

Submission to BC Government

About Us

The Canadian Energy Efficiency Alliance (CEEA) is pleased to have this opportunity to submit its comments to British Columbia's Climate Change Leadership plan discussion undertaking as part of the Province's efforts to reinforce the importance of climate change to the Province's future.

CEEA is Canada's leading independent advocate and industry association promoting the economic and environmental benefits of energy efficiency. Established in 1995, CEEA works with both federal and provincial governments as well as other stakeholders to ensure energy efficiency is a priority for all sectors of the economy. By monitoring, examining and developing public policy ideas, programs and codes and standards, CEEA is an effective resource for policy makers, consumers, and energy companies. CEEA's membership includes all economic sectors related to energy efficiency, including manufacturers, utilities, governments, building, labour and consumer groups and environmental organizations.

Introduction

CEEA commends British Columbia for being a leader in this area. Not only is the revenue-neutral carbon tax a successful example of forward-thinking climate policy, but the province's leadership in energy efficiency – through both bold public sector leadership, robust programs and effective policies and regulations – is a continued source of inspiration across the country.

CEEA appreciates the information and questions that had been presented in the discussion paper provided for this consultation. CEEA intends to provide input where it can provide the best value based on the experience of our members.

CEEA's recommendations with regard to this undertaking are:

- 1. Energy efficiency must be recognized as a critical tool to meet the goals of an ambitious climate change plan for the province – indeed it should be the first tool for both economic and environmental reasons.**

In a recent report developed by the National Association of State Energy Officials (NASEO) related to the US EPA's proposed new Clean Energy Power Plan, the NASEO emphasized that energy efficiency solutions should be the first focus for any climate change/clean power plans. They noted that time and time again that energy efficiency solutions prove to reduce both actual energy costs but administrative burdens as well.

CEEA believes that energy efficiency is typically the lowest cost climate change mitigation measure; particularly for industry and buildings – the analysis being conducted for this climate leadership plan could verify this fact.

The Energy Efficiency industry employs thousands of British Columbians – including technology manufacturers & distributors, developers, financiers, builders, professionals, tradespeople, energy service companies, information technology providers, real estate professionals, facility managers, municipal employees, constructions and renovation.

According to detailed, province-level macroeconomic modeling prepared for Natural Resources Canada¹, an aggressive and sustained (over 15 years) suite of energy efficiency programs and policies in British Columbia would have significant *net* positive economic impacts:²

- **Jobs:** a net increase of up to **34,000 full-time equivalent jobs** in the province.³
- **GDP:** a net *increase* of up to **\$5.5 billion annually to the province's GDP** (\$78 billion over the 30-years modelled)
- **Revenue:** add **\$220 million to provincial coffers** (tax revenue from increased economic activity).

This same aggressive energy efficiency strategy would also reduce GHGs in the province by over 90 Mt CO₂e (lifetime), or by up to **4.2 Mt CO₂e/year** relative to business as usual. This is why energy efficiency is a win-win-win climate solution for British Columbians.

2. A carbon tax is not enough.

The carbon tax is game changer because it changes the economics of energy efficiency but many persistent barriers still remain, particularly given that it is often capital-intensive – requiring an investment up-front for long-term benefits. A key example of a barrier is split incentives between builders and consumers, landlords and tenants and capital budgets versus operating budgets. In all three cases, the former invests in energy efficiency upgrades and the latter benefits through long-term energy bill reductions. There is a role for government to address such barriers (market failures) through interventions such as publishing statistics that can change market preferences, establishing financing mechanisms and setting regulations.

3. Energy efficiency is not just about utilities.

There is no question that energy efficiency is supported by utility programs for their customers but many opportunities fall through the cracks. For example, large industry that purchases gas from the open market is not fully covered by FortisBC programs yet that is where additional gains can be made. As noted earlier, many market segments for buildings are not covered by programs, due to the lack of necessary scale of energy consumption and savings. New pathways and “beyond the fence” practices are needed to ensure success.

Buildings account for 29 per cent of energy used in BC and about 12 per cent of GHG emissions. BC's 2008 Energy Efficient Buildings Strategy was an excellent and forward thinking start but there has been a

¹ Acadia Center, *Energy Efficiency: Engine of Economic Growth – A Macroeconomic Modeling & Tax Revenue Impact Assessment*, March 2014.

² All values are “net”, i.e. already account for any costs or negative impacts.

³ The “high” scenario would create 34,630 net full-time equivalent jobs in the peak year of the model; over the full 30-year timespan modelled, B.C. would see a net increase of nearly 500,000 person-years of employment.

sharp decline in programs to support the strategy which has undermined it and left it almost inert. CEEA recommends that British Columbia review the most recent efforts by the states of Washington, Massachusetts and California where research, building energy reporting, stretch/reach codes, financing and other programs are achieving excellent results.

4. Better information/data that is easily accessible is required.

We lack good data – the Community Energy and Emissions Inventory summarizes data for entire sectors (residential, commercial, transportation, industry) by community, but not by sub-sector (multi-unit residential buildings versus single-family houses). We need province-wide reporting and benchmarking of energy and emissions performance. Climate change efforts are measured by numbers and to be successful we need access to better data that more closely reflects how programs will be designed and therefore measured.

Collection, maintenance and access to this data must be public – thus CEEA believes that the BC government is in the best position to act as the repository for these data. This would include data from the EnerGuide Rating System for houses, building upon the work that the BC Ministry of Energy and Mines did under the LiveSmart BC program, in collaboration with Natural Resources Canada.

As stated above, programs for commercial buildings should be reinforced in BC. In addition, CEEA suggests that BC, like New York City, should ensure public disclosure of these ratings. This would enable third party solution providers to provide more cost-effective energy solutions – and it would provide a more transparent approach to energy efficiency in this sector.

5. Further promote the ENERGY STAR® brand.

This is the most successful brand available to consumers – Canadians know it; they are comfortable with it and we should be prompting it more. Both BC Hydro and Fortis BC promote it but Government can play its own role – reminding consumers of the savings and environmental benefits. It works; it will contribute to meeting climate goals.

6. More work is needed under the *Building Act* to ensure climate change adaptation is included.

The launch of the Energy Efficiency Working Group by the Building and Safety Standards Branch in September 2015 provides an opportunity to develop tangible recommendations that support government objectives under the *Building Act*, but also opportunities for emission reductions. It is recommended that further work be done under the *Building Act* pertaining to climate change adaptation, something that energy efficiency measures for the building envelope can support.

7. Develop and industrial energy efficiency strategy.

It is recommended that a working group be struck for energy efficiency in industry to complement ongoing work being done on emissions reductions for the emerging LNG industry in BC, new mines and other large initiatives. We acknowledge the importance of facilitating energy efficiency and emission reductions for new industry facilities, representing a once in a decade opportunity to influence what

could become some of BC's largest energy consumers. In parallel, it is necessary to consider opportunities for medium-sized industry and the exiting pulp and paper, mining, oil and gas and manufacturing sectors, along with the all-important information economy players (e.g., data centres).

8. Ensure that energy efficiency for transportation is integrated into climate proposals going forward.

Experience in California is suggesting that a considerable opportunity exists with transportation energy efficiency – and a working group could identify options such as those profiled through NRCan's Moving Forward on Energy Efficiency documents:

<https://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/www/pdf/com/resoress/publications/cemcme/cemcme-eng.pdf>

<http://www.nrcan.gc.ca/publications/council-energy-ministers/1149>