March 11, 2022

Clean Air Council Input to the Proposed Changes for the Next Edition of Ontario's Building Code (Winter Consultation ERO Posting #: 019-4974

The Clean Air Council (CAC) is a network of over 35 Ontario municipalities working collaboratively on clean air and climate change actions. Clean Air Partnership (CAP), a charitable environmental organization facilitates the CAC network. The below input and recommendations represent the consensus feedback from the municipal staff member representatives from CAC member municipalities[1].

There is significant concern that we are not making the progress needed for the Province to achieve our 2030 greenhouse gas reduction target and that with no energy efficiency improvements as proposed in this ERO posting of the Ontario Building Code (OBC) that the Province is missing another opportunity to ensure Ontarians are able to reduce their vulnerability to energy price increases over time through increasing energy efficiency at the most cost-effective time to advance energy efficiency - at the time of construction.

The Province acting on the below recommendation will help to ensure that Ontario addresses energy cost burdens, while building a local economic and job creation opportunity by providing a roadmap towards higher energy efficiency standards over time, as well as ensure progress towards 2030 GHG reduction targets.

Recommendation # 1: Bring in the Tiered Standards and Timeframe for Advancement to Higher Tiers

The Clean Air Council was pleased to learn that the Province of Ontario was planning on harmonizing with the National Model Building Code (NMBC). The CAC is very supportive of the National Model Building Code's tiered approach. This approach provides a clear and transparent pathway for the building sector to make progress towards net-zero targets. It is a leading practice used in many other jurisdictions such as the Province of British Columbia (through the BC Step Code), City of Vancouver's Building Code, and the City of Toronto and Town of Whitby's mandatory tiered Green Standard.

[1] Municipal staff representatives on the Clean Air Council (CAC) were consulted in the preparation of this submission to reflect the feedback of member municipalities but direct endorsement of this submission by municipal councils was not sought as many municipalities are preparing their own independent submissions. CAC representatives are the municipal change agents within leading climate action municipalities and have been working collaboratively across the region for the last 15 years to support and enable progress on clean air and climate change actions. The consultation undertaken were facilitated and are endorsed by the Clean Air Partnership, a charitable environmental organization that serves as the secretariat for the Clean Air Council.

It was very disappointing that the ERO posting did not bring in the tiered approach associated with the National Model Building Code. If this critical tiered approach is not brought into the update to the OBC, it will result in a significant lost opportunity for municipalities to increase consistency across the energy metric in their Green Standards. Bringing the tiered approach would ensure that the development community advances its market and skill capability towards higher energy efficiency requirements in the coming decade. There is no better time to advance energy efficiency than at the time of construction. It is recognized that lower energy efficiency requirements will only result in increased energy costs for Ontarians now and into the future.

We recognize that the market currently states that it does not have the market capacity to build all new buildings to net-zero emission standards. It is also recognized that the Province must consider an extensive geographical area with varying markets and capacity while setting mandatory standards within the Ontario Building Code. As such, the Province is required to set the Building Code at a level that can be achieved across that very large geographical area. **Therefore, the CAC recommends that the OBC update bring in the tiered standards and the timeframe for when those standards will become the minimum OBC energy efficiency requirement.** In addition, it is also recommended that the Province adopt a Greenhouse Gas Intensity (GGI) metric option to ensure that a climate lens is applied to energy planning and that developers and municipalities are able to ensure that the OBC can make progress towards energy affordability and climate commitments. This is similar to what takes place in the BC Step Code, as well as municipal green standards. Bringing the tiers and timeframe into this OBC update will also improve consistency in energy efficiency standards in municipal green standards and better enable municipalities to work with their development community to serve as living laboratories to advance the market at a local scale. Successful adoption of these standards at the community/municipal scale can inform future updates and increase capacity for a wider market transformation enabling the mandatory components of the OBC to be adopted at a provincial level.

Recommendation # 2: Improve Energy Efficiency Requirements in OBC

From our understanding of the ERO posting, it appears that this OBC update will result in **NO** energy efficiency improvements over the existing OBC energy efficiency requirements. This is of significant concern as the most cost-effective opportunity to advance energy efficiency and address Ontarians' vulnerability to energy price increases over time is at the time of construction.

- Proposed Energy Efficiency Level in OBC ERO Posting: Harmonize with Tier 3 requirements of the National Building Code for part 9 buildings (buildings defined as three or fewer storeys in height and smaller than 600 m2 in area). Tier 3 for Part 9 would maintain energy efficiency requirements at present standards, resulting in no improvements in energy efficiency requirements. It is recommended that the Province adopt Tier 4 for Part 9 to ensure that Ontario does not stagnate on energy efficiency opportunities for a decade.
- Proposed Energy Efficiency Level in OBC ERO Posting: Tier 1 of the national code for part 3 (buildings classified as Group A, B or F-1; or exceeding 600 m2 in building area or exceeding three storeys in building height). From an energy efficiency perspective, Tier 1

for part 3 buildings would be less stringent and therefore reduce energy efficiency in new buildings in Ontario. It is recommended that Ontario adopt Tier 2 for Part 3 buildings.

If Ontario advances with the ERO proposed approach, it will stagnate energy efficiency in new buildings for a decade (the next OBC update would be in 2028). We recognize that Ontarians are experiencing significant real estate affordability issues, but undermining energy efficiency improvements will not address these real estate affordability challenges and will only result in increased energy costs for Ontarians over time. The most cost-effective time to improve energy efficiency is at the time of construction, and this decision will only add future energy and retrofit costs onto Ontarians. Over 74,000 new houses undergo construction each year. About 39 million square feet of commercial and institutional floor space is also added annually. For every year that Ontario delays implementing more stringent energy efficiency Code requirements, higher energy use and greenhouse gas emissions will be locked in for thousands of buildings, and only add to future retrofit costs. Further delays only make it more difficult for Ontario to meet its commitment to harmonize with the National Building Coe and set Ontario back to adoption of a net-zero energy ready building code by 2030.

The CAC would very much like to work with the Province to enable municipalities to innovate and achieve market transformation by working with their development community to increase uptake towards the higher tiers we hope are brought into the OBC. At present, municipalities are using Green Standards enacted through their site plan controls to drive uptake to sustainability metrics within new developments. Municipalities are keen to work with the Province and their development community to drive capacity towards higher energy efficiency and lower GHG standards. Additional authorities beyond site plan control would enable municipalities to play that market transformation and capacity building role and ensure that Ontario does not fall too far behind other jurisdictions such as British Columbia and Quebec in energy efficiency capability.

Recommendation # 3: Support implementation of the tiered Code through education and capacity building in areas such as airtightness testing, building envelope design and building science.

The CAC recommends that the Province support the development industry in moving to higher energy efficiency through education, training, and other cost-reduction strategies. Builders would welcome the opportunity to increase their knowledge through resources such as a "Best Practices" guide. This approach is supported by experiences in British Columbia, where much of the success of the BC Energy Step Code can be attributed to supports provided by the BC Energy Step Code Council, as well as training and peer support networks, plain-language communications materials, and strategies for cost reductions that include training programs, incentives, builders' guides, and pragmatic costing guidelines for various tiers of the Code. Education and capacity building at the municipal level would be of significant value as well to improve capacity within municipal building and planning departments. There are significant opportunities for collaboration across Ontario municipalities and the Clean Air Council is committed to working with the Province to advance capacity across the construction and municipal sector to ensure implementation of OBC standards. But there is the need for the

Province to work with municipalities to build municipal capacity to ensure OBC implementation.

Recommendation # 4: Take steps to ensure the move from a prescriptive approach to a performance-based approach.

This would provide the industry with increased flexibility and opportunity for innovative building design. As a result, the industry will be better positioned to achieve net-zero targets and improve consistency in energy and environmental outcomes.

Recommendation # 5: Support the Scale Up of Energy Efficiency Within Ontario's Existing Building Stock

The CAC recognizes that the OBC only addresses energy efficiency within new construction and that this recommendation is out of scope for this ERO posting, however, there is the need for Ontario to scale up energy efficiency within its existing building stock. Not only is energy efficiency advancements in this sector absolutely imperative to achieve GHG reduction targets, but it presents significant job creation and economic development opportunities for Ontarians. Construction and renovation is labor intensive, jobs cannot be outsourced, materials are often bought locally due to high transportation costs and it is a market that is in its infancy thus far compared to the implementation required to address energy poverty and increasing energy costs over time, as well as climate commitments. To address energy and emissions from existing buildings, the province should:

- Accelerate and expand Ontario's Energy and Water Reporting and Benchmarking initiative to include all large buildings and require the EnerGuide Rating System or energy cost disclosure at the time of purchase for all other buildings.
- Enable mandatory building performance standards for existing buildings to regulate energy and emissions from Ontario's worst-performing buildings.

Thank you for providing the opportunity for the Clean Air Council to provide their input on this important and necessary topic. We would be keen to advance an ongoing dialogue between the staff advancing this effort and CAC member municipalities. Clean Air Partnership is available to facilitate these discussions.

Please contact Gabriella Kalapos at gkalapos@cleanairpartnership.org to advance this requested dialogue.