

CEIP Pilot Learned Lessons

The pilot provided an opportunity for Administration to evaluate how processes and the program design impact applicant success. Lessons learned from this pilot program and similar Canadian initiatives helped inform the development of a permanent program.

Advances for Contractor Deposits

Often, against the cost of upgrades, contractors required 10 per cent of costs in advance. This was typical for smaller contractors to assist with cashflow or with technologies that would be customized to the applicant building. Edmonton is the only municipality that does not provide this option.

The risk to the City of issuing advances ahead of upgrade completion was re-examined, and found to be low. This adjustment is due to low contractor deposit amounts and no losses experienced by other Albertan CEIP initiatives.

The new multi-year program allows this option for residential applicants that meet program eligibility. This change is expected to improve the applicant experience and number of participating contractors.

This may also help to support equity for smaller contractors or those with technologies (e.g. ground source heat pumps) that require extensive customization.

Five Years Tax Payment in Good Standing

The Alberta CEIP regulation has an eligibility requirement of five years tax payment in good standing (demonstrated by a tax history with no arrears in the past five years).

Specific to the CEIP Pilot Program, a requirement of five years ownership was included in the terms and conditions which left newer property owners ineligible.

Some municipalities, namely Calgary, initiated a credit check option to address new owner concerns. A credit check is not deemed to provide additional repayment confidence (as new owners are likely to have lenders complete the same check) and may add an unnecessary step to the application process.

The new multi-year program will remove the five year minimum ownership requirement included in the Pilot program terms and conditions. This change will align with the regulation regarding five year tax history and an absence of arrears. This will allow newer residential property owners access to the program. For

example, a property owner with just three years of ownership history, but with no arrears during that time, will be eligible to apply for the permanent program.

Administration Fee

The CEIP Regulation allows for cost recovery by a municipality of up to a maximum of 5 per cent of capital costs of upgrades. The City of Edmonton set the administration fee at 1.575 per cent of financing total for the pilot program to keep costs low for participants, providing that the bylaw is approved in its current draft, for the permanent program.

Qualified Contractors

Alberta Municipalities provides program training and lists contractors who are approved to work on CEIP projects. These contractors execute the building upgrades.

To confirm project installations, site visits before and after the installation of the upgrades are completed by qualified personnel. Applicant site visits are chosen randomly. During the pilot approximately one in four projects received site visits with no concerns discovered.

Access to multiple qualified contractors has been a challenge. Preliminary feedback from program participants have noted that some categories of upgrades have very few choices of contractors to choose and may have limited technical capacity. To support recruitment, Alberta Municipalities and participating cities continue to promote the program.

Net Zero

The CEIP pilot program was designed to address the challenge of costs for upgrades. To encourage deeper emission reductions a minimum of three upgrades are required in the Edmonton program.

This intention inadvertently limited applicants who were interested in CEIP with properties that were already near net zero or had already completed a large number of property upgrades. The new program eligibility will allow fewer than three upgrades where only one or two upgrades are necessary for the property to reach the Net Zero certification.

Preliminary feedback from program applicants also showed that the Net Zero term and benefits were not widely understood.

Coaching Services

With many upgrade types and incentive programs to choose from, a residential coaching service may help applicants:

- better navigate the program processes,
- better understand their building audit results, increase awareness of related incentive programs,
- comprehend retrofit technology and
- manage contractor issues.

The coaches may also be able to provide context to property owners on a net zero pathway and options available for this to be achieved.

Funded within the existing budget, a complementary coaching services pilot program will be offered as part of the permanent CEIP.

Provide More Program Information for Potential Applicants

Feedback from the original wave of residential applicants (March 2022) included a recommendation to provide more information on how the program works, timelines and other useful details for potential applicants. As a result, Administration provided webinars with end to end program details on August 9, 2023 and August 10, 2023, prior to the relaunch of the residential stream on August 22, 2023. The webinars included a slide presentation followed by a question and answer session. The webinars each had more than 25 attendees. One of the webinar recordings was linked to the program website and has had more than 125 unique views.

From the initial residential launch, the minimum time from prequalification submission to applicant approval (established by the execution of the financing agreement, after which upgrades can begin) was 12 weeks. For the second residential wave, the submissions have required much less correspondence and project approvals have been occurring within as few as four weeks.

A step for advance program information has been built into plans for the next launch phases and webinar content and recordings will be updated as program changes occur.