

## **Toward a Low-Carbon, Energy Efficient Canada**

The Canadian Energy Efficiency Alliance (CEEA) is the independent advocate for energy efficiency in Canada. CEEA works with governments and stakeholders to ensure energy efficiency is a priority for all sectors of the economy.

Climate change is a complex and technical subject – CEEA and its members have many areas of expertise and we would be pleased to discuss these further, and to work collaboratively with the federal government.

We are very aware that the federal government alone cannot ensure that Canada can meet its climate change objectives – provincial, territorial and municipal governments plus Canadian corporations and individuals are needed to come together. CEEA members are comfortable working in that environment and have policy as well as practical experience which they are willing to share.

### **Addressing Climate Change in Canada through Energy Efficiency**

Supporting and encouraging investment in energy efficiency must play a critical role towards addressing climate change. Indeed, the International Energy Agency (IEA) has labelled energy efficiency the “first fuel” because it is typically the lowest cost option for balancing supply and demand. With this in mind, the Canadian Energy Efficiency Alliance (CEEA) proposes that you and your government consider implementing the following measures as quickly as possible to signal to the world that Canada is truly a forward-thinking and conscientious energy country.

Our focus here is the role of the federal government. In the end success for Canada will depend on the federal, provincial, territorial and municipals governments working cooperatively together along with the private sector and Canadians across the country. More and more Canadians are embracing climate change as a reality but if we truly want to meet our Paris commitments they need help to implement energy efficient practices at work and at home. Success will not be served by silos – renewable energy generators must work with the energy efficiency sector because that is the road to Net Zero.

CEEA’s recommendations are as follows:

**1. Set an ambitious goal of improving Canada’s energy productivity by 2030 as was recently done in Australia.**

CEEA is a member of the Global Alliance for Energy Productivity and was part of the launch of the Energy Productivity Playbook on May 11, 2016 in Washington ([http://www.ase.org/sites/ase.org/files/gaep\\_playbook-energy-productivity\\_alliance-to-save-energy.pdf](http://www.ase.org/sites/ase.org/files/gaep_playbook-energy-productivity_alliance-to-save-energy.pdf)). The Energy Productivity Playbook lays out practical strategies that will lead to success in terms of lowering GHG emissions and using our energy sources responsibly. We believe that the federal government should consider creating an Energy Productivity Leadership Commission of public and private sector thought leaders to engage necessary expertise and gain widespread support for the above stated goal.

**2. CEEA recognizes that a price on carbon will be the best way for Canada and its provinces to evaluate success as it sets GHG reductions goals for itself. However, how this will need to be done will likely be done differently within each jurisdiction. There is a need to couple this with the best financial mechanisms.**

A price on carbon needs to be supported by other financial mechanisms: The government can provide investment tax credits, flow through shares, equipment purchase rebates and attractive financing options (repaid from energy savings) for energy efficiency investments made by the commercial, industrial and institutional sectors allowing them to remain competitive and efficient while reducing carbon emissions and operating costs.



The Government should consider the establishment of a Canadian Green Investment Bank that would offer credit enhancement and potentially warehousing facilities in support of private sector investments in energy efficiency and related solutions.

The overall goal is to incent private companies as well as individual Canadians to invest in energy efficiency and reduce their carbon footprint.

- 3. Building codes are recognized as core to reducing GHG in buildings. We must ensure the federal government is a leader by proposing more aggressive energy codes with a long-term goal of net-zero buildings and homes.**

The federal government can set more aggressive standards and push all provincial governments to adopt them in a timely manner. Energy performance standards and disclosure requirements are seen as the next step in terms of buildings and these should apply to all federal facilities, including (with different requirements) newly-constructed federal buildings, existing federal buildings and buildings in which the federal government leases. If the government is going to make climate change a mandate issue for all ministers then they must disclose information about their own space(s). In addition when the federal government is a tenant it must use its market presence and only lease in buildings that lead in terms of energy standards and disclosure.

- 4. Approach buildings from a system's perspective which will result in a more effective approach to both energy efficiency and climate mitigation.**

At EE Global in Washington in May 2016, the Alliance to Save Energy, with the support of its international partners, released <http://www.buildup.eu/en/practices/publications/greater-sum-its-parts-case-systems-approach-energy-efficiency>. CEEA supports this approach and encourages all levels of government to review this report and adopt this approach.

- 5. Clarify the tax treatment of energy improvements in commercial, industrial and institutional buildings. While new building stock is important, our success is dependent on the retrofits of older buildings in the most energy efficient manner.**

As recognized in budget 2016, Canada's tax regulations and technical bulletins are out of date. This is particularly true when applied to energy efficient equipment. For three years, CEEA has been asking for a simple change to the technical bulletin related to the maintenance of buildings to no avail. While this would incent building owners to make more energy efficient retrofits in buildings, it would also mean that the Canada Revenue Agency's technical bulletin would be coherent with Canada's current building code not locked into building practices of the mid-80s.

- 6. Provide a permanent, refundable Personal Income Tax credit to assist with the cost of improvements to the energy efficiency of a home and tie it to the EnerGuide Rating System.**

Given that some of the provinces have adopted different approaches to a climate regime, this may have to be tailored differently per jurisdiction. However, overall if we are looking for success we must ensure that the average Canadian is encouraged **and incited** to choose energy efficiency upgrades for their homes. The EnerGuide Rating System provides the best base to provide the needed information and it has been developed by Natural Resources Canada after intense cross-country consultations.

- 7. Canadians must be informed of what tools are available to them to make a difference to our climate reality.**

Establishing a climate framework must take into consideration citizens engagement at work and at home. The drivers will likely vary based on life phases. For example, young Canadians between 18-24 who still live at home may agree that climate change is an issue but their actions are minimal. Their older brothers and sisters between 30-35 who are looking at buying their first home and are having children are both concerned and

willing to act. However, they need to be assured that their actions will help them achieve financial independence as well as address environmental needs.

Success will depend on action and not just words. It will mean we need to get beyond the 15-20% of Canadians who are both early adopters and environmentally concerned. That lens needs to be added to all our considerations.

As stated above, CEEA members have the knowledge and practical experience to work with the government to design an effective climate framework. Please feel free to contact us:

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