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Home Energy Retrofit Program

In 2007, the federal government introduced the EcoENERGY Retrofit program, which provided homeowners who made changes to their homes to make them more energy-efficient with grants of up to \$5,000 per property to help offset the cost of those changes.

The EcoENERGY Retrofit program was scheduled to end on March 31, 2011. Instead, in the federal budget originally brought down on March 22 and re-introduced on June 6, the program was extended to be available between June 6, 2011 and March 31, 2012.

While the process for obtaining an EcoEnergy Retrofit grant is, in general, the same as it was under the "old" program, there are two changes of which homeowners need to be aware, as those changes will apply to any grant application made after June 6.

The first such change requires that a homeowner register for the program before making any changes to his or her home. Once that registration is done, an energy evaluation, which measures the energy efficiency of the home and identifies possible improvements to increase that efficiency, must be carried out, at the homeowner's expense, by a licensed independent energy adviser. If the homeowner had already had such an energy evaluation conducted after April 2007, it is not necessary to carry out a second such evaluation. Once the energy evaluation is done, the retrofitting work can then be carried out, after which a post-retrofit energy evaluation is done to measure the effectiveness of the changes.

The second change to the program requires that, at the time the post-retrofit energy evaluation is carried out, the homeowner must provide the energy adviser with receipts for any products or equipment purchased in

connection with the retrofit, in order to ensure both that those purchases were made after June 6, 2011, and were installed after a pre-retrofit energy evaluation was done.

At the time the pre-retrofit energy evaluation is carried out, the energy adviser will provide the homeowner with a report listing the changes which can be made to make the home more energy-efficient. Any such changes which are listed in the program's Grant Table can qualify for a grant. That listing is long and detailed, but the qualifying changes generally fall into one of the following categories:

- Heating systems
- Cooling systems
- Ventilation systems
- Domestic hot water equipment
- Insulation
- Air sealing
- Windows/doors/skylights
- Water conservation

The EcoENERGY Retrofit program is intended to encourage renovation and improvements increasing the energy efficiency of Canada's existing housing stock. Consequently, no incentives are available for upgrades or other changes made to new homes. As well, the program does not apply to new construction, including additions made to existing homes. Generally, grants are provided to owners of existing low-rise residential properties, including single detached and attached homes (ie., row housing, duplexes, and triplexes), four-season cottages, mobile homes on a permanent foundation, and perma-

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nently-moored floating homes. Multi-unit residential buildings and mixed-use buildings may also be eligible for the grants if they meet certain criteria related to size and degree of residential use.

Homeowners who took advantage of the EcoENERGY Retrofit program during its first phase, between 2007 and 2011 may still participate in the renewed program, provided that they did not receive the maximum grant of \$5,000. It's important to note as well that the \$5,000 cap applies per property and not per individual. Consequently, a property owner who owns multiple buildings (for example, a home and a cottage) may apply for grants in respect of each property, up to the \$5,000 per property limit.

In addition, while the renewed program is scheduled to run from June 6, 2011 to March 31, 2012, meaning that any retrofits must be carried out and a post-retrofit evaluation done before the end of March 2012, it's possible that the program will end prior to that date. The federal government has allocated \$400 million to the renewed program, and information provided on the program Web site makes it clear that, once the program's financial limit has been reached (i.e., \$400 million worth of grants have been provided), the program will be closed to new participants, without notice.

Detailed information about the program can be found on the Web site of the Ministry of Natural Resources at <http://oee.nrcan.gc.ca/residential/personal/grants.cfm?attr=0>. A lengthy FAQ document is available at <http://oee.nrcan.gc.ca/residential/personal/retrofit-homes/questions-answers.cfm?attr=4>. If further information is required, the program office can be contacted at 1-800-622-6232.

The information presented is only of a general nature, may omit many details and special rules, is current only as of its published date, and accordingly cannot be regarded as legal or tax advice. Please contact our office for more information on this subject and how it pertains to your specific tax or financial situation.