

# ***Staff Report***

*Infrastructure Services Department*



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**REPORT TO:** Special Council

**DATE OF MEETING:** August 11, 2025

**SUBMITTED BY:** Greg St. Louis, Director Kitchener Utilities Gas & Water, 519-783-8792

**PREPARED BY:** Greg St. Louis, Director Kitchener Utilities Gas & Water, 519-783-8792

**WARD(S) INVOLVED:** All Ward(s)

**DATE OF REPORT:** August 6, 2025

**REPORT NO.:** INS-2025-350

**SUBJECT:** Home Renovations Savings Program

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## **RECOMMENDATION:**

**That staff be directed to participate with the Province of Ontario, Enbridge Gas Inc. and the Independent Electric System Operator, in the Home Renovations Savings Program through a “One-Window” approach; and**

**That the General Manager of Infrastructure Services be authorized to execute a service agreement on behalf of Kitchener Utilities with Enbridge Gas Inc. to deliver the Home Renovations Saving Program to Kitchener Utilities customers through a “one-window” approach; said agreement to be to the satisfaction of the City Solicitor; and**

**That staff be directed to incorporate the necessary program funding for the Home Renovations Savings Program rebates into future Kitchener Utilities budgets.**

## **REPORT HIGHLIGHTS:**

- The purpose of this report is to provide overview of the Provincial Home Renovation Saving Program (HRSP) for Ontario residents
- The key finding of this report is that staff recommend that Kitchener Utilities partner with the Province, IESO and Enbridge Gas on the delivery of the HRSP
- The financial implications are an increase in anticipated funding requirements to support the HRSP through Kitchener Utilities’ Demand Side Management budget, which will be brought forward through future budget processes which, at full implementation, represents a 5.2% increase to gas delivery rates (not including supply) based on anticipated program utilization

\*\*\* This information is available in accessible formats upon request. \*\*\*  
Please call 519-741-2345 or TTY 1-866-969-9994 for assistance.

- This report supports **Cultivating a Green City Together: Focuses a sustainable path to a greener, healthier city; enhancing & protecting parks & natural environment while transitioning to a low-carbon future; supporting businesses & residents to make climate-positive choices.**

## **BACKGROUND:**

In January 2025, the Province of Ontario launched the Home Renovation Savings Program (HRSP) for Ontario residents. This 12 year \$10.9B energy efficiency program is the largest in Canadian history and is administered by the Independent Energy Systems Operator (IESO) for electricity users, and Enbridge Gas Inc. for gas users in Enbridge Gas Inc. service area. The program provides rebates of up to 30% of the cost of an upgrade to a maximum of \$5,000 per customer. Eligible renovations and improvements include new windows, doors, insulation, air sealing, smart thermostats, heat pumps, as well as rooftop solar panels and battery storage systems.

Each gas utility in the province has developed their own conservation program in the past, based on customer requirements and budget consideration as conservation programs are funded through natural gas rates. Kitchener Utilities' annual Demand Side Management (DSM) conservation program typically provides rebates for smart thermostat upgrades, high-efficiency water heaters, and energy audits conducted by REEP Green Solutions and rebates for commercial and industrial customers.

The Province of Ontario has requested that all local gas utilities, including Kitchener Utilities, Utilities Kingston, and EPCOR, engage with the IESO and Enbridge Gas Inc. to facilitate their participation in the HRSP and match the rebates offered within the program.

## **REPORT:**

As outlined in the integrated energy strategy, *Energy for Generations*, the Province of Ontario is committed to offering a "one-window" approach to delivering energy efficiency rebates. This model is designed to simplify access to both electricity and natural gas conservation programs, streamlining the rebate process for Ontario residents seeking home energy upgrades. As such, the HRSP is intended to offer unified access to all residential energy efficiency rebate options.

The Province has requested that all local gas utilities including Kitchener Utilities, Utilities Kingston, and EPCOR participate in the HRSP. Under this model, the Province and the IESO lead all marketing and communication for the program, and Enbridge Gas Inc. will be responsible for the program administration. Kitchener Utilities will utilize the marketing and communication materials issued by the Province to help ensure Kitchener Utilities customers are aware of the program. Kitchener Utilities' role would be a program partner, funder, and promote the program to KU customers. Kitchener Utilities customers would be eligible for this program, later in 2025 as soon as a service agreement with Enbridge Gas Inc. is completed as well as any updates to the Enbridge Gas Inc. processes to accept Kitchener Utilities Customer.

When the Province announced the HRSP, Kitchener Utilities customers began contacting staff with concerns about their ineligibility for the HRSP rebates. Staff have been engaged

with the Province of Ontario and the IESO to determine a plan to have Kitchener Utilities customers eligible for conservation rebates. There are three options that staff considered:

- 1) Status quo and maintain the current level of rebates and program funding and wait until the Kitchener Utilities Clean Energy Transition Project is completed;
- 2) Expansion of the existing conservation program, providing new rebates for doors, windows and insulation but at funding levels below the HRSP and capping the maximizing customer rebate to \$1,000. This would double the existing budget but most likely at a reduced uptake of the program;
- 3) Partner with the Province of Ontario in the HRSP and provide the same level of rebates to KU customers as Enbridge customers are eligible for.

The HRSP conservation rebates are aligned with a broader, corporate-wide commitment to reducing greenhouse gas (GHG) emissions by reducing natural gas consumption. It aligns with the council approved Transform Waterloo Region report (2021), which sets a long-term goal of an 80% reduction in GHG emissions by 2050. Further, Kitchener Utilities is advancing efforts through the Clean Energy Transition Strategy, to develop an integrated business approach that ensures Kitchener Utilities' financial sustainability while delivering valuable services to Kitchener residents. Exploring customer incentives in DSM and exploring innovative technologies for heating buildings and water systems to reduce the dependency on natural gas is included in the scope of this project.

If Kitchener Utilities participates in the HRSP, rebates will be available to all households within the province and not just Enbridge Gas service areas. This alignment will help our local contractors and installers clearly communicate this offer to all residents in the Region, as it's a province wide program. This should reduce contractor and customer confusion and assist with increasing program awareness and uptake. In addition, the HRSP will have an immediate improvement on making customers' homes more energy efficient thereby reducing the amount of natural gas consumed, reducing GHG emissions which aligns with the KU Clean Energy Transition project and will benefit the community.

## **STRATEGIC PLAN ALIGNMENT:**

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## **FINANCIAL IMPLICATIONS:**

The HRSP is a 12-year provincial project and will require continuous funding over its duration. The program is well beyond any conservation and incentive program that Kitchener Utilities has ever implemented. To support budget projections, staff are relying on estimates for customer uptake and rebate amount. At present, staff are initially estimating 1000 customers per year with an average rebate amount of \$1,800. However, the maximum rebate allowed per the program is \$5,000 per customer, if many incentives are combined.

The Province will be promoting and marketing the program, and Enbridge will be delivering the program for both natural gas and electricity customers in Ontario. The one-window models will minimize the need for Kitchener Utilities to hire additional staff to run the program, however, Kitchener Utilities staff will need to verify and approve the final amounts released to customers, coordinate with Enbridge on reporting, and market the program to Kitchener Utilities customers. Enbridge Gas will be compensated for administering the conservation program on behalf of our customers. Staff are currently in discussions with Enbridge Gas Inc. to determine a fair and reasonable amount.

The existing DSM funding is \$300,000 annually. Due to a capital carry-over from 2024, the current available balance is \$430,000, which will be utilized to fund the HRSP in 2025. The proposed funding is to increase the DSM capital budget over a three-year period to reach an annual funding of \$1.8M. This requires an additional \$500,000 in 2026, increasing to \$1M in 2027, and finally increasing to \$1.5M in 2028.

The Province plans to conduct a formal review of the program after the initial three-year implementation period for an option for program adjustments. For Kitchener Utilities, the program will need to be reviewed annually to adjust both budget and staffing requirements based on provincial changes to the program or customer uptake levels. In addition, the Gas Capital Reserve may need to be utilized to absorb any cost overruns in the DSM budget, if the HRSP is utilized by more customers than estimated or the amount of the rebate is more than estimated. The following chart reflects the estimated funding required:

	2026	2027	2028
Additional program funding	\$500,000	\$1,000,000	\$1,500,000
M1 Rate Impact/m3	\$0.0019	\$0.0038	0.0057
Increase over 2025 M1 rate	1.7%	3.5%	5.2%
Annual impact to average residential customer	\$3.80	\$7.60	\$11.40

## **COMMUNITY ENGAGEMENT:**

The Province of Ontario will be providing marketing materials to the program participants as well as promoting the HRSP on behalf of gas and electric utilities.

INFORM – This report has been posted to the City’s website with the agenda in advance of the council / committee meeting.

**APPROVED BY:** Denise McGoldrick, GM Infrastructure Services