



February 15, 2024

Energy Efficiency Branch (c/o Sean LeRoy)
B.C. Ministry of Energy, Mines and Low-Carbon Innovation
P.O. Box 9314 Stn Prov Govt
Victoria, B.C. V8W 9N1

Dear Mr. LeRoy,

RE: Canadian Institute of Plumbing and Heating – HEES Regulatory Consultation

I am writing on behalf of the members of the Canadian Institute of Plumbing and Heating (CIPH) which operate in British Columbia. Our members are manufacturers, wholesalers, and distributors of plumbing and heating equipment. The regulations being proposed in this consultation will affect those with brick-and-mortar facilities in British Columbia, as well as those with physical locations in other provinces and facilities around the world who provide building supplies in the province.

The changes being proposed will profoundly impact how homeowners and tenants keep their homes comfortable and healthy in B.C. Our industry is glad to see the province take a multi-year consultation and market adaptation approach given the industry-wide scope of this proposal. We are committed to helping governments find solutions to increase the energy efficiency of the built environment and are glad to be able to share input into this process.

At the same time, we believe that this comprehensive transition will take longer to prepare for than is being planned. We believe it is important for the provincial government to work more closely with the companies and business organizations that supply these products, as well as provincial utilities providers, to identify the best path forward for consumers and the environment.

CIPH is prioritizing the following themes with regard to the Highest Efficiency Equipment Standards for Space and Water Heating.

1. Regulatory harmonization is essential
2. Consumer choice and education
3. Workforce readiness challenges
4. Continued dialogue is critical

Initial Assessment

The government has decided that space and water heating are an ideal target for government policy to reduce greenhouse gas emissions from the built environment. As the primary caretaker of the space and water heating product supply chain, CIPH agrees with the government's intent.



I wish to clearly state that we aim to participate in this implementation side-by-side with officials from the government, while providing expert advice about what is and is not possible, to maintain consumer affordability and business sustainability throughout the proposed transition.

The residential heating supply chain will be fundamentally changed by these regulations. Starting consultations now is responsible because, although it may seem far off, 2030 is very close for businesses to adapt to a nearly wholesale change in their product mixes, parts, training, consumer education, and supply chains.

Our industry strongly encourages the Ministry to begin the same process quickly for more complex systems that will be covered in the building code with point of installation standards by 2030. Although some of the products used in these systems are not mass-produced in the same manner as residential units, many of the parts and components needed to transition are. Further, the same challenges with workforce readiness will be present in the ICI sector of construction.

Regulatory harmonization is essential

The government of British Columbia has often led other jurisdictions in Canada on sustainability and environmental protection policies. The space heating and cooling sector has been no different. Our members have found it more challenging to do business in the province because multiple jurisdictions are adopting or have adopted new codes at different times. This leads to a less predictable and operationally challenging business environment that can cause higher costs for businesses and consumers. It can also create challenges for businesses on consumer education as well as providing adequate training in a timely manner to tradespeople who are responsible for installing, servicing, and repairing equipment.

We recommend that the department work with municipalities and industry to provide a clearer roadmap to the implementation of these measures, setting 2030 as the predictable milestone for the entire province. Doing so would greatly ease the burden on businesses that will already be working hard to meet the deadline to provide both electric and hybrid-fuel models for the entire market by 2030.

Consumer Choice and Education

Homeowners or building managers most often replace their heating and cooling systems at the point of failure of an existing system. Without clear education about the proposed regulations, many consumers will learn for the first time that they cannot do a one-for-one replacement of their household systems when they are also being confronted with an unexpected cost. We are concerned that contractors and suppliers will be on the receiving end of consumer shock when new, more expensive systems are required to replace a failed system in a home or building.

Consumers should be able to choose from a wide range of certified products that are acceptable in the market at a range of price points, and with multiple fuel sources.



Since the provincial government is proposing this change, the government should also be a partner in educating consumers about new requirements. That burden should not solely be borne by plumbing, heating, and HVAC-R companies. The changes should be clearly communicated to consumers well in advance of the regulations coming into force. That means that once regulations are finalized there should be a substantially longer window for the regulations to come into force while homeowners and building managers are educated about the scope of changes in a public awareness campaign involving all parties.

Workforce Readiness Challenges

The workforce readiness challenges highlighted in the consultation document are likely understated. CIPH proudly works with trade contractor organizations, including the Mechanical Contractors Association of Canada (MCAC) and MCABC. The members of these organizations are already struggling to find workers in HVACR, and refrigeration technicians are especially hard to come by. Despite efforts in recent years by both provincial and federal governments, the rate of attraction of youth to the skilled trades is still not where it needs to be to adequately service the sector with our existing product mix.

Implementing a sweeping change will simultaneously require skilled trade workers in our sector to be upskilled, while also bringing in new workers that will need a new complement of skills to install, service and repair both new products and existing products. These workers will need to possess both electrical and oil/gas skillsets to service hybrid systems. Our member companies will be vital in providing equipment and expert guidance on training that is delivered currently to a smaller cadre of workers. Government, industry representatives, post-secondary institutions, and labour groups will all need to work together on a unified strategy that both brings more workers to the province and encourages more British Columbians to join the skilled trades for the 2030 implementation to be successful.

Continued Dialogue is Critical

Technology in our sector is constantly improving. Trade issues, federal policy changes, municipal codes and national standards are all shaping how our sector operates. Consumer demand fuels our industry and regulations put the boundaries in place in which our member companies can fill that demand. At the end of the day, companies want to be able to supply consumers with what they want: more efficient products that suit their needs at the best possible price.

To adequately satisfy consumers in British Columbia after 2030 we need to work together now. There will be major financial challenges for individual homeowners and tenants if it is difficult to find products to replace existing products in the decades that follow. Homes and apartment buildings that are well-constructed to use existing boiler systems and central air may, should be able to access the wide range of innovative products that our industry offers to satisfy their needs.

At the same time, when blackouts or brownouts occur, people will still need to heat or cool their homes, especially in the midst of extreme temperatures. Redundancy in both technologies and



fuels should be considered as having inherent value throughout the regulatory consultation process. As grid improvements are underway to support electrification, progress being made with other fuel sources (renewable natural gas) should also be included in the mix. These alternative methods need to be considered as a potential transitional solution that will help consumers extend the life of their existing systems with reductions in GHG emissions.

To reduce friction and ensure the smoothest transition, we recommend that the government form a government-industry regulatory panel to identify the barriers for implementation that arise as we approach 2030. Doing so would give the department real-time feedback on supply chain roadblocks, installation concerns, workforce readiness issues, and information about new highly efficient technologies.

I hope that you will take these recommendations to heart. On behalf of the members of CIPH, I look forward to continuing our work together.

Sincerely,

Satinder Chera
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