



**Utilities Kingston
Report to Council
Report Number 26-024**

To: Mayor and Members of Council

From: David Fell, President & CEO, Utilities Kingston

Resource Staff: Julie Runions, Director, Engineering, Utilities Kingston
Corey Martin, Manager, Asset Management & Climate Action,
Engineering, Utilities Kingston

Date of Meeting: January 13, 2025

Subject: Utilities Kingston and Better Homes Kingston Home
Renovations Savings Incentives

Executive Summary:

Utilities Kingston's Strategic Plan Theme 6: Climate Leadership, Initiative 1 includes a commitment to support the City of Kingston's climate action strategies. Furthermore, in line with Utilities Kingston Climate Action Leadership Plan Pillar 2, Opportunity 1 to expand incentives, financing and demand response programs, Utilities Kingston, upon direction from the Ministry of Energy, Conservation and Parks is proposing an agreement with the City of Kingston's established, and highly successful Better Homes Kingston program. Administered through a Service Level Agreement, Utilities Kingston and Better Homes Kingston will offer eligible Utilities Kingston natural gas customers access to matched incentives offered to other Kingston residents currently serviced by Enbridge Gas under the Home Renovation Savings Program. This addresses a fundamental gap in efforts to reduce community greenhouse gas emissions due to the limited accessibility of incentives for energy saving retrofits offered to Ontarians under the Home Renovation Savings Program.

The Service Level Agreement will be created between the City and Utilities Kingston to provide financial incentives, program administration support, and co-marketing for the program offerings.

The proposed agreement with Better Homes Kingston supports the Climate Leadership Plan (2021) goal of a 30% reduction of Community GHG emissions by 2030, and collectively furthers

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the goals of Utilities Kingston's Climate Action Leadership Plan, Pillar 2 - Supporting Climate Action: Empowering customers through education, incentives, and programs that encourage sustainable choices.

Recommendation:

This report is for information only.

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Authorizing Signatures:

ORIGINAL SIGNED BY PRESIDENT

& CEO, UTILITIES KINGSTON

**David Fell, President & CEO,
Utilities Kingston**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services

Jennifer Campbell, Commissioner, Community Services Not required

Neil Carbone, Commissioner, Corporate & Emergency Services Not required

Desirée Kennedy, Chief Financial Officer & City Treasurer Not required

Jenna Morley, City Solicitor Not required

Ian Semple, Commissioner, Transportation & Infrastructure Services Not required

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Options/Discussion:**Background**

The Ministry of Energy, Conservation and Parks has directed local natural gas distribution providers to develop programs for energy efficiency retrofit incentives, in line with the SaveONEnergy Home Renovation Savings Program, for their customers, who are currently excluded from province-wide offerings.

The SaveONEnergy brand, managed by the Independent Electricity System Operator (IESO) delivers energy-efficiency programs across Ontario. Enbridge Gas is the key delivery partner for several SaveONEnergy initiatives targeting residents who heat their homes with natural gas as part of the Home Renovation Savings Program and the Energy Affordability Program. Enbridge gas customers are currently the only Ontario residents eligible for Home Renovation Savings Program incentives which excludes Kitchener Utilities, Enova and Utilities Kingston customers, despite the program being marketed provincially, to all Ontario residents.

Upon direction from the Ministry, Utilities Kingston has worked closely with the IESO, Enbridge, Kitchener Utilities and the City of Kingston to evaluate the most cost effective and all-encompassing solution for ensuring all residents - regardless of their natural gas service provider - have equal access to these subsidies. Through these consultations it was found that the most cost effective and efficient method of delivering these subsidies was an agreement with Better Homes Kingston.

Better Homes Kingston has a fully developed intake process, a web-platform for customer relations, program administration and infrastructure to support the integration of the program. As the timeline for relaunch aligns for early 2026, an agreement is proposed between the City of Kingston and Utilities Kingston. The new program stream will offer matched incentives (of the Home Renovation Savings Program) to Utilities Kingston customers, while also offering the supplemental value of program financing and support from Sustainable Kingston's Energy Coaching services, to enable quick and effective implementation. This approach ensures fair access for all Kingston residents and offers additional support to those interested in improving their home's energy efficiency.

This new program will align with the Ministry's goal of a consistent, simplified customer journey that is aligned with IESO's one-window approach used for the administration of SaveONEnergy programs. For many eligible upgrades, this program will offer a streamlined, simplified process, not requiring home energy assessment. This reduces the cost, complexity, and timelines for implementation, while still providing essential support to ensure homeowners are educated and prepared.

As presented in [Report Number 25-192](#), the 2024 Community Greenhouse Emission Inventory identifies residential emissions as comprising 14.7% total community greenhouse gas emissions. One of the primary contributors to these emissions is the use of natural gas for home heating. Incentives offered under this program are specifically designed to reduce residential greenhouse gas emissions associated with poor insulation and natural gas use. By lowering financial barriers to upgrading aging natural gas furnaces or improving energy efficiency through better insulation, Better Homes Kingston helps reduce energy consumption and supports community GHG emissions reductions in line with the City's Climate Leadership Plan and Utilities

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Kingston’s Climate Action Leadership Plan.

Financial (Incentive) Offerings

Through an agreement with Better Homes Kingston, in addition to loan financing, the proposed program will offer incentives to Utilities Kingston’s natural gas customers. It is important to note that all other Kingston residents who heat their homes with Enbridge’s natural gas, non-traditional fuels such as propane, wood, or oil, or electricity from the provincial grid are eligible for the Home Renovation Savings Program

These incentives will be made available through an application process administered through the Better Homes Kingston Portal. Applicants are expected to register with Better Homes Kingston and meet with a Sustainable Kingston Energy Coach prior to completing the upgrades and receiving financial incentives. This ensures applicants are adequately informed about the process and have a basic understanding of eligible energy efficiency upgrades. Energy coaching helps them prioritize upgrades with the greatest potential to reduce greenhouse gas emissions and energy consumption.

Incentives are divided into two streams. The first stream requires an energy assessment conducted by a certified energy assessor and the completion of at least two upgrades. The second stream requires only a notice to proceed and the completion of a single upgrade. Details regarding eligible measures, qualification criteria, and available rebates are detailed below.

Assessment Program stream (2+ upgrades required):

	Measure	Qualifiers	Rebates
Energy assessment	Pre-work and post-work assessments	One rebate per premise, to be paid out after post-work assessment.	\$600
Floor / wall insulation	Exposed floor insulation	For adding insulation value of at least R-20 to the entire exposed floor area (minimum area of 11 square meters or 120 square feet).	\$300
	Exterior wall insulation	For adding insulation value greater than R-20 to 100% of the exterior wall area	\$3,600
		For adding insulation value greater than R-12 up to R-20 to 100% of the exterior wall area	\$2,100
		For adding insulation value of R-7.5 up to R-12 to 100% of the exterior wall area.	\$1,200
		Increase attic insulation to at least R-50 from R-12 or less.	\$1,500

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	Measure	Qualifiers	Rebates
Attic insulation	Attic insulation	Increase attic insulation to at least R-50 from greater than R-12 up to R-25.	\$1,200
		Increase attic insulation to at least R-50 from greater than R-25 up to R-35.	\$900
		Increase cathedral ceiling/flat roof insulation to at least R-28 from R-25 or less.	\$780
	Cathedral ceiling/flat roof insulation	Increase cathedral ceiling/flat roof insulation to at least R-20 from R-12 or less.	\$780
Foundation insulation	Basement wall insulation	For adding insulation value greater than R-22 to 100% of the basement wall area.	\$1,500
		For adding insulation value of R-10 to R-22 to 100% of the basement wall area.	\$900
	Basement slab insulation	For insulating at least 50% of the entire basement slab area to add a minimum of R-3.5.	\$500
	Foundation header insulation	For insulating at least 80% of the entire foundation header area to add a minimum of R-20.	\$300
	Crawlspace (including header area)	For adding insulation value greater than R-22 to 100% of the exterior crawl space wall.	\$1,200
		For adding insulation value of R-10 to R-22 to 100% of the exterior crawl space wall.	\$600
		For adding insulation value greater than R-24 to 100% of the crawl space's ceiling	\$1,200
Air sealing	Air sealing	Achieve an incremental 10% or more performance improvement above the base case.	\$250

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	Measure	Qualifiers	Rebates
Window/ door	Window / door	For each window, door, skylight or sliding door replaced with an ENERGY STAR certified model	\$100
Water heating	Heat pump water heater	Replace your natural gas domestic water heater with an ENERGY STAR certified domestic heat pump water heater.	\$500

Single Measure Program Streams:

	Measure	Qualifiers	Rebates
ccASHP	ccASHP	Must be a Utilities Kingston gas heated home, and ccASHP must be listed on NRCan’s ccASHP qualified products list.	\$500/ton (Up to \$2,000)
GSHP	GSHP	Must be a Utilities Kingston gas heated home and for the installation of a full system. GSHP must be on NRCan’s list of eligible products or be ENERGY STAR certified.	\$3,000
Thermostat	Smart Thermostat	Smart thermostat replacing a manual thermostat	\$100

Analysis

Utilities Kingston has performed an in-depth industry scan, strategic and financial analysis to determine the optimal incentive structure, potential uptake, marketing strategy and associated financial burden. As part of this work, Utilities Kingston collaborated with the IESO, Enbridge, Kitchener Utilities, and Enova to assess the strategic and financial feasibility of partnering with Enbridge as a service provider to administer Home Renovation Savings Program incentives to Utilities Kingston’s natural gas customers on a cost-per-customer basis. This approach was found to be cost-prohibitive and misaligned with Utilities Kingston’s regulatory commitments, climate action goals, and mission, vision and values.

Leveraging industry data from similar North American programs, as well as recent information provided by Enbridge and the IESO on the performance of the SaveONEnergy Home

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Renovation Saving Program, Utilities Kingston has estimated the required resources requirements and projected incentive uptake. Details on the anticipated number of incentive applications and the associated financial impacts are outlined in the financial considerations section below.

Climate Risk Considerations

In agreement with Better Homes Kingston and in line with the City of Kingston’s Climate Leadership Plan and Utilities Kingston’s Climate Action Leadership Plan, both parties are looking to expand on Better Homes Kingston’s previous success in reducing greenhouse gas emissions at the community level. Expanded incentives will help the program reach additional residents while lowering the financial barriers associated with energy efficiency upgrades. This program will strive to ensure all residents of Kingston, regardless of their method of home heating, have equal access to energy efficiency upgrade incentives to actively contribute to the reduction of community greenhouse gas emissions.

Financial Considerations

Estimated incentive uptake and average rebate cost is calculated based on a number of factors including actual participation and average incentive rates from the SaveONEnergy program as well estimated adoption rates and predicted annual compound growth rate data for the various measures sourced from ESource and NRCan.

The table below outlines the estimated average rebate as well as the projected number of incentives issue per year. This forms the basis for the annual requested budget of \$260,800.

	Rebate (average)	Projected Number of Incentives Issued (Per Year)	Total Cost
Heat Pumps (ccASHP or ccGSHP)	1,750	51	\$89,250
Smart Thermostats	100	30	\$3,000
Heat Pump Water Heaters	500	7	\$3,500
Thermal Envelope Upgrades (insulation, air sealing, window/door)	3,600	25	\$90,000
			\$185,750
Program Administration Costs		0.5 FTE	\$75,050
		Total	\$260,800

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Soren Christianson, Project Manager, Climate Leadership, City of Kingston

Julie Runions, Director, Engineering, Utilities Kingston

Exhibits Attached:

None