Paving a Path: Achieving Net-Zero Together

BC Industry Roundtable Report

December 5, 2023

BACKGROUND

The construction industry has faced significant challenges over the past several years in terms of addressing a changing economic environment, labour shortages, and the federal government's commitment to reducing carbon emissions by 2030 and achieving net-zero emissions by 2050. To achieve this commitment, the federal government's actions have focused heavily on addressing the carbon emissions of new builds and retrofits, which has put our industry at the forefront of the low-carbon transition.

Over the past several years, the federal government has created multiple supports aimed at providing resources to industry and organizations working within the sector. These supports include the *Deep Retrofit Accelerator Initiative*, the *Codes Acceleration Fund*, additional funding within the Canada Infrastructure Bank's Green Priority area, and the *Sectoral Workforce Solutions Program*.

These federal commitments have been coupled with individual provinces making independent legislative and regulatory changes to our industry to support the federal government's commitment to net-zero by 2050. In British Columbia in particular, our industry is facing challenges in terms of rapidly changing timelines from municipal and provincial governments, with municipalities being encouraged to develop unique regulations regarding carbon emissions to contribute to the shift to net-zero. This has made regulatory harmonization increasingly difficult, with producers and distributors bearing the brunt of added work and costs.

In recent months, the BC provincial government, alongside municipal governments across the province have made significant regulatory changes. The provincial government has made changes to the *BC Building Code* to require better energy efficiency in most new buildings in the province, and either encourage or require lower carbon emissions in new buildings. The Vancouver government has announced the Zero Emissions Buildings Plan, which outlines the plan to transition to zero-emissions buildings in all new construction by 2030 by setting limits on emissions and energy use in new buildings. Cities including Whistler, North Vancouver, West Vancouver, Squamish, Richmond, and Port Coquitlam have all instituted independent and unique municipal regulations that limit natural gas heating options in new builds.

With these challenges facing our sector, it is more important than ever to work together within our industry, and to collaborate with provincial and municipal governments, to ensure that we are meeting the federal government's net-zero commitments in a way that works for government, industry, and consumers.

ROUNDTABLE PROCESS

Since 2020, the Canadian Institute of Plumbing and Heating (CIPH) – alongside industry partners, including the Mechanical Contractors Association of Canada (MCAC) – has hosted roundtables at the federal level with government officials and industry stakeholders to unify these parties and have a productive discussion about the transition to net-zero. With British Columbia at the forefront of environmental regulatory developments, CIPH determined it was critical to convene regional industry stakeholders for a conversation about how to approach this transition within our industry.

On December 5th, CIPH hosted a virtual roundtable that engaged businesses and industry organizations that are at the frontline of the transition to net-zero, namely those involved in the construction industry, as well as utilities. The discussion focused on the need to speak with a unified voice to address the issues of energy efficiency improvements, reduction of energy consumption, clean energy, bans of certain chemicals, and the reduction of the use of fossil fuels, among others, which have been emphasized as critical by both the federal government and the government of British Columbia. The intent of the conversation was to take the first steps towards developing a roadmap that to use across municipalities throughout Canada in order to avoid fragmentation in policy development and implementation.

ROUNDTABLE PARTICIPANTS

1. Canadian Home Builders Association (CHBA)

2. Canadian Institute of Plumbing and Heating (CIPH)

3. Canadian Institute of Plumbing and Heating – BC (CIPHBC)

4. Electro-Federation Canada (EFC)

5. FortisBC

6. Hearth, Patio & Barbecue Association (HPBA)

7. Homebuilders Association Vancouver (HAVAN)

8. Mechanical Contractors Association of Canada (MCAC)

9. Mechanical Contractors Association of BC (MCABC)

10. Thermal Environmental Comfort Association (TECA)

11. Urban Development Institute (UDI)

DISCUSSION QUESTIONS

1. What is the state of the industry's readiness to transition to a net-zero emissions economy and what gaps need to be addressed?

2. In terms of the federal timeline for the publishing of a net-zero emissions building code and model retrofit code by the end of 2024, do you think this is a feasible timeline? What can the government accomplish by the end of 2024 in light of the barriers and gaps that have been highlighted by the industry?

3. What are the best ways for the industry to provide input and insight to the government on the development of new policy beyond feedback on program consultations and the regulatory consultation process?

4. What do you expect the landscape will look like in the years after 2030 when the Emissions Reduction Plan has been implemented?

5. With an uncertain political climate at the federal level, what opportunities exist to make consistent progress toward net-zero emissions in construction at the provincial level over the next few years?

6. Are there other stakeholders that we need to align with to ensure that the industry presents a united front? What opportunities are there for collaboration with industry to advance this agenda?

OVERVIEW OF DISCUSSION

The discussion was shaped by the six guiding questions listed above but was open-ended. We encouraged participants to share their experiences and recommendations to help shape the industry's next steps in addressing net-zero construction and building regulations. It was noted in the opening of the discussion by several participants that the industry is not ready for the transition to net-zero, particularly due to changing timelines and inconsistencies across jurisdictions. This is coupled with the fact that these regulations and commitments affect a wide array of stakeholders, who often are not having or are not involved in industry-wide discussions. It is therefore challenging to know how others in the industry are preparing for this transition, and how we can work together to ensure that our approach is unified and that all stakeholders not only understand the timelines but are ready and able to meet them.

There was also concern voiced regarding uncertainty in definitions and realistic timelines. Many of the commitments that have been made at the federal, provincial, and municipal levels have been far-reaching and aspirational, which does not consider the on-the-ground planning, research, and development that must occur to meet goals, no matter how well intended. Informed planning is key to ensuring that the government's commitments can be met, and this has been difficult when aspirational goals and timelines are announced and subsequently delayed or adjusted to account for the realistic challenges.

A significant part of the discussion focused on the concern around regulations for retrofits. Many participants agreed that new builds will likely be able to meet the timelines and be able to conform to the regulations outlined. Greater concern surrounded how existing buildings will be retrofitted. In the industry, a building is planned based on the desired outcome. When the desired outcome is amended years or decades after it has been built, businesses in our sector face the challenge of shaping the problem to fit the solution. Issues like product and labour availability, ventilation pathways, availability of the power grid, and structural constraints of the existing buildings were listed as critical concerns that participants say have not been adequately considered when creating retrofit emissions regulations.

In closing, participants suggested a variety of stakeholders to include in future discussions to ensure that perspectives from all affected parties are understood, which is critical to have when moving forward on advocacy efforts.

Overall, participants were concerned about the increasing challenges facing the industry, and the fact that this is an issue that affects such a wide variety of stakeholders and industries that it is difficult to ensure that all those affected are considered when proposing and implementing solutions.

CONCLUSION

For industry to meet the challenge of the federal, provincial, and municipal governments' net-zero commitments, industry must be aligned on our approach to this transition. This conversation provided a unique opportunity for stakeholders from various segments of the industry to meet and discuss the challenges that they are facing and discuss solutions together.

This discussion had the goal of bringing a variety of stakeholders together to take the first steps in developing a roadmap that will help our industry to shape the conversations with all levels of government and achieve greater collaboration with government while ensuring that stakeholders are essential voices when making commitments and developing and implementing regulations that will affect the way in which we do our jobs.

Based on the discussion, CIPH is presenting three recommendations in terms of next steps:

Recommendations

1. Continue to hold roundtable discussions with a variety of participants from across the building and construction industry, as well as civil servants from municipal and provincial levels.

2. Support Electro-Federation Canada and their *Greener Electrified Canada Network* with further stakeholder engagement.

3. CIPH will work with stakeholders in this group to draft a discussion paper that will be shared with municipal governments across British Columbia to highlight the challenges of a fractured approach for local residents, businesses, and their municipal budgets.

CIPH would like to thank all participants for their contributions to this discussion. Our industry is at the forefront of the net-zero transition, and it is essential that our industry continues to work closely together to address the challenges that we have been facing and will continue to face in the coming years.

ABOUT US

Founded in Montreal in 1933, the CIPH is a not-for-profit trade association that is committed to providing members with the tools for success in today's competitive environment. More than 283 companies are members of this influential Canadian industry association. They are the manufacturers, wholesaler distributors, master distributors, manufacturers' agents, and allied companies that manufacture and distribute plumbing, heating, hydronic, industrial PVF, waterworks, and other mechanical products. CIPH wholesalers operate more than 800 warehouses and showrooms across Canada. Total industry sales exceed $9 billion annually and CIPH members have more than 20,000 employees from coast to coast.

MARKET TRANSFORMATION STATEMENT

CIPH supports market transformation towards a sustainable and effective lower carbon economy that allows consumers comfort and affordable choices while safeguarding health and safety. Our members' and industry's ability to provide practical and innovative solutions for present and future generations will assist Canadian governmental bodies in achieving climate change objectives, the conservation of our natural resources, the preservation and the protection of our existing built environment. Government and industry benefit when working together. Industry works best when:

- Consulted early in developing policies, pilot and incentive programs, data gathering, standardization and regulation.
- Our collective strength is harnessed to create a collaborative and coordinated approach.
- Given clear, manageable timelines, with appropriate commitment and advance notice.
- A necessary regulatory framework balances costs and measurable benefits; using validated data to support initiatives.
- We consider the whole building as a system.
- We understand the full business/supply chain infrastructure.
- Effective approaches are included for new and retrofit/replacement.