

Investing in Energy Efficiency to Tackle Energy Poverty

Purpose

This document highlights the role of energy efficiency in making life more affordable for New Brunswickers, especially those struggling with energy poverty. It outlines the need for greater investment, better programs, and stronger policies to ensure more households—particularly low-income families—can benefit from energy-saving upgrades like better insulation, heat pumps, and efficient windows.

Issue Summary

Energy poverty is a pressing issue in New Brunswick, with 36.3% of households struggling to pay their energy bills due to inefficient homes and high heating costs (HDC, 2024). Recent government investments (Government of New Brunswick 2023) in energy efficiency are a step in the right direction, but more funding and better deployment strategies are needed to maximize their impact. Energy efficiency measures can reduce household energy costs, cut carbon emissions, and improve living conditions, especially for vulnerable populations (International Energy Agency, 2019).

Background and Challenges

Energy poverty affects 19% of Canadian households (Riva et. al, 2021), with rural areas, Atlantic provinces, older adults, lone-parent households, and individuals with disabilities experiencing the greatest impact.

In New Brunswick, 36.3% of households face energy poverty. Key contributing factors include (CCNB, 2023):

- Older or poorly maintained homes.
- High energy costs in rural areas.
- Limited options for renters to improve energy efficiency.

Despite its widespread impact, energy poverty is not recognized as a distinct policy issue in Canada, making effective solutions harder to implement.

Recommendations

1. **Adopt the Latest Building Codes:** New Brunswick must adopt the latest national model codes without delay, including Tier 2 codes by 2025 and net-zero energy-ready building standards by 2030 (Efficiency Canada, 2024). This commitment will provide a framework for long-term energy efficiency improvements for new construction and align the province with national energy goals.
 2. **Set Minimum Energy Efficiency Standards for Rental Properties:** Introduce provincial regulations requiring rental units to meet minimum energy efficiency standards by 2030. Measures like insulation upgrades, efficient windows, and modern HVAC systems should be mandated following the successful example of the UK's Minimum Energy Efficiency Standards (Government of UK, 2023).
 3. **Expand Funding for Home Energy Retrofits:** Provide continuous multi-year support of the Enhanced Energy Savings Program (EESP) and expand funding for energy efficiency initiatives. These initiatives should focus on comprehensive home energy retrofits, including upgrading insulation, replacing outdated heating systems like oil furnaces, and installing energy-efficient doors and windows to ensure proper sealing.
 4. **Offer interest-free loans and grants:** Provide interest-free loans and grants to help homeowners, renters, and businesses afford energy-efficient upgrades like heat pumps, solar panels, and better insulation. These programs can reduce financial barriers, prioritize low-income households, and accelerate the adoption of cost-saving, carbon-reducing technologies.
 5. **Additional Training for Energy Efficiency Professionals:** Invest in training programs to develop a skilled workforce capable of meeting the growing demand for energy-efficient retrofits and installations.
 6. **Streamline Access to Federal Programs:** Collaborate with federal initiatives, such as the Canada Greener Homes Affordability Program, to ensure residents can easily access grants, loans, and other resources to improve energy efficiency in their homes.
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Significance and Impact

- **Advancing Climate Goals:** Energy efficiency improvements help cut carbon emissions, allowing New Brunswick to meet its climate commitments while improving public health by reducing air pollution associated with fossil fuel use (Clean Energy Canada, 2023).
- **Public Buy-in:** The Conservation Council's Atlantic Citizens' Assembly (CCNB, 2024) on Electricity Affordability and New Brunswick Citizens' Assembly (CCNB, 2023), comprised of local ratepayers, have strongly supported government action to assist

residents with the energy transition. This significant public buy-in underscores the urgency of addressing energy poverty through focused and equitable policies.

- **Energy Poverty:** Energy poverty can be significantly mitigated by addressing home inefficiencies. Energy efficiency measures directly reduce household energy bills, improving affordability for low-income families and fostering greater energy equity.
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Analysis

Impact on Stakeholders and Rightsholders

1. **Low-Income Households:** High energy costs disproportionately affect low-income households, making home heating and cooling a financial burden. Energy efficiency retrofits would lower utility bills and improve home comfort.
2. **Rental Property Owners:** Mandatory efficiency upgrades could require upfront investments, but they would enhance property values, reduce tenant turnover, and increase rental appeal by lowering energy costs for occupants.
3. **Energy Efficiency Professionals:** Expanding energy efficiency programs would drive demand for skilled trades, creating job opportunities and fostering sector growth. Workforce training initiatives would ensure a qualified labour force to meet this demand.
4. **NB Power:** Higher efficiency across homes and businesses would stabilize electricity demand, easing strain on infrastructure, reducing peak load pressures, and improving overall grid reliability. Lower demand would also reduce the need for costly new generation capacity.
5. **Government of New Brunswick:** Investing in energy efficiency would lower public spending on energy assistance programs, reduce greenhouse gas emissions, and align with provincial climate commitments.

Risks and Opportunities

Risks:

- Upfront costs of retrofits and efficiency upgrades may deter some stakeholders from participating without adequate financial support.
- Resistance from landlords or property owners who may view mandatory energy efficiency standards as a financial burden.

Opportunities:

- Comprehensive retrofits and updated building codes position New Brunswick as a leader in sustainable housing solutions, attracting federal funding and private investment.
- Improved energy efficiency reduces reliance on fossil fuels, increasing energy independence and lowering greenhouse gas emissions.

Current Status

While New Brunswick has made progress in energy efficiency investments, existing initiatives lack the scale and strategic focus necessary to effectively address high rates of energy poverty. Despite a \$50 million federal and provincial investment into the EESP, there remains a waitlist of individuals seeking support through the low-income program, highlighting ongoing gaps in accessibility. Also, middle-income families, increasingly affected by the affordability crisis, require support to improve energy efficiency and reduce household energy costs.

Key Contacts

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