

EnviroCentre: Sense and Sustainability in the National Capital

The Mayor of Ottawa, Bob Chiarelli, recently reopened EnviroCentre, an attractive glass-fronted boutique on the main floor of City Hall, directly across from the City's information desk. The centre offers an array of programs and information which invite individuals and businesses to improve their bottom lines while making a positive impact on the environment.

"EnviroCentre is an enviro-business which combines the goals of greenhouse gas reduction with a nonprofit, self-sustaining business model," says centre General Manager Dana Silk. "The centre is actually the resource and marketing tool for programs which are delivered in partnership with the private sector."

EnviroCentre was incorporated and opened its doors in January 1999. However, until now, it has been hidden away on the top floor of City Hall. The new location is recognition of the success of the centre's efforts to date and the City's continued interest in finding cost-effective ways of delivering environmental programs.

EnviroCentre's business model was developed by Paul Koch, an IBM retiree, a long-time civic entrepreneur and one of the driving forces behind the centre's creation. Paul is the past chairman of the 12-member EnviroCentre Board of Directors which took a step-by-step approach to adding or removing centre services, depending on their ability to become self-sustaining.

In a report he submitted to the City in 1998, Paul detailed the challenges associated with launching an enviro-business: "To make any business start, grow and prosper is a major challenge. To create a successful and sustainable not-for-profit business that acts as a catalyst and motivator to effect change and help other organizations achieve their objectives is even more difficult. This is particularly true in the environmental area, where the economics of change are not always clear or understood" [Koch 1998: ii].

Understanding the clientele

Much of the work done by the centre and its partners since it was founded focuses



Mayor Bob Chiarelli opens the new EnviroCentre showroom at Ottawa City Hall.

on reducing greenhouse gas emissions from private dwellings; these account for almost one-third of Ottawa’s total greenhouse gas emissions.¹

EnviroCentre staff have learned that comfort and energy savings – not the environment – are the chief motivators for most of their customers. Says Dana: “Our marketing strategy now reflects those sensibilities, but we continue to encourage people to make the connection between the improvements we suggest for their homes and the positive impact their actions will have on the environment. Our business model allows us to deliver our programs for less than it would cost if the centre was run by the municipality. Cost savings are passed to program participants and to the City’s taxpayers, so we deliver a cost-effective product while keeping our eyes focused on the larger environmental picture.”

The centre’s step-by-step approach has insulated it from the City of Ottawa’s recent budget deliberations which have cut a number of municipal services, including several which support the EnviroCentre’s programs.

“For example,” reports Dana, “We were working with the city’s public health nurses to promote a walking school bus program which encourages children to walk to school instead of riding the bus. Participation results in improved air quality and increased fitness levels. Unfortunately, that department’s budget has been cut back significantly and we will have to look for other ways to market what is essentially a public service type of program.”

Programs for change

The bulk of the EnviroCentre’s work and revenue comes from its Home Comfort

Program, the delivery vehicle for Natural Resources Canada's "EnerGuide for Houses Program" [<http://oee.nrcan.gc.ca/houses-maisons/>]. The program is aimed at advising homeowners on sources of energy loss and improving their energy performance.

For a fee of \$200 (depending on the size of the home), EnviroCentre's contractors conduct extensive tests and a comprehensive walk-through, after which they present the client with a detailed energy audit and action plan. Homeowners who make the improvements suggested by their audit and whose energy consumption shows significant reductions are eligible for non-taxable grants from Natural Resources Canada (NRCan). In Ottawa, Enbridge, a local natural gas supplier and EnviroCentre partner, also provides its customers with a \$150 rebate if they use the EnerGuide program to make a significant investment in energy conservation in their homes. Ultimately, homeowners realize a payback on their investment through reduced energy costs.

"We are proud of the fact that the EnviroCentre's program exceeds the EnerGuide standard in a number of ways," says Jonathan Ham, President of Green Home Inspections Limited. "We provide a detailed written report that is customized to the homeowner, we give them a guide to getting the work done and we provide follow-up information and purchase guidance once they've completed the audit process." The EnviroCentre now averages 1,000 home inspections each year. Besides Jonathan's firm, two other energy inspection companies contract with the centre to conduct home audits.

One of the challenges of running EnviroCentre has been to convince more traditional environmental organizations and some government departments to agree to set a market-based fee for home energy inspections. "We wanted to start with a niche market that was ready to invest in efficiency upgrades, so in 1999 we began by charging \$150," says Dana. "Many organizations still were working under the impression that green services should be provided for free. We have proven that the reverse is true. When consumers pay for our energy audit service, they are more likely to take its recommendations seriously and see the audit as the first step in their environmental and home comfort investment." The EnviroCentre approach has had an impact: The average price for EnerGuide home inspections across the country now stands at \$149 – three times the \$50 recommended in 1997 by a federal government focus group.

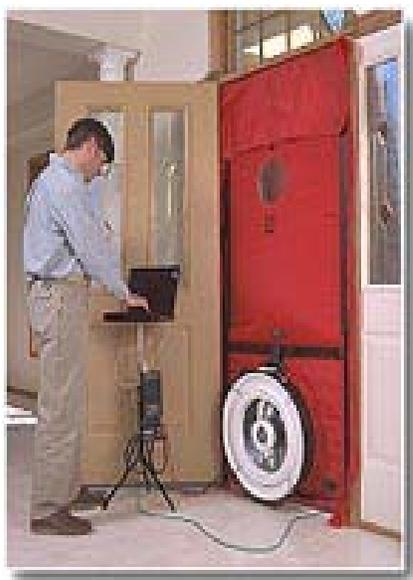
Another set of challenges occurred when EnviroCentre began working with businesses, tenants groups and public housing authorities in Ottawa to encourage energy conservation. Says Dana: "We found that individuals and businesses who were renting space were very keen to reduce their energy demands, but their landlords – who passed energy bills directly to their tenants – were not interested in making any significant investments. In the case of public housing, purchasing departments have separate budgets from operations groups. Like property owners, they are at the wrong end of the process to appreciate eventual cost savings derived from energy retrofits, and so will not approve them. There is the additional complication that savings in energy expenditures may be clawed back and used in another area, so there's little incentive to

pursue energy efficiency programs. If we are to get serious about reducing our greenhouse gas emissions, we all need to be working toward the same goal.”

Investing in the future

In the meantime, EnviroCentre is deviating from its usual fee-for-service approach by paying some of the costs associated with Project 750, a three-year initiative to show 75,000 lower-income families how to keep their energy bills below 750 kilowatt-hours per month. “This is how we reinvest any surplus revenue back into the community,” says Dana.

“When the provincial government raises electricity rates on April 1, it will be on an inclining rate structure – the more energy you use, the more you will pay. Any home or business that uses more than 750 kilowatt-hours per month will see a 28 percent rate increase in that portion of their energy bill.



Blower door test equipment measures the rate of air leakage from a home.

Many lower-income families will need to quickly learn how to keep their electricity bills from eating into their food budgets. We have made an application to an outside funding agency to help support this work, but in the meantime, with some financial assistance from Hydro Ottawa, we’re moving ahead.” The Ontario Trillium Foundation contributed funds to the “Warmer Homes and Cleaner Air Program,” an earlier version of Project 750.

The upcoming Ontario electricity rate increases spell good news for EnviroCentre’s “Watt’s Up? Service,” which rents energy meters to consumers for measuring how much power is drawn by their lights and some of their appliances. They also are provided with a package of information that lists products and practices which can help reduce energy consumption.

Similarly, the “Better Building Service” (BBS), which provides energy audits for small commercial, multi-family or institutional buildings, likely will see growing consumer interest as rate increases begin to take effect. Says Dana: “Two years ago, when rates began to skyrocket, about a dozen enterprises got involved with BBS. In April, we will begin to promote compact fluorescent lights which reduce electricity costs and air conditioning loads. We expect that this type of initiative will attract more BBS customers.”

EnviroCentre staff work with other partners in Ottawa and Gatineau to operate the Commuter Challenge – a week-long contest to see which Canadian municipality can most reduce its weekly greenhouse gas production by encouraging people to walk, bike, car-pool or ride the bus to work. The National Capital Region has won the competition every year since 2001. Environment

Canada contributes \$25,000 annually to keep the challenge going.

It has taken five years for EnviroCentre to establish credibility and develop the personal and business connections which are crucial to its success. Says Dana: “Ottawa now has a nonprofit organization with good governance, staff and partners. For every dollar the City invests, the centre generates four more.”

What lies ahead

Plans for the centre’s expansion will hinge on provincial and federal decisions in the areas of energy pricing and fossil fuel taxes. In the meantime, opportunities for creating stronger links between existing municipal programs are being explored. For example, short-term, geared-to-market training (known as ‘customized training’) opportunities have been created by the City’s welfare department and the business sector to tackle the problem of high unemployment and underemployment in the region [Torjman 1999]. Called ‘Partners for Jobs,’ this program can offer EnviroCentre access to job seekers who may be looking for entry-level positions in the environment sector. In addition, the City’s Entrepreneurship Centre clientele could benefit greatly from an association with EnviroCentre’s service providers and funding partners.

Says Dana: “There is also little doubt that we will get more hot summers like the ones we’ve recently experienced and that the

health issues associated with high levels of greenhouse gases will become more pressing, so people and organizations need to be ready to get serious about making change.”

The recent opening of EnviroCentre’s new showroom draws attention to its successful mixture of business strategy, employment and opportunity possibilities – all aimed at encouraging environmental responsibility. The EnviroCentre is proving that financial sense and environmental sustainability can go hand-in-hand.

Anne Makhoul

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The EnviroCentre’s website is: <http://www.envirocentre.ca>

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Endnote

1. On average, each Canadian generates just over five tonnes of greenhouse gases per year – half that amount is generated by driving vehicles, and the remaining half results from heating and cooling homes, washing and drying clothes, and using other appliances.

References

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