Policy Memo

July 2026

Enhancing the Home Renovation Savings Program

Ontario's growing electricity demand requires an "all-of-the-above" strategy to meet future needs. Distributed energy resources, particularly rooftop solar paired with storage, can reduce strain on local distribution networks, support peak demand management, and enhance household resilience and energy affordability. The introduction of the Home Renovation Savings Program (HRSP) is a positive step in expanding renewable energy adoption, but several program design issues limit its effectiveness.

Key Issues and Priority Recommendations

1. Net metering exclusion undermines solar viability for homeowners

- **Issue:** Homeowners receiving HRSP solar rebates are barred from net metering, preventing them from receiving bill credits for surplus electricity.
- **Impact:** Without net metering, most residential systems are not financially viable. The HRSP rebate reduces upfront cost, but it cannot replace the long-term value of exported energy. Over a system's lifetime, those exports are typically worth more than the one-time rebate, meaning most homeowners are financially better off declining the rebate. For example, for a 10 kW installation, a net-metered system reaches payback in about half the time of an HRSP-eligible system, even with the rebate. As a result, HRSP uptake for solar is expected to remain very low.
- The requirement to choose between net-metering and the HRSP rebate is causing confusion for homeowners and slowing down the sales process for solar installers. Consequently, most installers we spoke to report that HRSP is hindering rather than helping the residential solar market.
- Finally, the net-metering exclusion incentivizes homeowners to undersize their solar system (since they can't export temporary surplus power and the rebate maxes out at 5kW). Based on review of installer quotes received under our Home Solar Accelerator, it is clear that homeowners requesting smaller systems (>6kW) face significantly higher costs per kW. Smaller projects are less attractive to installers and face the same interconnection and permit costs of larger systems. This underscores the fact that accepting the rebate leaves homeowners worse off. Allowing for net metering in the HRSP program improves the business case for everyday Ontarians and actively reduces the strain on Ontario's energy grid.
- **Recommendation:** Have the Minister for Energy and Mines clarify to the IESO that HRSP-funded rooftop solar systems should not be excluded from net metering. After speaking with the IESO it is clear they currently lack clarity on this file and need direction. Providing direction to enable net metering with the HRSP restores economic viability, ensures fair compensation, and aligns with provincial goals for distributed energy and grid resilience.

2. Limited battery eligibility restricts grid benefits

- **Issue:** The program only supports batteries installed alongside new solar PV systems, excluding homeowners adding batteries to existing solar systems or adopting standalone battery installations.
- **Impact:** Batteries enhance household resilience, reduce peak demand, and improve the value of rooftop solar. By excluding retrofits, existing solar users cannot optimize their systems. By excluding standalone batteries, the program limits clean backup options to gas or propane generators.
- **Recommendation:** Expand eligibility to include battery retrofits and standalone battery installations. This broadens access to resilience benefits and strengthens local grid stability.

What we've heard from solar installers

- **Residential solar businesses welcome provincial support for solar and storage that reduce high upfront costs**
- **Net metering is essential for financial viability and delivers better value to customers**
- **Program design is causing confusion that leads customers to walk away from solar adoption**

Solar Business Feedback

Glean

"As a solar brokerage working to educate homeowners about solar and storage across Ontario, we support the province's intent to encourage residential solar and battery adoption. However, the current structure of the Home Renovation Savings Program is unintentionally discouraging participation. Because the program prohibits net-metering, homeowners who accept the rebate lose access to the single most important mechanism that makes solar financially viable. In practice, once we explain this trade-off, the return on investment no longer makes sense for most customers. As a result, we effectively end up advising homeowners not to use the program, as net-metering without a rebate consistently delivers better long-term value.

In many cases, homeowners approach us enthusiastic about the prospect of a rebate, only to become discouraged once they learn that participation requires forfeiting net-metering. Some ultimately disengage from the solar process altogether, leaving with a negative impression of residential solar. In this way, the program is not only reducing adoption but, in some cases, actively harming the reputation of the industry it is intended to support. We urge the province to revise the program to allow net-metering alongside incentives, ensuring that rebates strengthen the economics of residential solar in Ontario."

- Jordan Kruhlak, Founder, Glean

Sunly

"We're still offering clients Net Metering without an incentive, as it's straightforward and the only way to offset their energy bill fairly."

– Shamor Paul, Director of Operations, Sunly

Heliotechnik

"It's great to see incentives for residential solar and batteries. However, the current Home Renovation Savings Program isn't operating as intended. I own and run a solar company in Ontario, and this program is causing a lot of confusion for customers. It's hard to explain to people that if they take the incentive, they won't be allowed to net-meter. Since the business case is better with net-metering, even without the rebate, customers are confused as to why the province is offering this. We're generally not recommending our customers take the incentive, since net-metering offers a more reasonable return on investment."

– Beau Badore, Owner, Heliotechnik

Herc du Soleil

"Herc du Soleil has been installing solar in Ontario for years, and we appreciate the government providing rebates for homeowners to help deal with the high up-front capital cost. However, the current program's restriction on net metering makes the rebate counterproductive. When customers learn they can't net meter if they take the rebate, most of them walk away from the program immediately. From a financial perspective, net metering delivers far better value than the incentive. At this point, we're actively steering customers away from the program because it doesn't support a sustainable or sensible investment in solar."

– Gopal Shrestha, Principal, Herc du Soleil

About TAF

The Atmospheric Fund (TAF) is a non-profit city agency. We invest in low-carbon solutions for the Greater Toronto and Hamilton Area and help scale them up for broad implementation

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