



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

The Honourable Jonathan Wilkinson
Minister of Energy and Natural Resources

January 18, 2024

The Honourable Steven Guilbeault
Minister of Environment and Climate Change

RE: Urgent Need for Extension and Expansion of the Greener Homes Grant Program

Dear Minister Wilkinson and Minister Guilbeault,

We are writing you regarding the urgent need for the government to not only replenish but also extend the scope of the Greener Homes Grant Program.

As you know, this program had offered homeowners grants of up to \$5,000 for specific upgrades, starting with a home energy evaluation, followed by a retrofit, and concluding with a post-retrofit assessment. These assessments are conducted by charitable entities within the Green Communities Canada network, such as REEP Green Solutions in Waterloo Region.

These incentives are critical to taking action on climate change. They not only curtail emissions, but improve affordability for homeowners through lower energy bills, generate employment opportunities within the green sector, and remarkably pay for themselves, yielding a return of \$2 to \$5 for each dollar invested through increased tax revenues. Their impact has been tangible, evident in the significant surge from approximately 32,000 to nearly 112,000 retrofits completed by homeowners across the country since the program's launch.

In order to make meaningful progress for all Canadians as they face simultaneous climate and affordability crises, we are calling on the federal government to:

1. Replenish the Greener Homes Program to ensure adequate funding
2. Expand the Greener Homes Program to fund deep home retrofits
3. Fund the expansion through windfall profit tax on Big Oil

Replenish the Greener Homes Program to ensure adequate funding

The program, as structured, envisaged a modest target/cap of 700,000 retrofits over seven years, an inadequately gradual pace considering the over 11 million homes in Canada. Moreover, the program's current configuration has only increased greenhouse gas reductions from 22% pre-program inception to 26%, completely insufficient in the face of the climate crisis and falls short of Canada's international commitments. Most concerning of all, alarming reports from the CBC highlight the program's imminent financial strain, forecasted to deplete three years prematurely. Organizations like REEP have previously encountered this situation on three occasions, resulting in the devastating winding down of popular energy efficiency incentives similar to the Greener Homes Grant Program.

The federal government must, at minimum, commit to sustained and predictable funding for continuation of the Greener Homes Grant Program in Budget 2024. Consideration for funding in Budget 2024 must make an essential adjustment that accounts for inflation, recognizing that a similar program in the Harper government offered the same \$5,000 incentive at a time when inflation was much different.

Expand the Greener Homes Program to fund deep energy retrofits

It's essential to expand the program to facilitate deep retrofits aiming for a minimum 50% energy savings. This expansion would involve enhanced measures like insulation, thermal efficiency enhancements, electrification, and leveraging innovative technologies such as heat pumps and solar. Models from other jurisdictions, like Ireland and Germany, showcasing grants of up to \$50,000 serve as valuable examples. The Green Budget Coalition has proposed an estimated \$20 billion over five years for a comprehensive initiative.

Fund deep home retrofits through windfall oil tax revenue

For the banking and insurance industries, the Canadian government has recognized unreasonable profiteering and has already put in place the Canada Recovery Dividend, a 15% windfall tax on their excess profits. Mike Morrice's Private Members' Motion 92, calls on the governing party to extend this measure to include the excess profits of fossil fuel companies, and to direct the revenue raised to address both the climate crisis and affordability for Canadians. The motion details potential revenue generation by imposing a windfall tax on profits in excess of a billion dollars by oil and gas corporations operating in Canada. Just a one-time application of this tax on their 2022 profits would generate roughly \$4.2 billion, a comparable sum to execute this pivotal initiative. This strategic allocation would encourage homeowners to undertake extensive retrofit projects, aligning financial incentives with environmental objectives.

Again, we call on the federal government to commit unequivocally to the continuity of the Greener Homes Grant Program and that its scope be expanded to prioritize comprehensive energy-saving retrofits at a scale being called for by the Green Budget Coalition.

Sincerely,



Mike Morrice,
MP for Kitchener Centre, ON



Elizabeth May, MP for Saanich-Gulf Islands, BC
Leader of the Green Party of Canada

cc: Patrick Gilbride, Executive Director, REEP Green Solutions
Jared Kolb, Interim Executive Director, Green Communities Canada