



SUBJECT: Burlington solar incentive proposal

TO: Committee of the Whole

FROM: Environment and Energy

Report Number: EICS-02-24

Wards Affected: all

Date to Committee: March 4, 2024

Date to Council: March 19, 2024

Recommendation:

Approve a one year pilot incentive program to cover the cost of a building permit for solar system installations in the City of Burlington as described in environment and energy report EICS-02-24; and

Direct the Executive Director of Environment, Infrastructure and Community Services to report back before the end of 2024 with an update on the solar incentive program; and

Consider ongoing funding to support the solar incentive program to cover the cost of a building permit during the Mayor's 2025 budget process.

PURPOSE:

Vision to Focus Alignment:

- Increase economic prosperity and community responsive city growth
 - Support sustainable infrastructure and a resilient environment
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Background and Discussion:

In September 2023 staff provided an update at the Community Planning, Regulation & Mobility Committee Meeting on the implementation of the community Climate Action Plan ([EICS-10-23](#)). [Council](#) approved the following direction:

Direct the Executive Director of Environment, Infrastructure and Community Services to report back in Q1 of 2024 on the solar incentives offered by other

municipalities with an interest in implementing a future incentive program in Burlington.

Staff reached out to Ontario municipalities to request information on solar incentives available in their communities. Responses on programs were limited but many expressed an interest in Burlington's approach. A summary of the results of the survey are provided below under 'Options Considered'. The following is a list of proposed measures to incentivize and support the installation of solar systems within Burlington.

1. Solar System – Building Permit Incentive – Pilot Program

To help encourage the installation of solar systems in Burlington, a pilot program is recommended to cover the cost of a building permit for solar installations for one year beginning in April 2024. The number of building permits issued in 2022 for residential installations was 21 followed by 31 in 2023. The increase in installations over the past couple of years are likely due to the Greener Homes incentives offered by the federal government.

The City's Building Department does not specifically track the type of solar installation between solar PV (photovoltaic) to produce electricity and solar thermal to heat water. It is estimated that the majority of permits are for solar PV installations.

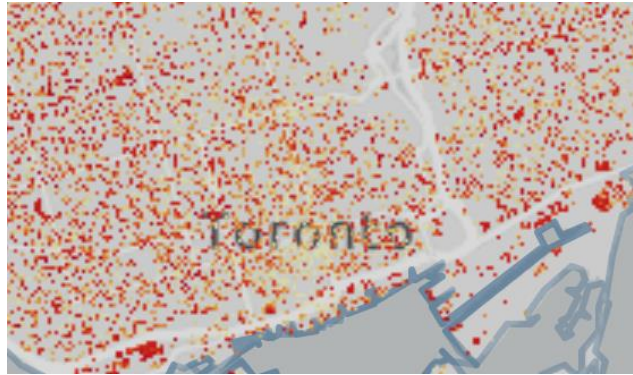
The cost of a building permit for a solar installation in Burlington is currently \$594. The pilot program would cover the cost of the building permit as an incentive to encourage installations of solar systems in the community.

The pilot program would be similar to the [fee assistance program](#) that Burlington has offered for several years to homeowners to cover the cost of a building permit for specific plumbing measures (backwater valves, sump pumps and/or the repair/replacement of a sanitary line - only with the installation of a backwater valve) to reduce home flood risk and improve community climate resiliency.

2. Implementation of a Solar Map

City staff have researched the option of utilizing a solar map to help Burlington residents determine the capacity for rooftop solar, the estimated payback for a system, and the steps necessary to install a solar system (i.e. permits required). Residents would also be directed to contact Burlington Hydro for additional information related to connection fees/permits and areas of the city where there might be restrictions for net metered solar projects. Environment and Energy staff along with GIS colleagues met with City of Toronto staff to learn how the [SolarTO](#) map was created.

SolarTO Map (sample)



Using available data, Burlington staff are working to create a map similar to the [SolarTO map](#) for Burlington residents with in-house resources, primarily staff time. Once completed, information and a link to the tool will be made available on Burlington.ca/betterhomes.

3. Improving Information

In addition to the solar map and information on the steps to obtain approvals/permits, tips will be provided on how to find a contractor – questions to ask and links to associations that support solar contractors. An option we are pursuing is to provide residents with a template for quotations to provide to contractors when enquiring about the costs to install a solar system. This action was recommended by a local resident and member of the Integrated Transportation Advisory Committee based on his own experience of trying to compare quotations from different solar contractors. This could help assist homeowners to obtain similar costed quotes from each contractor, improving the ability to compare quotes. The template is being finalized and a similar template could be developed for air source heat pump quotations.

[Burlington Hydro](#) has advised that it is also working to improve their website to provide the necessary information related to permits, fees and potential areas of the city where there might be restrictions for installing solar systems.

4. Better Homes Burlington Program

Staff see the potential for the [Better Homes Burlington](#) program to provide financing in the future to support the installation of solar systems in addition to air source heat pumps. Please refer to report EICS-03-24 for an update on the Better Homes Burlington pilot program and recommended next steps.

Strategy/process/risk

Staff reached out to our network of municipalities in Ontario to request information on incentive programs to encourage solar installations. Although municipal incentive

programs are limited, staff from several municipalities¹ expressed interest in the topic and requested that this report be shared once final.

Staff spoke with local stakeholders and city staff for feedback on options being considered to incentivize solar.

There is limited risk in implementing a pilot program to support solar installations in Burlington. The greater risk is a lack of action to support the City's Climate Action Plan and failing to achieve the target to be a net carbon neutral community by 2050. Council declared a climate emergency in 2019, recognizing the impacts that a changing climate is having on the community.

There is an additional external risk related to the new criteria being introduced in 2024, restricting participation in the federal Greener Homes grant program, which provides incentives for solar installations. This could have a negative impact the rate of future installations in the community.

Options Considered

This is a summary of options considered to incentivize and/or support the acceleration of solar installations in Burlington:

Building Permit Grants: no municipality has implemented a program to provide a grant to cover the cost of a building permit for a solar installation.

Building Permit Exemptions: two municipalities have implemented exemptions from building permits for certain rooftop solar installations that meet specific criteria ([Markham](#) and Ottawa).

Financing: three municipalities responded that they provide financing for solar installations under their home energy retrofit financing programs ([Guelph](#), [Ottawa](#) and [Toronto](#)). Outside of Ontario, Halifax Regional Municipality has been a leader for years in providing financing options for solar installations using an LIC (local improvement charge) mechanism through their [Solar City](#) program.

Solar Mapping: two municipalities have improved information for homeowners on the opportunity to install solar on rooftops by implementing solar maps ([Toronto](#) and [London](#)). Information on rooftop capacity potential, number of panels and payback is provided for each property. London has partnered with a third party to

¹ Oakville, Halton Hills, Milton, Hamilton, Brampton, St. Catharines, Whitby, Peel Region and London

deliver the service at a cost. Toronto has developed the system in-house with support from GIS and energy staff.

Community Improvement Plan (CIP): [Caledon](#) provides grants to businesses in their CIP program areas. Grants are available for energy and carbon reduction measures. A total of 50% of eligible costs, to a maximum of \$40,000, is available for businesses located in the CIP program areas.

City staff previously worked with students in McMaster University's Engineering and Public Policy program in the W Booth School of Engineering Practice and Technology to research best practices to support renewable energy installations in Burlington. The students connected with local stakeholders, other municipalities, completed a community survey and held a focus group. Their recommendations were shared in the 2022 Climate Action Plan update report ([EICS-11-22](#)) for consideration:

- 1) Improve information available on the steps required to install renewable energy projects;
- 2) Assist residents on finding a qualified contractor/installer; and,
- 3) Provide financial support or incentives to accelerate the installation of renewable energy.

Financial Matters:

Staff have estimated 26 building permits to be issued in 2024 for solar installations. However, this number may be lower if the federal government cancels the Greener Homes grant program which provides incentives for solar installations.

Total Financial Impact

The total financial impact is estimated to be approximately \$15,500 based on an average of 26 solar installations per year (between 2022 and 2023).

Source of Funding

In late 2023, staff were successful at obtaining a \$10,000 grant from Enbridge Gas to support the City's climate actions. This funding was accrued to the 2024 operating budget to help cover the cost of the proposed solar building permit pilot program. Additional funding required to support the program if required will be covered by the existing Environment and Energy Budget.

Other Resource Impacts

It is not anticipated that this program will require significant staff resources to implement.

Climate Implications:

Renewable energy is identified as a key program area in Burlington's [Climate Action Plan](#), approved by Council in 2020. When the plan was developed, the consultant modelled the actions required to meet the 2050 target. Milestones were identified for a variety of actions such as solar photovoltaic panels. For example, by 2025, 79 megawatts of net metered solar PV should be installed in the community. In 2023, the annual update report for the Climate Action Plan noted that just under seven megawatts of solar energy was installed in Burlington. Unfortunately, municipalities have few levers to require installation of solar systems. By covering the cost of the building permit for solar installations, one more barrier is removed to encourage adoption of renewable energy in our community.

Engagement Matters:

Staff from the following departments/sections were engaged in this report: Building, Energy, Sustainability and Finance. Burlington Hydro was also consulted on the proposal, along with the Sustainable Development Committee. Information has also been shared with the Bay Area Climate Change Council and BurlingtonGreen.

If the program is approved by Council, staff will work with our Communications Advisor and Community Engagement staff to publicize the information through a media release, social media, and the [TakeActionBurlington.ca](#) blog. Improved information and details of the incentive program will be published on [Burlington.ca/BetterHomes](#). Staff will also work with organizations in our network to share the information, including hosting a webinar to help educate residents on the steps required to install a solar system on their home. Effort will also be taken to coordinate information with Burlington Hydro.

Conclusion:

Approval of the proposed pilot program will help to incentivize solar installations by removing an additional barrier. Solar energy can help to offset the cost of electrification, such as electric vehicles and air source heat pumps, and provides a resilient source of energy.

Respectfully submitted,

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Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.