

Better Homes Ottawa Program Service Agreement with EnviroCentre

Contents

1. Background	2
1.1 Energy Evolution	2
1.2 Local Improvement Charges.....	3
1.3 Better Homes Loan Program	5
2. Purpose of Program	6
3. Territorial Delivery Of Services	6
4. Program Steering Committee	6
5. EnviroCentre Project Deliverables, Timelines, and Remuneration	6
5.1 Remuneration Process	9
6. Reporting Requirements.....	9
7. Additional Requirements	10
8. Language and Communications	10
9. Accessibility For Ontarians With Disabilities Act, 2002 (AODA)	10
10. Program Brand	11
11. Recognition Of City	11
12. City Is Not An Employer	11
13. Insurance.....	11
14. Occupational Health And Safety And Workplace Safety And Insurance Act.....	12
15. Indemnity And Liability	12
16. Notice	13
17. Applicable Law.....	13
18. Amendments.....	13
19. Non-Assignment	13
20. Right of Early Termination.....	14
21. Default And Termination	14
22. Conflict Of Interest	15
23. Dispute Resolution / Arbitration.....	15
Appendix A – Reference Documents.....	17
Appendix B - Contractor Certification Standards	18
Appendix C – Paperwork and Administration Journey	20
Appendix D – Proposed Budget for Various Deliverables.....	21

1. Background

In April 2019, Council declared a climate emergency and directed staff to:

- Develop climate change mitigation and adaptation priorities for next five years (2019-2024) to embed climate change considerations across all elements of City business; and
- Work with senior levels of government to accelerate ambition and action to meet the urgency of climate change and provide additional resources for municipalities and the public to reduce their greenhouse gas emissions and build resiliency to climate impacts.

In January 2020, Ottawa City Council approved a new [Climate Change Master Plan](#) and set new targets to reduce community greenhouse gas (GHG) emissions 100% by 2050 and corporate emissions 100% by 2040. These targets are in line with the Paris Accord and the federal government targets. Council also received a status update on Energy Evolution: Ottawa's Community Energy Transition Strategy which identified a Residential Building Retrofit Accelerator Program as one of 20 priority projects to meet greenhouse gas reduction targets.

1.1 Energy Evolution

Energy Evolution is one of eight priorities in the Climate Change Master Plan and sets the framework for what it will take for Ottawa to achieve these GHG emission reduction targets. It is a carbon reduction strategy designed to manage energy consumption, promote the use of renewable energy, and advance local economic development opportunities in Ottawa. Developed in collaboration with almost 200 public and private stakeholders representing 90 organizations, Energy Evolution is a community-wide initiative with a vision to transform Ottawa into a thriving city powered by clean, renewable energy.

The 100% GHG reduction scenario presented in Energy Evolution identifies what is thought to be the most cost effective and plausible path forward to meeting Council's GHG reduction targets, as compared to the Business as Planned (BAP) Scenario.

In 2016, 48.2% of GHG emissions in Ottawa came from buildings, with residential buildings contributing 27.5%¹. Integrated emissions modeling done through Energy Evolution shows that the residential building stock must be transformed the following ways over the next 30 years to achieve the necessary GHG reductions:

- Residential existing buildings must be retrofit for 70% heating savings and 30% electrical savings at a rate of 27% of buildings by 2030 and 98% by 2040 (or 327,000 single family units);
- 20% of residential roofs must have solar PV, totalling 320 MW by 2050;
- 560,350 residential heat pumps must be installed by 2040; and

¹ In 2018, the residential share of emissions was 22%.

- 15% of residential buildings must be served by zero carbon district energy by 2050.

The emissions reduction curve for part 9 residential buildings in Figure 1 shows the annual reductions required. It also shows that building retrofits need to be almost complete by 2040. This emissions curve includes residential building envelope retrofits as well as heat pumps and rooftop solar photovoltaic.

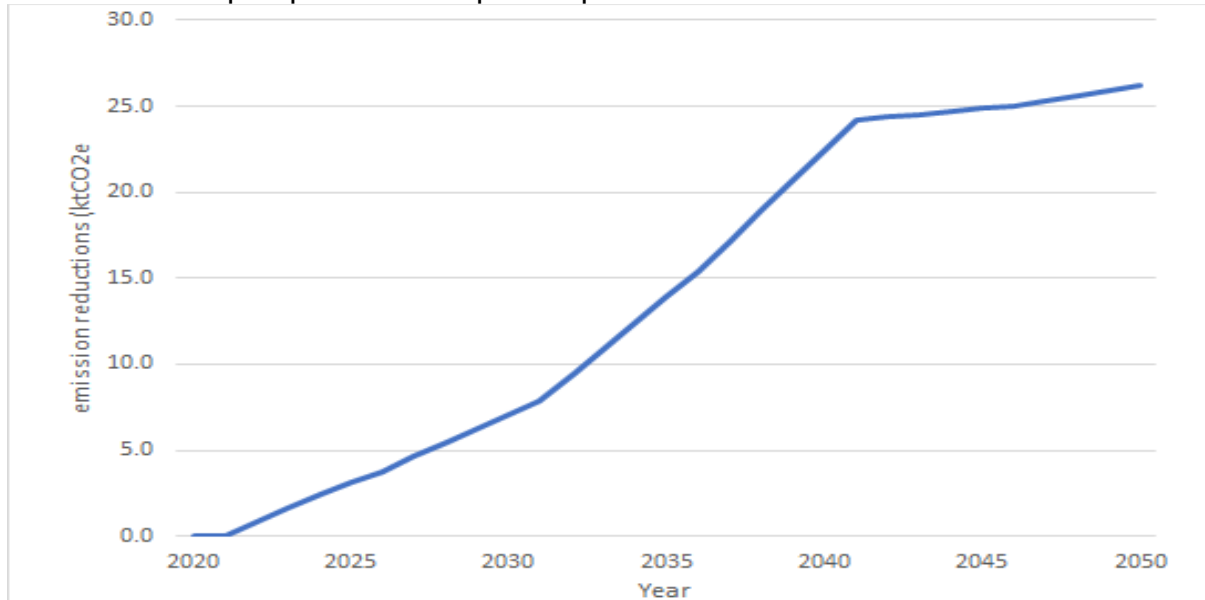


Figure 1 Emissions reduction profile for residential buildings

Financial analysis completed through Energy Evolution identifies that significant incremental investment is needed to achieve residential retrofit measures community-wide. Due to the scale of the investments, the ownership structure, and the other competing priorities for municipal investments, it is expected that the vast majority of the investments in retrofits will be private investments. The Better Homes Loan Program, utilizing the municipal Local Improvement Charge mechanism, is the City’s first program to catalyze home retrofits.

1.2 Local Improvement Charges

Municipalities are uniquely able to offer financing tied to a property using a Local Improvement Charge (LIC) mechanism under the *Municipal Act (2001)*. This mechanism is often referred to as Property Assessed Clean Energy, or PACE, in the United States. In 2012, the Ontario Ministry of Municipal Affairs and Housing authorized Ontario Regulations 322/12 and 323/12, amending O.Reg. 586/06 and 596/06 under the *Municipal Act, 2001* to:

- Expand the uses to include energy efficiency, renewable energy and water conservation in alignment with municipal goals and policies;
- Remove the burdensome LIC set-up barriers since participation is voluntary;
- Remove the right to petition or appeal against or in favour of this type of LIC;
- Include a user-pay method that covers all municipal costs including marketing, interest, and administration;

- Include repayment to the municipality as a temporary charge on the property tax bill that stays with the property not the owner; and
- Allow the owner to make lump payments to clear the outstanding balance.

Through an LIC program, municipalities can:

- Enable property owners to improve the comfort and environmental performance of their buildings;
- Target areas in transition or in need of repair, rehabilitation and redevelopment;
- Support appropriate building upgrades through expert advice and oversight;
- Stimulate private investment in property upgrades that reduce energy cost exposure to residents and businesses; and
- Stimulate local job creation in the contractor, trades, and renovation sectors

Participation is voluntary and only affects one property. To date, programs using LICs or similar mechanisms have been offered in 14 Canadian municipalities and 36 American states to finance green technologies or improvements in homes and commercial buildings.

Experience in other municipalities has shown that LIC programs drive energy efficiency improvements of approximately 30% in participating buildings per retrofit. Although this is not enough to meet the 64% energy reduction target set for residential buildings in Ottawa under the Energy Evolution Strategy, it is a good start that can be improved upon over time.

Existing LIC programs have been successful by helping overcome some of the most significant barriers to deep energy retrofits of homes including:

- Ownership term uncertainty and long payback period – Home ownership in Ottawa is approximately 7yr whereas retrofits often have a 10 to 20-year payback period, so longer than homeowners expect to stay in their home
- Limited understanding of how energy efficiency affects real estate value – Homeowners are not confident they will be able to recoup the investment at the time of sale
- Limited knowledge and motivation to retrofit – Proposed program provides expert advice and streamlines the retrofit process for a homeowner
- Access to long-term, fixed cost financing – Municipalities have access to fixed cost, long term financing that they can make available to homeowners through LICs. LIC programs also encourage private investors in energy retrofits by bundling portfolios of retrofits to achieve the scale of cashflow required by many private investors and by providing quality assurance
- Lock-in – By providing expert advice, the program can steer away from sunseting technologies and fuels

1.3 Better Homes Loan Program

The Better Homes Loan Program is intended to make it easier and more affordable for homeowners to pay for home energy improvements that contribute to meeting the City's GHG emission reduction targets. It will offer financing to homeowners to cover the cost of home energy improvements, such as:

- Thermal envelope upgrades (ex. basement/attic/exterior wall insulation, window/door replacements, weather stripping or caulking, etc.);
- Mechanical systems (ex. thermostats and controllers, energy or heat recovery ventilators, air/ground source heat pumps, heat pump, electric water tanks, drain water heat recovery systems, solar hot water systems, etc.);
- Renewable energy and energy storage and electric vehicle (EV) chargers (ex. solar photovoltaic systems, electric vehicle charging stations (Level 2), battery storage devices, associated electrical and load management equipment, etc.);
- Water efficiency (ex. low-flow toilets, hot water circulation pump and system, greywater treatment system, closed-loop shower water recovery system, rainwater harvesting system, etc.);
- Health and safety measures (ex. environmental remediation, electrical wiring and panel upgrades that are required undertakings to permit energy improvements, etc.);
- Climate adaptation improvements (ex. such as back-flow prevention valves, sump pumps, basement waterproofing, permeable pavement, and tree planting); and
- Additional dwellings such as granny suites or basement apartments².

With zero interest loans and terms of 20-years amortization on qualifying measures, the Better Homes Loan Program would make it easier and more affordable for homeowners to pay for these home improvements over time. Once the loan is approved, homeowners would be able to hire the contractor of their choice and complete their renovations. The minimum loan amount approved is expected to be \$15,000 with at least two retrofit measures required.

Participation in the proposed program would be voluntary, owner-initiated and available to any owner of a private home in Ottawa that meets the following proposed eligibility requirements:

- Residential, detached, semi-detached, townhouse, residential multi-unit buildings of three storeys or less, that fall under Part 9 of the Ontario Building Code;
- The property must have a property tax account with the City of Ottawa;
- Property tax, utility bills and all other payment obligations to the City of Ottawa for the past five years must be in good standing;
- All registered owner(s) of the property must sign a consent form agreeing to participate in the Program.

² Only 30 per cent of the total loan amount for additional dwellings would be eligible under the current FCM offering.

Eligible homeowners would complete the following steps as part of the proposed Better Homes Loan Program process:

- Submit a pre-qualification application form to confirm eligibility
- Complete a home energy assessment using the EnerGuide Rating System and submit a funding request to make the planned improvements
- Finalize a property owner agreement that confirms the funding for the planned improvements
- Complete the improvements and submit the project completion report
- Repay the loan over time through the property tax bill

The Better Homes Loan Program is designed to deliver the following:

- Year 1: 150 retrofits totaling \$2,000,000 of loans borrowed from the City
- Year 2: 200 retrofits totaling \$4,000,000 of loans borrowed from the City
- Year 3: 300 retrofits totaling \$6,000,000 of loans borrowed from the City

The Program is funded for 3 years through the Federation of Canadian Municipalities.

2. Purpose of Program

The purpose of this program is to increase the uptake of GHG reductions from home retrofits in Ottawa. The services delivered will support residents of Ottawa looking to upgrade the energy efficiency of their homes, and it will be specifically designed to direct customers to the City of Ottawa’s Better Homes Loan Program for financing.

3. Territorial Delivery Of Services

EnviroCentre shall ensure that the beneficiaries of the services exclusively supported by the City of Ottawa will be the residents of the City of Ottawa.

4. Program Steering Committee

Hydro Ottawa, the Greater Ottawa Home Builders Association, the Ottawa Climate Action Fund, and the Community Associations for the Environment Sustainability all sit on the program steering committee and have committed to supporting the launch, implementation and review of the program.

5. EnviroCentre Project Deliverables, Timelines, and Remuneration

The activities described in Table 1 make up the scope of work and the eligible remuneration for each deliverable.

Table 1 Scope of Work and Remuneration for Deliverables

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Projected BHLP Loan Values	\$2,000,000	\$4,000,000	\$6,000,000

Scope of Work Deliverables			
1 Marketing			
- Remunerated based on % of loans delivered	5.5%	3.5%	2%
Focus marketing efforts on target neighbourhoods identified in Better Homes Loan Program Design report. Track what works and what does not and adjust accordingly.	x	x	x
Manage a referral program in which referring non-profit organizations receive funds for each referral who completes a retrofit and BHLP loan. Annual caps for total referral programs are allowable.		x	x *
Develop and distribute electronic and hard copy materials regarding the BHO program and training opportunities to contractors via trades associations (GOHBA, HRAI, NAIMA, etc)	x	x	x
Profile those who do deep retrofits to encourage replication.		x	x
2 Better Homes Ottawa Website			
- Remuneration included in marketing costs			
Provide guidance to homeowners on pathways to net zero reductions, how to avoid lock in	x		
Highlight the need for an EnerGuide audit and create an audit booking system	x		
Create and update a list of incentives from utilities and governments	x	x	x
Include a chat function and/or hotline number to reach Energy Coaches		x	x
Include FAQs on the Better Homes Loan Program and link to City site	x		
3 Contractor and Service Provider Training			
- Remuneration fixed on delivery of services	\$12,500	\$17,500	\$25,000
Arrange course delivery through service organizations as per the schedule in Appendix B and invite participants to attend.	x	x	x
Identify contractors who meet the City's training standards (as per Appendix B) and profile them on the program website.	x	x	x
Support presentations to mortgage lenders and insurance companies also (to be arranged by the City)			

4	Energy Auditors, Energy Coaches, and Net Zero Reports			
	- Remunerated based on % of loans delivered	5%	3%	3%
	Provide training for energy auditors on net zero pathways and cost benefit analysis tools	x	x	x
	Provide a Net Zero Energy Report to each applicant to the BHLF.	x	x	x
	Manage Energy Coaches to provide support sessions for groups of homeowners after pre-audit but before post-audit		x	x
	Manage Energy Coaches to respond to online chat/hotline questions	x	x	x
	When CBAT is available for retrofits, include a cost benefit assessment along with the Net Zero Report.		x	x
5	Program Administration			
	- Remunerated based on % of loans delivered	2%	1.5%	1.5%
	Convert the application process to an online format	x		
	Manage the application paperwork for BHLF (see Appendix C)	x	x	x
6	Steering Committee Participation			
	- Remuneration included in administration			
	Participate in a Better Homes Ottawa steering committee to share learnings and collaborate with other stakeholders working on home retrofit implementation. Initially, meetings are expected to be monthly, shifting to quarterly once the launch phase is complete.	x	x	x
	Work with City and NRCAN on a virtual EnerGuide Rating system and Home Energy Rating and Disclosure			x
	-			
7	Annual Report on Success			
	- Remuneration included in administration			
	Annual reports are due after each 12-month term. Information to be included in the reports: Conversion rates of marketing tactics and campaigns; Referral rate through contractors; Reporting as required by FCM.		x	x

8	Low Income Concierge Service			
	- Remuneration fixed on delivery of services	\$5000/retrofit		
	For homeowners qualifying for the Ontario Low Income threshold, provide full turn-key retrofit project management including EnerGuide audit coordination, contractor estimates, homeowner engagement and sign off, retrofit implementation, contractor oversight, and measurement and verification. This program is expected to cover 60 retrofits over 3 years.	X	X	X
TOTAL CONTRACT VALUE EXPECTED		\$312,500	\$437,500	\$565,000

* if deemed successful

5.1 Remuneration Process

- The remuneration for this work will be as per the payment process for each deliverable in Table 1.
- Payments will be quarterly.
- A down payment of 50% of the annual expected contract value will be payable to EnviroCentre upon the 15th of July each year. This amount will be subtracted from the invoice at the end of the year, based on deliveries achieved. Down payment amounts will not be reclaimed if annual deliverables are not met; however, the projected value of the following year's contract may be adjusted to reflect the new projected loan value.
- It is expected that the timeline for achievement of all deliverables will be July 15, 2021 to July 14, 2024. Extension of the timelines may be mutually agreed to in writing by both parties to the Agreement.
- Unless otherwise negotiated, the end date for this contract is July 14, 2024 or after \$12 million in BHLP loans have been dispersed, whichever comes first. In no way can the contract extend beyond Feb 28, 2025, unless pre-approved by FCM.

6. Reporting Requirements

EnviroCentre shall provide the City with update reports on a monthly basis. These reports will include:

- A list of the status of all open and closed applications in the BHLP;
- Total value of all loans requested from the City; and
- Any other data points that the City may request.

EnviroCentre will provide progress reports on an annual basis based on the Term of this Agreement. Reports will be delivered within 120 days of the end of each year during the Term of this Agreement and within 120 days of the end the Term or any renewed Term.

The annual reporting shall contain as a minimum the following elements:

- A summary of marketing and outreach activities in the year, highlighting significant successes and failures;

- A summary of the activities of energy coaches and the uptake of their services by Program applicants;
- A summary of energy assessments completed and their energy and emissions reduction potential identified;
- A summary of retrofits completed, their resulting energy and emissions reductions over the lifetime of the assets;
- An estimate of the return on investment for the retrofits completed;
- A summary of the contractor trainings provided and the number of participants;
- A summary of retrofits completed for low income qualifying individuals;
- Recommendations for ways to increase the Program success.
- Audited Financial Statements

For the purposes of clarification or when specific issues arise, the City may request EnviroCentre provide reasonable additional documentation within 30 days of such request provided that such information is not subject to confidentiality or non-disclosure agreements with third parties.

7. Additional Requirements

The service provider is to describe any special requirements for the proposed work, including but not limited to:

- Data required aside from those listed in Appendix A;
- Privacy limitations;
- Health & Safety issues;
- Site Orientation Visits, Site Accessibility circumstances; and
- City reports and documents needed.

8. Language and Communications

The service of the Program will be provided in both English and French.

9. Accessibility For Ontarians With Disabilities Act, 2002 (AODA)

The City of Ottawa is committed to providing equal treatment to people with disabilities with respect to the use and benefit of City services, programs, and goods in a manner that respects their dignity and that is equitable in relation to the broader public. All contractors with the City must comply with all laws applicable to the performance of the work.

Effective 1 January 2010, third party Contractors who deal with the public or other third parties on behalf of the City, as well as contractors who participate in developing City policies, practices or procedures governing the provision of goods and services to members of the public or other third parties, must conform with the Accessibility Standards for Customer Service, O. Reg. 429/07 (Appendix A), under *The Accessibility for Ontarians With Disabilities Act, 2005* (AODA).

Contractors shall ensure that training records are maintained, including dates when training is provided, the number of employees who received training and individual

training records. Contractors are required to ensure that this information will be made available, if requested by the City.

10. Program Brand

Programs and activities will be carried out using the Better Homes Ottawa brand, as mutually agreed on by the City and EnviroCentre.

11. Recognition Of City

EnviroCentre shall provide appropriate acknowledgement of the Service Agreement by using the City's corporate logo and/or making a written acknowledgement in its publicity, promotional materials, information materials, press materials, at public occasions relating to the services, and on any website maintained by EnviroCentre.

EnviroCentre shall collaborate and consult with the City to agree on the recognition the City will receive and arrange publicity regarding the Service Agreement from the City.

The City shall retain all intellectual property rights associated with any copyright, trade-mark, or official mark owned by the City, regardless of whether the aforementioned copyright, trade-mark or official mark is registered with the Canadian Intellectual Property Office, or its successor organization.

12. City Is Not An Employer

EnviroCentre, its directors, officers, employees, agents and volunteers, shall not be deemed to be employees of the City for any purpose.

13. Insurance

EnviroCentre shall obtain and maintain during the Term of the Agreement comprehensive general liability insurance acceptable to the City, which shall be subject to limits of not less than two million (\$2,000,000) inclusive per occurrence for bodily injury, death and damage to property including loss of use thereof.

The comprehensive general liability insurance shall include coverage for:

- Premises and operations liability;
- Products and completed operations liability;
- Blanket contractual liability;
- Cross liability;
- Personal injury liability;
- Liability with respect to non-owned licensed motor vehicles;
- Severability of interest clause; and
- Owner's and contractor's protective coverage.

The comprehensive general liability insurance policies shall be in the name of EnviroCentre and shall name the City of Ottawa, as an additional insured thereunder.

The liability insurance policies shall contain an endorsement to provide all named insured and additional insured parties with prior notice of cancellation or of a material change that would diminish coverage.

With respect to EnviroCentre providing professional services with any exposure to errors and omissions claims, EnviroCentre shall maintain Professional Liability Insurance with a policy limit for each single claim of not less than \$1 million.

It is understood and agreed that the named insured and additional insured parties shall be given thirty (30) days prior written notice of cancellation or of a material change that would diminish coverage.

Evidence of insurance satisfactory to the City shall be provided.

14. Occupational Health And Safety And Workplace Safety And Insurance Act

EnviroCentre shall be responsible, where applicable, for the health and safety of its workplace and be in compliance with the provisions of the *Occupational Health and Safety Act*, R.S.O. 1990. c.O.1, as amended, and its regulations or any successor legislation (“OHSA”) and the requirements under the *Workplace Safety and Insurance Act*, S.O. 1997, c.16, Sch. A (“WSIA”).

At any time during the Term of this Agreement, EnviroCentre shall, when requested by the City, provide evidence of compliance by itself and/or its subcontractors (whichever is applicable) with respect to the WSIA, and failure to provide satisfactory evidence shall result in payment being held by the City until the City has received satisfactory evidence.

15. Indemnity And Liability

EnviroCentre shall indemnify and save harmless the City from any claims, demands, losses, costs, charges, actions and other proceedings, made or brought against, suffered by or imposed upon the City or its property in respect of any loss, damage or injury, including injury resulting in death, to any person or property directly or indirectly arising out of, resulting from or sustained by reason of negligence or otherwise of EnviroCentre, its employees, agents, volunteers, officers or directors.

The City shall not be liable to EnviroCentre or any other party in relation to the Service Agreement and/or the services provided by EnviroCentre pursuant to the terms of this Agreement and the parties agree that EnviroCentre shall not be deemed an agent of the City for any purpose under this Agreement. EnviroCentre shall be solely responsible for the payment of any individuals employed, engaged or retained by EnviroCentre for the purpose of assisting it in the fulfilment of its obligations under this Agreement.

16. Notice

Notice to be given shall, save as otherwise specifically provided, be in writing addressed to the party for whom it is intended and shall not be deemed received until actual receipt by the other party except if sent by telephone facsimile, in which case it shall be deemed received on the business day next following the date of transmission. The mailing and telephone facsimile addresses of the parties shall be:

To the City:

Section Manager, Climate Change and Resiliency Section
Planning, Infrastructure, and Economic Development
City of Ottawa
110 Laurier Avenue West, 4th floor
Ottawa, Ontario K1P 1J1
(Tel.) 613-580-2424 ext. 22339
(Fax) 613-580-2827

To EnviroCentre:

Sharon Coward, Executive Director
1554 Carling Ave. Unit 347
Ottawa, Ontario
K1Z 7M4
(Tel) 613-656-0100
(Fax) 613-562-3361

or any other mailing or telephone facsimile addresses as the parties from time to time may advise.

17. Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

18. Amendments

If at any time during the continuance of this Agreement the parties shall deem it necessary or expedient to make any alteration or addition to this Agreement they may do so by means of a written agreement between them which shall be supplemental and form part of this Agreement.

19. Non-Assignment

EnviroCentre shall not assign the whole or any part of this Agreement or the Service Agreement without the prior written consent of the City. If EnviroCentre does assign the whole or any part of the Service Agreement without written consent of the City, the amount assigned shall immediately be repaid to the City.

20. Right of Early Termination

The City may terminate this Agreement for convenience at any time upon not less than sixty (60) days written notice of its intention to terminate;

EnviroCentre may terminate this Agreement for convenience at any time upon not less than sixty (60) days written notice of its intention to terminate;

In the event of a termination notice being given by either party:

- a. EnviroCentre shall make no further commitments in relation to the use of the Service Agreement provided under this Agreement and shall cancel or otherwise reduce, to the extent possible, the amount of any outstanding commitments in relation to the Service Agreement;
- b. No damages or further compensation will be payable by the City as a result of the termination; and
- c. EnviroCentre shall repay any portion of the City's Service Agreement that remains unused at the date of termination to the City.

21. Default And Termination

Prior to the expiration of the Term, or any renewal thereof, the City may terminate this Agreement upon thirty days (30) written notice in the event that any of the following occurs:

- a. EnviroCentre becomes bankrupt or insolvent or goes into receivership or becomes subject to the provisions of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c.B-3 or any other Act for the benefit of creditors, or goes into liquidation either voluntarily or under an order of a court of competent jurisdiction or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency;
- b. EnviroCentre suspends or fails to carry on in a responsible manner its business obligations for a time period exceeding two (2) continuous months upon notice being given to EnviroCentre of such event and EnviroCentre fails to remedy or commence to remedy and thereafter diligently pursue the remedy of such, within thirty (30) days from the date of receiving written notice thereof from the City.
- c. EnviroCentre assumes the status of a commercial enterprise within the meaning of section 106 of the *Municipal Act*, S.O. 2001, c.25, or it is determined by a court of competent jurisdiction that, at any time of receipt of the Service Agreement, EnviroCentre was operating as a commercial enterprise within the meaning of the *Municipal Act*;
- d. A court of competent jurisdiction determines that EnviroCentre, at the time that the City provided the whole or any part of the Service Agreement, lacked the legal capacity or was not legally entitled to receive such Service Agreement, or by so doing was in violation of any applicable law or regulation;

- e. Any material representations made to the City or its representatives by EnviroCentre contained herein or in any reporting requirements are substantially false;
- f. There is a significant adverse material change in the EnviroCentre's ability to provide the services pursuant to this Agreement;
- g. A court of competent jurisdiction determines that TOP violated any legislation or City by-law related to the Service Agreement;
- h. EnviroCentre fails to provide any reporting requirements by the specified due date without notifying the City of the reason for the delay; or
- i. EnviroCentre uses the Service Agreement for a purpose other than that set out in this Agreement or otherwise violates any terms or conditions of this Agreement and has not remedied, or commenced to remedy and thereafter diligently pursued the remedy of such default, within thirty (30) days from the date of receiving written notice thereof from the City.

22. Conflict Of Interest

EnviroCentre, or any of its subcontractors and any of its respective advisors, directors, officers, employees, agents and volunteers shall not engage in any activity or provide any services to the City where such activity or the provision of such services creates a conflict of interest (actually or potentially in the sole opinion of the City acting reasonably) with the provision of the services pursuant to this Agreement.

If during the term of this Agreement an actual or potential conflict of interest arises, and becomes known, EnviroCentre shall disclose to the City without delay such actual or potential conflict of interest and if a significant conflict of interest is deemed to exist, EnviroCentre shall, at the City's request, take such steps as are necessary to remove the conflict of interest.

EnviroCentre acknowledges and agrees that it shall be a conflict of interest for it to use Confidential Information of the City relevant to the services where the City has not specifically authorized such use. For the purposes of this Agreement, "Confidential Information" is defined as any information disclosed to EnviroCentre by the City that is marked proprietary or confidential, or has been subsequently communicated as such within two business days.

A breach of this section by EnviroCentre shall entitle the City to terminate the Agreement, in addition to any other remedies that the City has in the Agreement, in law or in equity.

23. Dispute Resolution / Arbitration

EnviroCentre and the City agree that the alternative dispute resolution process of arbitration is preferable to litigation as a way to resolve disputes that may arise under this Agreement and they agree to give good faith consideration to having resorted to an arbitration dispute process before initiating legal or other proceedings to deal with any

such disputes. It is further agreed that such arbitration shall be a condition precedent to the commencement of any action at law.

If any dispute, difference of opinion, computation or question arises between the parties hereto touching any part of this Agreement which cannot be resolved by the provisions hereof or by the agreement of the parties, then such dispute, difference of opinion, computation or question shall be arrived at and settled by arbitration as provided herein. Either party may initiate arbitration proceedings by serving a notice requesting arbitration to the other party. A single arbitrator shall conduct the arbitration. The arbitrator shall be appointed by agreement between the parties or, in default of agreement, such arbitrator shall be appointed by a Judge of the Ontario Superior Court of Justice upon the application of either of the parties to this Agreement. Any such arbitration shall be held in the City of Ottawa. The procedure to be followed shall be agreed to by the parties or, in default of agreement, determined by the arbitrator. The arbitration shall proceed in accordance with the provisions of *The Arbitrations Act 1991*, S.O. 1991, c.17 (Ontario) as amended from time to time.

The decision arrived at by the arbitrator shall be final and binding and no appeal shall lie therefrom. Judgement upon the award rendered by the arbitrator shall be entered into any court having jurisdiction.

If any question or dispute arises with respect to whether a default has been committed pursuant to the nature or extent of the default, or whether the default has been rectified, either party to this Agreement may, within 30 days of the date of delivery of the written notice of the default, require that the question be submitted to arbitration in accordance with the provisions of paragraph 28(b) herein, in which case all time limits set out under paragraph 27 shall be suspended pending the outcome of the arbitration. In the event that the arbitrator finds that a default has been committed, or finds that a default, having been committed has not been rectified, the party committing the default shall have 30 days after delivery of the arbitrator's decision within which to rectify the default before the non-defaulting party can exercise the power to terminate this Agreement pursuant to the provisions of paragraph 27 hereof;

The City and EnviroCentre agree that nothing contained in section 28 shall affect or modify the rights of the City or EnviroCentre in the event of default or early termination as set out in the provisions agreed to in this Agreement.

Appendix A – Reference Documents

The following is a list of documents the service provider will review to inform work on this study:

Document Name	Date	Owner	Location
Better Homes Loan Program; Feasibility Study and Program Design	Jul 2020	City of Ottawa	http://ottwatch.ca/meetings/file/653061
Matrix of Roles and Responsibilities of BHLSP Steering Committee	Apr 2021	City of Ottawa	Upon request
Energy Evolution Strategy and Residential Retrofit Accelerator Program (in Doc F)	Oct 2020	City of Ottawa	https://app05.ottawa.ca/sirepub/mtgviewer.aspx?meetid=7925&doctype=AGENDA
Climate Change Master Plan	Dec 2020	City of Ottawa	https://app05.ottawa.ca/sirepub/mtgviewer.aspx?meetid=7868&doctype=agenda&itemid=397817
Heating demands per neighbourhood and projected district energy zones, as modeled by Energy Evolution	2020	City of Ottawa/ SSG	Upon request
Energy Evolution: Ottawa's Community Energy Transition Strategy, Phase 1	Dec 2017	City of Ottawa	https://documents.ottawa.ca/sites/documents.ottawa.ca/files/energy_evolution_staff_rept_en.pdf
Energy Evolution: Ottawa's Community Energy Transition Strategy, Phase 1	Nov 2017	City of Ottawa	https://documents.ottawa.ca/sites/documents.ottawa.ca/files/energy_evolution_phase1_en.pdf
Compilation of Energy Pathway Studies	Oct 2017	City of Ottawa	https://documents.ottawa.ca/sites/documents.ottawa.ca/files/energy_evolution_pathways_en.pdf

Appendix B - Contractor Certification Standards

For renovators:

Year 1:

1. RenoMark Certified: ensures at least \$2M liability insurance, WSIB coverage, and no major complaints against their company. \$100/yr membership fee which gives them access to some continual education programs.
2. Advanced Building Science – 2 x 3.5 hr course, \$49 for both sessions offered virtually by EnerQuality

Year 2:

3. CHBA Net Zero Builder Training – 2 x 3.5hr course - \$249 for both sessions offered virtually by EnerQuality

Year 3

4. CHBA Net Zero for Renovators – likely the same as #2 but details to be confirmed in a few months. Once the renovator has completed the courses, they are considered “net zero trained” and once they have completed a project that has been verified by an auditor, they are then considered “net zero certified”.

For Trades:

Year 1

1. Commercial general liability insurance and WSIB are valid, which can be confirmed by a trades association.

Year 3:

2. CHBA Trades Training for Net Zero – planned for 2021. Details to be confirmed.

For Heat Pump Installers:

Year 1:

1. HRAI membership or proof of \$2M liability insurance and WSIB coverage. HRAI requires geo-exchange installer training for GSHP installers. HRAI membership is ~\$500/yr.
2. Refrigeration and Air Conditioning Systems Mechanic (313A) apprenticeship certification is required by law in Canada to install a heat pump. The program typically takes five years to complete and consists of 720 hours of in-school

training and 8,280 hours of on-the-job training/work experience. Costs \$1800 for the in-class course at Algonquin College over 3 semesters.

Year 2

3. International Ground Source Heat Pump Association for GSHPs - HRAI host that training. It is offered as a 3-day course for \$1250 USD.

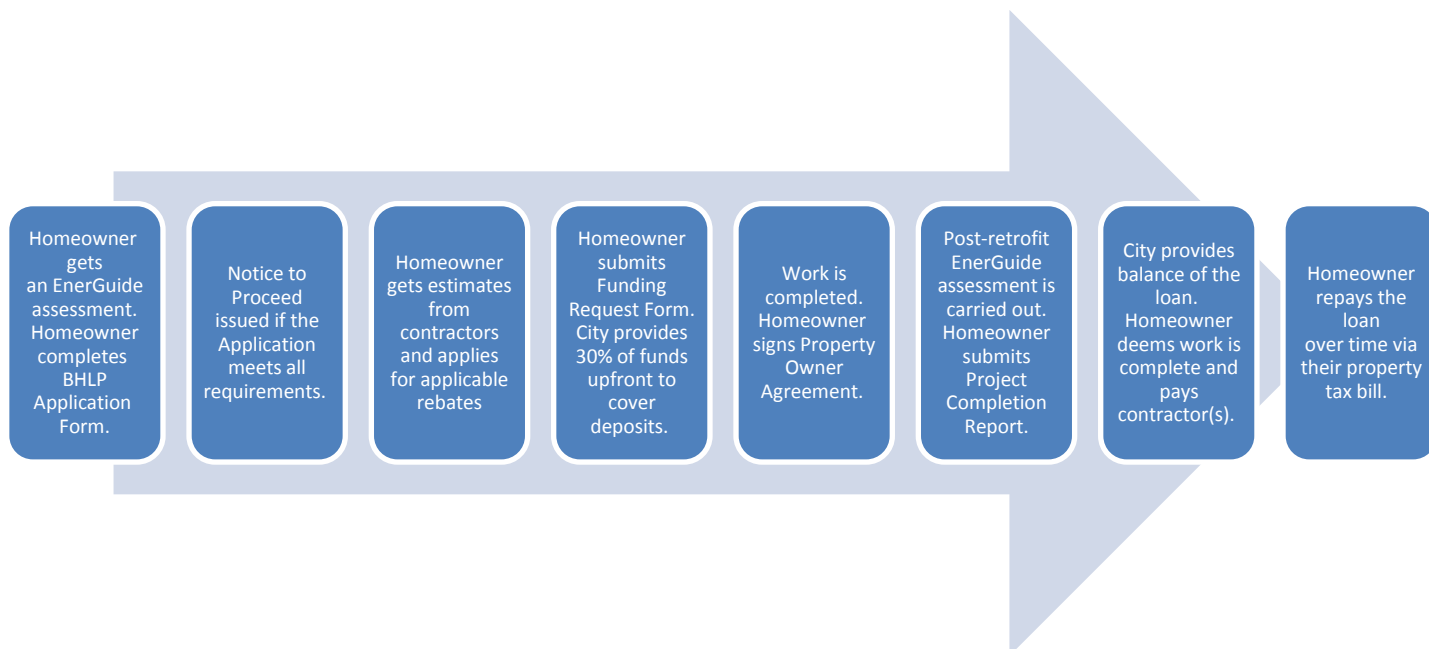
Table 2 Training Schedule and Budget

Training Course	Cost per participant	Assume 20 participants	yr1	yr2	yr3
Advanced Building Science	\$50	\$1,000	\$1,000	\$1,000	\$1,000
CHBA Net zero builder training	\$250	\$5,000	\$5,000	\$5,000	\$5,000
CHBA Net zero renovator training	\$250	\$5,000		\$5,000	\$0
CHBA Net zero trades training	\$250	\$5,000			\$5,000
HRAI's International GSHP training	1500	\$7,500			\$7,500
Auditor/coach Training & Onboarding	550		\$5,500	\$5,500	\$5,500
Realtor Training Course	50	\$1,000	\$1,000	\$1,000	\$1,000
Total			\$12,500	\$17,500	\$25,000

Appendix C – Paperwork and Administration Journey

Paperwork Journey for BHLP

	Initiated By	Completed By
1 Pre EnerGuide Audit	Homeowner	Auditor
2 BHLP Application Form	Homeowner	EnviroCentre
3 Credit check (mortgage deferral program, tax and water bill payment history)	EnviroCentre	City
4 Income verification (if did not pass the credit check)	EnviroCentre	
5 Notice to Proceed	EnviroCentre	
6 Applications to any incentives/grants	EnviroCentre	Homeowner
7 Funding Request Form	Homeowner	EnviroCentre
8 30% deposit to homeowner	EnviroCentre	City
9 FCM Pre Work Survey	EnviroCentre	Homeowner
10 Post EnerGuide Audit	Homeowner	Auditor
11 Property Owner Agreement	EnviroCentre	Homeowner
12 Project Completion Report	EnviroCentre	Homeowner
13 Program Application Close Checklist	EnviroCentre	City
14 Final Payment to homeowner	EnviroCentre	City
15 FCM Close out Survey	EnviroCentre	Homeowner
16 LIC on tax bill	City	City
17 Payments via tax bill	City	Homeowner
18 Transfers to new owners	Homeowner	City
19 Lump sum early repayment	Homeowner	City
20 Remove LIC from tax bill	City	



Appendix D – Proposed Budget for Various Deliverables

Marketing Campaign Expense Breakdown	Projected Annual Budget
Neighbourhood outreach	\$10,000
Google/internet/social media ads	\$10,000
Radio ads (\$45-\$66/ad)	\$3,000
Promotion in local papers	\$5,000
Direct Mail	\$20,000
Contractor materials and distribution	\$8,000
Educational events & materials	\$10,000
Translation	City provides
Total	\$66,000
Referral program	\$250/referral