar programming in Quebec and B.C.

The Chair: Thank you, Mr. Fanjoy.

[*Translation*]

Mr. Bonin, you have the floor for two and a half minutes.

● (1735)

Patrick Bonin: Thank you, Madam Chair.

Mr. Moreau, we have already heard testimony that some people were signing up to publicly funded programs even if they already intended to carry out retrofits or improvements to save on energy. Obviously, I imagine that means fewer environmental gains.

Is that a problem or not?

Vincent Moreau: Unfortunately, I'm not aware of that issue. You're letting me know about it, so I wouldn't be able to give you an answer. I'm sorry.

Patrick Bonin: Thank you for your honesty.

The current government is making a lot of investments in fossil fuels; there's no denying it. Do you think the government should invest the same amount in energy efficiency, renewable energy and energy conservation?

Vincent Moreau: Are you asking me if it should invest in renewable energy and energy efficiency solutions?

Patrick Bonin: There's currently a $43-billion pipeline proposal that will be paid for mainly through public money. Should that money instead be invested in energy efficiency, energy conservation and renewable energy?

Vincent Moreau: If we want to meet our greenhouse gas reduction targets, it's clear that the trajectory we need to take right now has to focus on renewable energy and technologies. If we're serious about meeting the targets, we have to think about everything that's currently being spent on oil and gas development. When it comes to transition, I understand that certain choices can sometimes be prioritized from an economic standpoint. However, that means we will have to redouble our efforts to be able to meet the targets afterward. If we want to move in a direction that makes it possible to meet the targets, we absolutely have to double, or even quadruple, the efforts to invest in renewable energy or energy efficiency technologies.

Patrick Bonin: I'd like to come back to the LC3 program, which I heard about. Could what this program started be improved, specifically to invest more in practical solutions, on the ground, to reduce greenhouse gases?

Vincent Moreau: In fact, we submitted a request for the federal budget, this fall, to expand the LC3's scope. The LC3's ability to mobilize private capital for decarbonization solutions has been proven. We can see that it has an impact, and we have data that demonstrate the impact on the ground.

However, there are other large municipalities that don't have access to that kind of funding structure, so we asked ourselves why not expand our model. We propose adding three more LC3 centres to central Canada, as well as adding major urban areas such as Gatineau, Quebec City, Victoria and Saskatoon to the network. That would make it possible to mobilize private capital to accelerate decarbonization and energy efficiency across Canada.

The LC3 is a low-cost model, protected in perpetuity, which helps reduce risks for private investors and create structuring financial vehicles that would, in fact, accelerate climate solutions on the ground.

The Chair: Thank you very much, Mr. Bonin.

[*English*]

Mr. Leslie, it's over to you for five minutes.

Branden Leslie: Thank you, Madam Chair.

I would like to move the following motion that I have on notice. I move:

> That, given that section 9 of the Canadian Net-Zero Emissions Accountability Act requires the Minister of Environment and Climate Change to establish an emissions reduction plan, and paragraph 10(1)(b) requires that plan to describe the key emissions reduction measures the Government of Canada intends to take to achieve its emissions target;
>
> given that the Government of Canada has changed a number of measures described in the existing 2030 Emissions Reduction Plan;
>
> the committee recommend that the Government of Canada:
>
> 1. promptly initiate the process to update the 2030 Emissions Reduction Plan so that it accurately reflects the measures the Government of Canada currently intends to pursue;
>
> 2. take all reasonable steps to avoid unnecessary expenditure of public funds on litigation where the issues in dispute concerning the existing 2030 Emissions Reduction Plan, and
>
> 3. that the committee report this recommendation to the House.

Madam Chair, some Canadians may have heard the news, but maybe some around this table have not. Taxpayers are currently footing the bill for a government to defend an emissions plan that no longer reflects several of the policies that it originally relied on. Given that we are here talking about the home energy retrofit, which I know is part of the current emissions reduction plan, and given the new spending, I think it's an opportunity for the government to have a reflective view of what the current policy is regarding its plan to reduce emissions and achieve net zero by 2050, in line with the Canadian Net-Zero Emissions Accountability Act. The government instead is currently spending money trying to have a case sponsored by three young students thrown out. Thankfully, the Federal Court has rejected that attempt. The litigation is ongoing. It's unclear to me whether the government thinks it's a wise way to spend taxpayers' money.

Instead of paying government lawyers to argue whether an outdated plan complies with the law, I think it's time that we simply have the government update the plan, tell Canadians what the government actually intends to do and stop wasting taxpayer money.

Thank you, Madam Chair.

● (1740)

The Chair: Mr. Leslie, we'll suspend momentarily to review.

Thank you to our witnesses. It being 5:40 p.m., we will release you. We won't make you stay for this conversation just for a few more minutes of testimony.

Thank you very much for your time today. We really appreciate it.

● (1740)

_____(Pause)_____

● (1745)

The Chair: Thank you.

I will now turn to Mr. Grant.

Wade Grant: Thank you.

We've conferred.

Mr. Leslie, I have a tremendous amount of respect for you, as you know. As you referenced the court case that is currently ongoing, this matter is before the courts, and a parliamentary standing committee shouldn't be intervening in or commenting on this, so it would be inappropriate.

This committee's very first study in this Parliament was the ERP study, which the Conservatives were pressing for. A government response was requested and was tabled the first day the House returned. Interested members are invited to review that response.

With that, we are moving to adjourn debate on this motion.

(Motion agreed to)

The Chair: The debate is adjourned.

It being 5:49 p.m., we will end this meeting.

Thank you very much.

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