

Federal / Provincial Solar Incentives and Rebates in Canada

We've put together all federal and provincially available solar incentives in Canada. It includes incentives offered by energy efficiency programs and major Canadian municipalities and major LDCs.

1. Federal Incentives and Rebates.

Canada's federal government provides three solar incentives: two of which are exclusively commercial and one which is residential.

a. The Greener Homes Rebate

The Greener homes initiative is a perfect opportunity for homeowners to make their homes more comfortable to live at reduced costs, while at the same time gaining grants from the government for contributing to Canada's goal of achieving net-zero greenhouse gas emissions. The Greener Homes grant will provide homeowners with up to \$5,000 for the installation and implementation of a roof or ground-mounted solar system. The government of Canada has provided 700,000 grants of up to \$5,000 to help homeowners make energy-efficient decisions and help lower the investment capital required to go solar.

b. Self-employed or Commercial:

The Accelerated Capital Cost Allowance enables commercial producers of renewable electricity to reduce their taxable income in the early years of an asset's operation by claiming additional depreciation. The enhanced allowance offers a 100 percent reduction that scales down over time. This commercial incentive can only be claimed on property subject to Capital Cost Allowance (CCA) rules.

Businesses can also take advantage of the Canadian Renewable Conservation Expense (CRCE), which enables startup expenditures to be deducted in full for the year incurred if related to energy conservation or clean energy generation. If most of the tangible property in a claim is eligible for inclusion in Class 43.1 or 43.2, certain intangible expenses may also be deductible, including engineering and design work.

c. Residential or Homeowners:

Another federal incentive offers homeowners up to 40 thousand dollars in interest-free loans to help purchase environmentally friendly retrofits, like solar panels, a more efficient furnace, or higher quality sealing for windows and doors. Additionally, this program allows homeowners to get a free energy audit to determine what specific upgrades would translate into the greatest savings.

2. Provincial and Municipality Incentives and Rebates

Nova Scotia

Nova Scotian homeowners can claim a rebate of \$0.60/watt of solar panels installed, up to a maximum of \$6,000 or 25% of the total pre-tax system cost. This incentive, titled the "SolarHomes" program, is run by Efficiency Nova Scotia and has dramatically boosted solar energy production throughout the province.

Since the launch of this program in 2009, the number of solar companies based in Nova Scotia has more than tripled (existing article on NS solar).

Nova Scotians living in Halifax, Amherst, Bridgewater, Colchester, as well as a handful of municipalities, also get access to one of Canada's best solar financing programs, PACE. The property assessed clean energy program lets homeowners pay for their solar installation with a \$0 down, long amortization period, low-interest loan.

The logistics of paying this back is quite simple, as the PACE surcharge is simply attached to a homeowner's property tax bill. Overall, Nova Scotia is one of the best places in Canada to make the switch to solar energy, thanks to the province's generous renewable energy rebate, cheap solar installation costs, and excellent natural conditions for the panels.

County of Colchester & Wolfville NS

PACE Atlantic is providing an interest-free loan of up to \$40,000 for up to 15 years to aid in the investment capital required to go solar. PACE Atlantic's purpose is to provide low-carbon programs for Canadian municipalities that help homeowners invest in energy efficiency and solar. This program can be combined with the Greener Homes rebate, totaling up to \$5,000 in rebates and an additional \$40,000 in interest-free loans.

Prince Edward Island

PEI's Solar Electric Rebate Program is administered by EfficiencyPEI and allows homeowners to claim a cash rebate of \$1.00/watt, up to a maximum of \$10,000 in savings. Small business owners are eligible for a rebate of \$0.35/watt up to \$10,000. Applicants to the Solar Electric Rebate Program must be the legal property owner (or business owner) and meet the sizing requirements to be considered by Efficiency PEI.

Residential properties can be no more than three stories high and must be smaller than 600m squared. Detached single-family homes are eligible, in addition to row housing, mobile homes with a permanent utility connection, and apartment complexes. Residents must be occupying their home for more than six months to qualify for EfficiencyPEI's program.

Any building that is found to be structurally unsound during an inspection will automatically be ineligible for the program. Financing of solar panels in PEI can be done with cash, bank loans, a credit line or mortgage, or the province's energy-efficient loan program, which features interest rates of 5% and a 7-year amortization period.

Another key benefit to going solar in Prince Edward Island is the ability to stack both the EfficiencyPEI and Greener Homes rebates, totaling up to \$15,000. This drastically reduces the investment capital required to go solar in PEI. There has never been a better time to go solar if you reside in Prince Edward Island.

Charlottetown & Stratford PEI

PACE Atlantic is providing an interest-free loan of up to \$40,000 for up to 15 years to aid in the investment capital required to go solar. PACE Atlantic's purpose is to provide low-carbon programs for Canadian municipalities that help homeowners invest in energy efficiency and solar. This program can be combined with both the EfficiencyPEI and Greener Homes rebate, totaling up to \$15,000 in rebates and an additional \$40,000 in interest-free loans. This makes Charlottetown and Stratford some of the most affordable cities in Canada to go solar.

Alberta

Despite the cancellation of the province's centralized solar incentive program — Energy Efficiency Alberta Residential and Commercial Solar — Alberta is one of the best places in Canada to make the switch to green energy, thanks to perfect lighting conditions and a slew of regional incentives.

One such program is the Home Energy Retrofit Accelerator (HERA), which is offered in Edmonton and provides \$0.40/watt for solar energy installations. That's roughly 15% of the entire upfront cost of adopting solar power! Residents in Banff, Canmore, Medicine hat, and a few other localities can also claim municipal solar incentives.

Generally speaking, most localities throughout Alberta that offer a solar incentive set it around \$0.70/watt, with a maximum of \$5,000 in savings. Homeowners may live in an area with overlapping solar incentives, so it's vital that due diligence is performed to ensure the right program is selected to accrue the most savings.

There are also generous subsidies available to Alberta's businesses that want to go green. Emissions Reduction Alberta offers small and medium-sized firms (industrial or commercial) up to \$250,000 per project, with a maximum of \$500,000 per company (word doc). There is broad flexibility with how this money can be spent.

However, it's usually applied to projects such as HVAC, fan/pump upgrades, LED lighting systems, solar panel installations, and automation development. Individual businesses, non-profit organizations, co-operatives, farms registered as a business, and private schools not eligible for government funding are among some of the eligible applicants for this cash incentive.

Edmonton AB

The City is offering Edmonton homeowners \$0.40/watt (up to \$4000) towards the cost of the system, which covers approximately 15% of the costs of going solar. Rebate stacking is allowed with Canada's Greener Homes Grant program which is up to \$5000 totaling up to \$9000 in rebates for Edmonton homeowners.

Newly constructed homes and residential buildings are also eligible for a City of Edmonton rebate of \$0.30/watt.

British Columbia

British Columbia currently has no provincial rebate incentive for solar installations; however, there is a provincial exemption from the sales tax, though this covers just a fraction of the installation cost. Much like Alberta, there are several regional solar incentives that fill the place of a centralized program.

The Regional District of Nanaimo (RDN), for example, is currently offering a rebate of \$250-\$400 for solar PV, solar thermal, geothermal, or a wind system. A limited number of these rebates are available from January 1, 2021, onwards, so the program is operating on a first-come, first-serve basis. Documentation must be provided to demonstrate that an address falls within the RDN.

There's no centralized financing system in British Columbia, though some municipalities offer specialized loan programs meant for solar adoption. For example, the city of Nelson's Bill Financing Program allows homeowners to borrow up to \$16,000 for home energy upgrades (solar included) and pay it back through their Nelson hydroelectric bill.

The city of Penticton also offers a loan that can be paid back through a homeowner's electric bill, though the cap sits at \$10,000 rather than \$16,000. While helpful, these financing programs aren't considered comprehensive, as eligibility is determined by individual credit worthiness (which is not the case with a true PACE program).

Ontario

Following a similar trend, Ontario lacks a centralized solar incentive or financing program, though a few targeted incentives are available. The First Nations Conservation Program, for example, offers free efficiency upgrades for on-reserve customers.

Ontario's Affordability Fund is a 100-million-dollar program that provides homeowners across the province free energy upgrades, should they qualify. Due to Covid-19, this program has been paused.

In addition to the 100-million-dollar Affordability Fund, Ontario has invested \$300 million into an initiative to help municipalities offer financing solutions to low-rise residential properties. PACE, utility on-bill financing, and third-party lending partnerships are three such financing models used by Ontario's municipalities.

Unfortunately, only two PACE programs exist in the province, and they're both located in the City of Toronto. The Home Energy Loan Program (HELP) is limited to single-family homes and has a \$75,000 cap, along with a maximum 20-year repayment plan.

The High-Rise Retrofit Improvement Support Program (Hi-RIS) is geared towards helping apartment building owners (3 stories or more) reduce emissions by upgrading to quality, sustainable infrastructure.

Ottawa ON

The city of Ottawa is piloting a loan program for up to three years for home energy efficiency retrofits which includes solar panels. This program is designed to support local residents to reduce energy consumption and greenhouse gas emissions. This program offers zero-interest, 20-year loans of up to \$125,000 (or 10% of the current value assessment of the home, whichever is less) to cover the cost of going solar. With zero interest, 20-year loans that are tied to the property, not the individual, the Better Homes Ottawa Loan Program makes it easier and more affordable for homeowners to invest in going solar. The minimum loan amount that can be issued to an applicant is \$15,000.

Guelph ON

PACE Atlantic is working with both the City of Guelph and Our Energy Guelph to roll out a PACE program in the Spring of 2022. PACE provides up to \$40,000 in interest-free loans to help assist with the investment capital required to go solar. Details are still being finalized, but when this offer does become available, it will make Guelph one of the most affordable cities in Ontario to go solar.

New Brunswick

The Total Home Energy Savings Program (THESP) is run by Energie NB Power and offers a rebate that ranges from \$0.20/watt to \$0.30/watt of solar energy installed. The rebate amount depends on the scale of the upgrades performed and the initial energy conservation status of the property.

The more a homeowner upgrades, the larger the rebate they're entitled to. For a 10KW system installed, therefore, a maximum of \$3000 or a minimum of \$2000 would be rebated. It should be noted that this program offers rebates for a variety of other environmentally friendly upgrades, including insulation, air sealing, and heating and recovery equipment.

There are no PACE programs available in New Brunswick, though several financing programs are offered through private banks. RBC has an energy saver loan, TD offers several different loan options, and if you prefer a credit union, you can use NBTA, which has rates as low as prime +1%.

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Let us know if you are interested in solar. We have a no-obligation assessment process that provides you with all the information you need to make an educated decision.

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