

March 5, 2024

The Honourable Jonathan Wilkinson
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cc

The Honourable Chrystia Freeland
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Dear Minister Wilkinson,

Re: The Ending of the Canada Greener Homes Grant Program

The Canada Greener Homes Grant Program¹ is a great success. Over half a million people have signed up for the program in the last three years to improve the energy efficiency of their homes and to save money on their energy bills. Due to this program and others like it, heat pumps² are having a moment at a time when many Canadians are concerned about affordability and climate change is wreaking havoc across the country. We are concerned about the abrupt suspension of this program. Any delay or disruption in this program is very damaging.

It is unfortunate that this program was not designed and capitalized well enough to prevent it from running out of money prematurely. It is a mistake to close the program early without having put an alternative program into the field.³

¹ Government of Canada, Canada Greener Homes Initiative, Canada.ca, latest update February 2024, [link](#).

² Mitchel Consky, 'Heat Pumps, What are They and the Pollution Pricing Debate.', ctvnews.ca, November 13, 2023, [link](#).

³ Mia Rabson, 'Greener Homes Grant program proves more popular than federal government expected.', ctvnews.ca, February 5, 2024, [link](#).



Discontinuing this program has created uncertainty in the HVAC and Energy Monitoring industries⁴ and an unsustainable boom-bust dynamic that will cause considerable chaos. It has created uncertainty for businesses who have invested in this program and created almost 75,000 new jobs,⁵ while putting doubts into the minds of thousands of Canadians who have only recently considered switching to a heat pump. It has also made things challenging for climate advocates⁶ who have put a lot of energy into promoting heat pumps and trying to educate Canadians about their merits.

We strongly urge the government to reconsider the decision to sunset the program. Instead, we offer the following suggestions:

1. Renew the funding so the program doesn't put people out of good manufacturing, construction, monitoring and sales jobs.
2. Release the details of a revised program that will work for everyone by:
 1. Providing interest free loans to all Canadians.
 2. Offering incentives to all families that need them (to tip the balance in favour of home heat pumps and help overcome significant upfront costs).
 3. Supplying free heat pumps for low-income Canadians, similar to the Oil to Heat Pump Affordability program.
3. Ensure that the program is properly capitalized to provide enough funding well into the future. This means indicating how and under what conditions the program will be phased out to ensure an orderly wind down. (i.e. when heat pumps have reached price parity with fossil fuel alternatives and are obviously the best choice for everyone.)

The key to the success of this program is affordability and universality. We know that many Canadians struggle with affordability and have difficulty making energy efficiency upgrades to their homes due to high up-front costs and needless administrative barriers.⁷ Similarly, a modest \$2.5 Billion investment over four years will enable low-income households to retrofit their homes.⁸ If the government can find \$5.7 Billion over six years for the Carbon Capture, Utilization and Storage Investment Tax Credit (ITC)⁹, and another \$5.7 Billion over six years for

⁴ Mitchell Beer, "'Massive Fallout' Feared as Ottawa Ends Greener Homes Grant Program.", theenergymix.com, February 6, 2024, [link](#).

⁵ Kyle Bakx, 'Canada Greener Homes program is ending. Thousands of layoffs could follow.', cbc.ca, February 1, 2024, [link](#).

⁶ Adrian Currie, 'Five Reasons Why You Should Buy a Heat Pump.', environmentaldefence.ca, January 30, 2024, [link](#).

⁷ A. Kantamneni, B. Haley, 2024, Climate and Affordability in Budget 2024, Efficiency Canada, Carleton University, Ottawa, ON.

⁸ A Kantamneni, Climate and Affordability in Budget 2024, 2024.

⁹

<https://www.pbo-dpb.ca/en/publications/LEG-2324-022-S--investment-tax-credit-carbon-capture-utilization-storage--credit-impot-investissement-captage-utilisation-stockage-carbone>



the Clean Hydrogen ITC¹⁰ for companies that are making billions of dollars in profit, then they should be able to find \$2.5 Billion for low- and moderate-income Canadians during a climate crisis.

The government is strongly advised to move quickly to give notice of the continuation of this popular program. Waiting until the next federal budget to recommit to this program is unacceptable given the mixed messaging Canadians have been receiving about the federal government's commitment to climate change. If the federal government is committed to addressing the climate crisis while helping Canadians with real affordability measures, acting now is the best way to ensure this.

Signed:

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environmental
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Chair
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Laura Ullmann
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¹⁰

<https://www.pbo-dpb.ca/en/publications/LEG-2324-021-S--investment-tax-credit-clean-hydrogen--credit-impot-investissement-hydrogene-propre>



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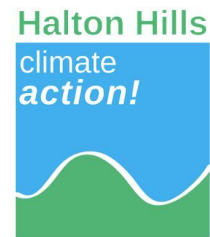
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