

# Enersource and Hydro One PowerHouse Loan

## Providing Zero-Interest Financing for Homeowners Who

Creating a 'greener' home might just have become a little easier for homeowners to afford. That's the idea behind the provincial government's announcement earlier this summer of a \$150 million investment that is being made to fund various energy initiatives for homeowners including a Home Energy Retrofit pilot program, and various solar energy initiatives for homeowners. The programs are being funded through monies set aside in the 2007 Budget.

\$1.1 million of that investment has been set aside for a pilot project that will provide zero-interest loans for homeowners who install renewable energy systems. The program targets homeowners who want to install small-scale renewable

energy generating systems, but are unable to afford the upfront capital costs without financial assistance.

Entitled the PowerHouse Loan Program, Enersource Hydro Mississauga and Hydro One Networks have been slated to implement and manage this unique pilot. The program will run for two years the next eighteen months and then be evaluated to determine whether the initiative will be expanded to include other communities in Ontario.

"Mississauga residents have told us that they are keen to do their part to clean up their

energy emissions," said Craig Fleming, Acting President and CEO of Enersource. "We are very pleased that the Ontario government has chosen to financially support this 2-year pilot program, giving our customers this very special opportunity to help the environment, while also saving some money."

The intent of the program is to provide a means for homeowners to overcome the financial hurdles

associated with pursuing such projects. The idea behind the program was conceived and initially developed by Enersource's Chief Conservation Officer Carmine DiRusio.

The high cost of purchasing and installing small-scale renewable generation systems has been a deterrent for many homeowners in the past. This program provides the incentive to help finance various renewable energy projects with the clear advantage of borrowing at zero-interest. For instance, a customer approved for a four-year loan of \$35,000 at 9% interest stands to save an estimated \$6,500 over the life of the loan. The interest will be covered by the distributor through funding provided by the government for the pilot.

"Through Hydro One's PowerHouse Loan Pilot Program, we can help our customers save in two important ways," said Laura Formusa, Acting President and CEO, Hydro One. "They will save the interest costs on the life of the loan and reduce their monthly bill by powering part of their home's energy needs with zero-emission technology."

175,000 Hydro One Network customers in Brampton, Caledon and parts of York Region will be eligible to apply for the program. All residential customers in the City of Mississauga (Enersource's service territory) will also be eligible for the program. The pilot covers all of Peel Region, and select areas of York Region.

### Eligible technologies include:

**Solar PhotoVoltaics (PV):** Solar panels generate electricity through converting light into electricity. This type of electricity costs between \$10,000 and \$15,000 per kilowatt installed. An energy efficient house would require approximately 3 kW of solar PV to meet all of its electricity needs.

**Residential Solar Water Heating:** The energy form from the sun is collected by solar panels and transferred by circulating fluids to a storage tank. These heaters are typically used with a back-up fuel source as they are typically designed to provide between 35 and 75% of the residential hot water needs.

**Heat Pump:** A heat pump is used to move warm air out of a building and into the ground in the summer to cool it. It is used to extract heat from the earth in winter to provide space heating.

# Networks Piloting Program



## Install Renewable Energy Systems

**Micro Wind:** Wind turbines use the winds lift force to rotate aerodynamic blades that turn a rotor which creates electricity.

Enersource and Hydro One will issue a joint Request for Proposal (RFP) to determine the financial institution that they will partner with. At the time of this article, issuance of the RFP was imminent. Essentially, the role of the distribution company will be to facilitate the application process and approve eligible projects. The financial institution will approve loans based on standard credit checks, much in the same way they would process any loan.

Hydro One Networks and Enersource will then pay the financial

institution the interest on the loans through the fund provided by the government for the pilot.

*Enersource Corporation serves over 180,000 residents in the City of Mississauga. It is 90% owned by the City of Mississauga, and 10% owned by BPC Energy Corporation (Borealis), a subsidiary of OMERs.*

*Hydro One Networks is responsible for 97 per cent of Ontario's electricity transmission system and about one-third of the province's distribution system. Hydro One Networks' low voltage distribution system brings electricity to approximately 1.3 million homes or businesses across rural Ontario.*

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