

July 31, 2025

Hon. Karina Gould, Chair

Standing Committee on Finance

 @GCCCan  @GreenCommunitiesCan

To the Chair and Members of the Standing Committee on Finance,

On behalf of Green Communities Canada (GCC), we appreciate the opportunity to offer advice on the 2025 budget process and welcome the commitments of the Government of Canada to create healthy, sustainable, and inclusive communities.

GCC has led a community-based climate action movement since 1995, working together with non-profit organizations from across the country to advance transformative, equitable, and lasting change. Our members work in more than 70% of Canada's municipalities across the program areas of green infrastructure, sustainable mobility, and energy retrofits. We are Canada's longest serving EnerGuide Service Organization, providing energy audits to over 136,000 homes, and we grant more than \$1.25 million annually to community-based organizations to deliver nature-based solutions and local active transportation projects. We co-lead the Canadian Electric School Bus Alliance, and are active members of the Canadian Active Transportation Alliance and Active School Travel Canada.

GCC is ready to support policies and partnerships that will advance transformative and equitable climate action. We recommend the following budget priorities:

Reignite Canada's domestic home retrofit industry

In April 2025, we released a report on the impacts of the Canada Greener Homes Program that supported retrofitting about 5% of Canadian homes. Not only will the \$2.6 billion Federal investment lead to \$3.8 billion in homeowner savings over the next 20 years, but the program also supported more than 75,000 jobs and reduced fossil fuel emissions by an equivalent of removing 200,000 cars from Canada's roads. However, the program was abruptly cancelled in early 2024. 95% of homes still need to be retrofitted to hit Canada's 2050 climate goals.

We're requesting that you invest in a fresh start to reignite the retrofitting of Canada's homes to create good, domestic jobs, drive down the costs of homeownership and help achieve Canada's 2050 climate goals. We recommend the following:

- i. Launch a new grant program for all homeowners with an emphasis on building envelope improvements using the EnerGuide system including performance incentives for deep energy retrofits that achieve larger savings levels and the

- development of a separate stream with a rebate for heat pump-only installations and require heat pump right-sizing practices,
- ii. Expand the Canada Greener Homes Affordability Program budget and ramp up operations over time to reach 40,000 low to median income Canadian households per year and,
 - iii. Expand the Canada Greener Homes Loan Program as a supplement to the grant program, offering larger zero interest loans to help motivate deeper energy retrofits.

Invest in active and sustainable journeys to school

GCC is supportive of the \$3 billion annual investment through the Canada Public Transit Fund beginning in 2026-27 to get Canadians moving. Based on our expertise leading the Canadian Electric School Bus Alliance (CESBA) and as a member of the Canadian Active Transportation Alliance (CATA), we make several recommendations:

- i. Support for CESBA recommendations including: \$375 million in federal funding by 2026, and an additional \$2.5 billion in dedicated funding between 2027 and 2032.

To support Canada's net-zero transition, there's a substantial need for capital to fund Electric School Bus adoption. Since these buses won't reach price parity with internal combustion engine buses by 2040, the federal government must allocate additional funds now. To reach 100% adoption by 2040, in line with the federal target for medium and heavy-duty vehicle sales, almost 3,000 diesel models will have to be replaced next year.

- ii. Support for CATA recommendations including: Make permanent the dedicated Active Transportation Fund that is housed within the Canada Public Transit Fund with annual earmarked funding, and track and publicly report on annual spending.

In addition, the National Active Transportation Strategy is set to expire next year, and we recommend its renewal with earmarked funding. Clearly defined goals and targets are vital to increasing active transportation usage in Canada, as is a clear plan and timeline on how we will get there. We also recommend that the Build Canada Strong plan includes design elements that incorporate active transportation into Canadian communities across the country.

Embrace nature-based solutions

The Federal government is promoting and pursuing many initiatives that signal support for building more climate-resilient cities. Expanding support for community-led initiatives would



recognize the role community-led actions play at the grassroots level, and ensure that as municipal projects evolve, they include and respect many community voices.

- i. We recommend the Federal government continue to fully fund the Nature Smart Climate Solutions Fund and expand opportunities to support urban climate resilience through nature-based solutions.

Concluding remarks

How we respond to this pivotal moment in the history of Canada matters. As GCC works to help grow strong, sustainable, and inclusive communities for all Canadians, we encourage you to continue building upon investments that not only support Canada reaching its 2050 climate goals but also creates more dynamic and inclusive local economies.

Brianna Salmon,
Executive Director
Green Communities Canada

Jared Kolb,
Managing Director
Green Communities Canada



Summary of recommendations from Green Communities Canada:

- 1) Launch a new grant program for all homeowners with an emphasis on building envelope improvements using the EnerGuide system including performance incentives for deep energy retrofits that achieve larger savings levels and the development of a separate stream with a rebate for heat pump-only installations and require heat pump right-sizing practices,
- 2) Expand the Canada Greener Homes Affordability Program budget and ramp up operations over time to reach 40,000 low to median income Canadian households per year and,
- 3) Expand the Canada Greener Homes Loan Program as a supplement to the grant program, offering larger zero interest loans to help motivate deeper energy retrofits.
- 4) Support for Canadian Electric School Bus Alliance recommendations including: \$375 million in federal funding by 2026, and an additional \$2.5 billion in dedicated funding between 2027 and 2032.
- 5) Support for Canadian Active Transportation Alliance recommendations including: Make permanent the dedicated Active Transportation Fund that is housed within the Canada Public Transit Fund with annual earmarked funding, and track and publicly report on annual spending.
- 6) The Federal government continue to fully fund the Nature Smart Climate Solutions Fund and expand opportunities to support urban climate resilience through nature-based solutions.

About Green Communities Canada:

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