CANADIAN
HOME BUILDERS' ASSOCIATION
BRITISH COLUMBIA

August 24, 2018

CHBA BC Response to the Clean, Efficient Buildings Intentions Paper
Submitted by email at clean.growth@gov.bc.ca

About CHBA BC

The Canadian Home Builders' Association of British Columbia (CHBA BC) is the leading advocate of the residential construction industry across the province. We work to the benefit of our members and the public through excellence in government and public relations, education and building innovation. CHBA BC has 2,000 members from 9 local associations across the province that are home builders, renovators, suppliers, manufacturers, developers and other industry professionals.

CHBA BC is also a service organization licensed by Natural Resources Canada, which provides Energy Advisor (EA) training, licensing, and support. CHBA BC currently delivers several voluntary environmental programs for industry, including EnerGuide Rating System (ERS), ENERGY STAR®, R-2000, and the National CHBA Net Zero Home Labelling Program.

Overview and Initial Comments

Further Engagement with Industry Required

It should be noted that CHBA BC feels that perspective from the residential construction industry at the Climate Solutions and Clean Growth Advisory Council table is very limited. If the buildings sector merits its own consultation paper, with a significant focus on residential construction, this effort should be informed by a more robust and meaningful dialogue between the Council and our industry. CHBA BC feels that the knowledge and insights of home builders, renovators, and suppliers should be more effectively integrated into the work of the Council, to ensure that key businesses' insights are properly considered.

In addition, CHBA BC recommends that such engagement on this topic should go well beyond this singular opportunity to offer comments on the draft paper. With many policies planning to move forward over the next 10 years, meaningful and ongoing interaction with our industry is essential to both properly monitor impacts and discuss relevant developments.

Affordability

CHBA BC is pleased to see that the Intentions Paper focuses on both new and existing homes. In considering a balanced and science-based approach to both existing and new homes, careful consideration of both the costs and benefits is essential before mandatory changes are implemented for either, as the affordability of homes in our province is of critical importance to both British Columbians and to the future economic prospects of our province. This point will be echoed throughout the proposal comments below.

Comments on Proposals

3.1 Energy Labelling Requirement

In principal, CHBA BC supports energy labelling at the point of sale. Such an initiative would help home buyers understand the significant energy performance differences between homes that have been

retrofitted and those that have not, as well as the comparative performance differences between new homes built today and existing housing. However, there are a number of caveats to our support for such a requirement, including:

EnerGuide Rating System

- CHBA BC supports the adoption of a national standard rather than a label unique to British Columbia. This is based on several key points, such as the need for a government-backed program with existing auditing mechanisms and delivery infrastructure in place (such as licenced Energy Advisors and Service Organizations), and that home buyers can come from other provinces – so a nationally-recognized program would support stronger energy literacy amongst both industry and consumer stakeholders.
- A preference would be Natural Resources Canada's EnerGuide Rating System (ERS) that is already used by industry for both new and existing housing - with over 1 million homes across Canada already labelled. The industry capacity to deliver ERS in BC is already being ramped up to support the increasing demand to verify the energy performance of homes.
- Using the ERS program would be cost-effective, credible, and build on existing voluntary efforts already underway, rather than having homes already tested by ERS required to conform to a new program. (ENERGY STAR®, Built Green™, LEED for Homes, R-2000, and the National CHBA Net Zero Home Labelling Program all use ERS.)
- ERS modelling, testing, labelling and reporting, conducted by licensed Energy Advisors, also requires thorough training and examinations to receive the qualification from Natural Resources Canada. The ERS program has enforceable standards of performance. This approach to quality assurance and industry competency helps to build consumer confidence in the programs and outcomes.

Rebates and Incentives

- CHBA BC encourages that rebates or incentives are offered as labelling is scaled up. This would encourage uptake rather than having homeowners try to avoid the extra cost required to obtain an energy label for the home. In addition, it would support homeowners where the financial cost may be a barrier.
- Housing affordability is a key issue in the province, and this should be considered when applying this proposal.

Support for Rural Areas and Costs

- CHBA BC encourages increased support for Energy Advisor training in rural areas of the province (referenced below in proposal 3.5) to ensure services are available in all parts of British Columbia.

Opt-Out Mechanisms and Flexibility

- Existing home sales should not be stalled due to the homeowners' inability to access an Energy Advisor in remote areas or due to travel cost barriers.
- There may be situations where a label upon sale or rent does not make sense. For example, if homes are being sold as part of a land assembly for redevelopment it does not make sense to require a label for the sale.
- CHBA BC is pleased to discuss these opt-out scenarios in more detail.

3.2 Financial Incentives

CHBA BC supports additional financial incentives to encourage voluntary energy efficiency retrofits. At the national level, CHBA was a strong supporter of the expired ecoENERGY Retrofit-Homes program. From 2007 to 2012, the ecoENERGY Retrofit-Homes program provided incentives to more than 640 000

homeowners, which resulted in homeowners saving over $400 million on their annual energy bills and lowering their energy consumption by an average of 20 per cent. In addition, it is estimated that the ecoENERGY Retrofit-Homes program has triggered more than $8 billion in economic activity and has created and protected thousands of jobs.

Along with the ecoENERGY Retrofit-Homes program, 12 of 13 provinces and territories offered complementary incentive programs, such as LiveSmart BC. From 2008 to 2014, the LiveSmart BC: Efficiency Incentive Program has stimulated between $852 million and $947 million in incremental economic activity, created 8,523 to 14,205 person years of employment, and helped more than 100,000 homeowners in communities throughout B.C. Uptake on programs such as LiveSmart BC in past have demonstrated that homeowners respond positively to such incentives.

Underground Economy

- If renovations and retrofits are encouraged, CHBA BC suggests that the provincial government also consider measures to ensure consumers work with legitimate renovators and create a paper trail and education awareness to deter underground activity. For example, federal and provincial programs in the past have required a GST number of the contractor as part of the rebate or modelled some of the incentives through the tax system by a tax credit.

3.3 Stronger Codes and Standards

CHBA BC supports the code development process, whereby there is a public review and stakeholder consultation component. However, the accelerated pace of change in BC building codes should not impair housing affordability and impact British Columbians' ability to access homeownership. CHBA BC believes strongly that affordability and evidence-based decisions must be a key objective when code changes are considered.

In addition, more demanding codes and standards will only impact new buildings which are already significantly more energy efficient than the average for existing housing stock. It should be noted that the Building Code deals primarily with new construction, which accounts for less than 1% of the overall housing stock on an annual basis. Moreover, CHBA research indicates that homes built pre-1985 use approximately twice the energy of homes built today, on a unit-area basis. Therefore, improving the energy performance of existing housing cannot be overlooked.

Under Section 2. Clean, Efficient Buildings, on page two, the paper references that buildings (residential, commercial and institutional) represent 11% of B.C.'s greenhouse gas (GHG) emissions. However, it should be noted that the total residential sector GHG emissions in B.C. has decreased by 18% since 2000. It is important to bear in mind that the energy use and GHG emissions in the residential sector represents the performance of *all* homes, existing and new, added to the housing stock each year. Unlike most other energy consuming products, the energy performance of a home is not fixed to the time of construction; subsequent improvements to the building envelope, mechanical systems and equipment can impact its future performance significantly.

The building code should be seen as establishing only the acceptable minimum standards. In this case, CHBA BC prefers stronger energy efficiency requirements on a voluntary basis. There are significant risks to "moving too quickly" for mandatory changes, including costs, industry capacity and competency/training. Voluntary approaches can ensure proper evaluation takes place and helps to mitigate unintended consequences that may be overlooked if codes require measures before the industry is ready.

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New Building Code commitments

CHBA BC encourages monitoring and evaluating any transition issues that emerge as a result of the B.C. Energy Step Code before a regulated increase in the base code takes place. During this interim period, it is imperative that the government and industry properly monitor costs, evaluate progress and address any concerns that may arise. For example, if there are significant capacity issues, they should be fully addressed before any mandatory code changes would take place.

Home builders in B.C. build an average of 4.7 homes per year, with many building even fewer. It should not be assumed that all builders will be equally successful at achieving similar cost-efficiencies in a set time frame, or that all builders will have sufficient market access to apply their classroom training in a real-world setting. Industry adoption of new technologies and practices takes time.

A costing study data is not included in this plan, and as mentioned, it is a short window to assume that cost-efficiencies needed to preserve affordability will be realized within the time proscribed. For example, if sufficient Energy Advisor capacity is not available in all areas it is likely those services will only be available at a cost premium. If all communities are targeting 20% more efficient standards, Energy Advisors must also properly service smaller cities throughout the Interior and North Coast. These challenges may not be fully resolved by 2022, and affordability must be considered in this discussion.

New Code for Existing Buildings by 2024

There is no mention of at what point this model code is triggered. CHBA BC would strongly encourage that it is applied on a voluntary basis or at a clear performance point where costs are fully considered. If such parameters are not applied, it risks creating an environment where underground economy activity is encouraged by virtue of the potential and forced costs involved. Homeowners facing such costs will look to circumvent the requirements.

CHBA BC would also encourage the province to align with the federal model building code for retrofits. Given that these new codes, especially the retrofit code, involve processes and outcomes where no previous experience exists, it would be wise to ensure the provincial code takes place following the national publication, as suggested.

If local governments wish to adopt higher levels of code performance earlier, CHBA BC suggests this is applied on a voluntary basis to allow proper measurement of impacts.

Increased Efficiency Standards for Equipment (2020-2035)

The manufacturing timelines should harmonize with relevant federal standards in place, or anticipated, as much as possible. It is likely that manufacturers will focus efforts on areas with the greatest market share potential in relation to both national and international markets, and if not harmonized with other jurisdictions, B.C.'s initiatives may not be sufficient to encourage the necessary research and development. For most building products and materials, North America is a single market.

Provincial efforts should focus on ensuring that technology adoption by industry is optimized, for instance through providing/supporting more education to suppliers and installers on right-sized equipment. Such supportive action will directly encourage gradual market transformation. Over-sized equipment is already a problematic issue in some instances, as the equipment needed to meet the reduced thermal loads of some housing types and locations is not now available in all regions of B.C. or

cannot be easily accessed. Better education of industry participants on existing requirements, and the equipment types required to effectively address these levels, would support this initiative.

Reducing GHG Emission Intensity

CHBA BC has expressed concerns about creating separate local government processes to regulate GHG intensity in policy or by bylaw. The *Building Act* was designed to streamline and harmonize requirements as much as possible, which runs counter to such municipal initiatives.

In moving forward, it is critically important that our industry avoid the situation where each local government plans its own guidelines and requirements. This will result in a patchwork outcome, where some municipalities will move ahead with one set of plans while other may take a different approach. Such an outcome will multiply the risk to consumers and our industry linked to potential unintended consequences.

When considering GHG intensity targets, however, a whole building approach is preferred as is taking place with the current B.C. Energy Step Code. This supports builder and homeowner energy and material choices, while also driving innovation and promoting affordability.

Further discussion on this initiative would be required, when better information on what is intended becomes available.

New Measures for Electric Vehicle Charging Stations

In order to encourage the growth of Electric Vehicle infrastructure, the province is best advised to support such development with voluntary financial incentives.

Recognizing B.C.'s unique rural and urban markets, there may not be a consistent need for electric vehicles in all areas of the province. A voluntary approach would allow its implementation where there is the demand to do so.

Before any mandatory requirements should be considered, there are several outstanding questions. This includes:

- strata management of such costs (especially if only a small percentage of resident drivers use the plugs).
- the increased electrical loads required for the building to support increased charging by vehicles. (Such as moving from 150 to 200-amp electrical panels and service to each home. This then impacts infrastructure such as transformer size in the community.)
- the projected demand that would justify a large-scale change. Electric vehicles represent a small percentage of cars at this time. And with the trend towards not owning vehicles at all, in favour of car sharing services, or other technological change within this sector, it is yet to be determined if this infrastructure would even be required in the not-so-distant future.

3.4 Low Carbon Buildings Innovation Program

CHBA BC would be strongly in support of encouraging research and development into lower-cost technologies to meet new government programs.

Another area of exploration is further collaboration with LEEP (Local Energy Efficiency Partnerships) for both new and existing homes, and other voluntary programs, which are tracking areas where research is

required and integrating industry feedback, as well as fostering smoother technology adoption and practical transitions to higher levels of performance.

3.5 Training and Certification

CHBA BC encourages professionalism and that homeowners should always work with qualified, professional builders and renovators. With any incentive, there is always the potential for underground economy operators to want to take advantage and steps must be taken to prevent this.

Qualifications, driven by industry and backed by government, such as licensed Energy Advisors through Natural Resources Canada help affirm professionalism. For example, CHBA BC has a robust Energy Advisor training program, which includes classwork, quality assurance and peer mentoring on initial projects, to ensure those who are licensed through CHBA BC are committed to the profession. The same should take place for any certified retrofit programs, to ensure it is accessible for all to avoid any form of monopoly but also rigorous. CHBA BC would also encourage any other administrative mechanisms to counter the underground economy, such as requiring a GST number, insurance, and WorkSafeBC coverage.

If there are training incentives in place, CHBA BC would also encourage supporting the growth of professionals in all parts of British Columbia. More funding for Energy Advisors, especially in rural and remote areas, is an important area to target. Hands-on training is expensive and requires time and travel for individuals to attend. Measures to support the growth of EA capacity outside major urban areas are necessary, especially as demands on an Energy Advisor's time is growing due to the efforts of existing programs.

Thank you

Thank you for the opportunity to contribute to this engagement. CHBA BC is happy to participate in any further discussions on this topic.