

Re: The Clean Air Council network recommends that the Ministry of Energy, Northern Development and Mines reconsider the proposed amendment to O.Reg 506/18

About the Clean Air Council

The Clean Air Council (CAC) is a network of 28 municipalities and health units from across the Greater Toronto, Hamilton and Southern Ontario Area¹ who work collaboratively on the development and implementation of clean air and climate change mitigation and adaptation actions. More information on the Clean Air Council is available [here](#). CAC representatives are the municipal change agents within leading climate action municipalities and have been working collaboratively across the region for almost 20 years to support and enable progress on clean air and climate change actions. This submission presents the consensus of feedback from the Clean Air Council membership to the above noted proposed amendment to O.Reg 506/18 and was facilitated and is endorsed by the Clean Air Partnership, a charitable environmental organization that serves as the secretariat for the Clean Air Council.

The Clean Air Council network would like to provide a submission to the above noted proposed amendment to O.Reg 506/18 stating that the Clean Air Council network recommends that the Ministry of Energy, Northern Development and Mines reconsider the proposed amendment to O.Reg 506/18.

This amendment if passed will result in increased energy and carbon costs and a reduction in energy saving actions being implemented in Ontario businesses and residents over the longer term for the below reasons.

- Energy and Water Reporting and Benchmarking (EWRB) was put in place after significant consultation with businesses and relevant stakeholders to reduce red tape and assist businesses in lowering their energy bills. O. Reg. 20/17 was developed over several years in direct consultation with businesses and stakeholders impacted and the limited consultation on O. Reg. 506/18 is much less robust. Most businesses will be surprised to learn that the benefits of EWRB will no longer exist for their building. Removing buildings below 100,000

¹ CAC Municipal and Public Health Unit members include: Ajax, Aurora, Brampton, Burlington, Caledon, Clarington, Durham Region, Guelph, Halton Region, Halton Hills, Hamilton, King, Kingston, London, Markham, Mississauga, Newmarket, Oakville, Oshawa, Peel Region, Pickering, Richmond Hill, Simcoe-Muskoka District Health Unit, Toronto, Vaughan, Region of Waterloo, Whitby, Windsor, York Region. Municipal staff representatives on the CAC were consulted in the preparation of this submission to reflect the feedback of member municipalities. Direct endorsement of this submission by municipal councils was not sought due to the short time frame for this consultation.

ft² will disadvantage those business owners and the net cost will greatly exceed the estimated cost of \$300 per year to participate in the program.

- The EWRB Regulation provides a requirement for local distribution companies (LDCs) to provide businesses with their own energy data to enable them to better understand opportunities to reduce consumption and reduce costs. ENERGY STAR Portfolio Manager was developed as a free tool to enable businesses to understand opportunities to reduce their energy consumption. Removing the applicability to mid-size buildings will significantly increase the red tape for those businesses and buildings because they will be less likely to track their energy use, and no longer be able to access this data in an efficient manner from their local LDC.
- EWRB was developed in part to provide a more efficient approach to help building owners benchmark and manage their energy costs. Building owners preferred that the Province put EWRB in place instead of a patchwork of separate energy reporting and benchmarking requirements at the municipal level. This amendment, if approved is likely to result in a more disruptive business environment due to changes in government requirements, and could very well result in a patchwork of energy reporting disclosure across Ontario communities if one standard provincial regulation is not in place.
- Energy reporting and benchmarking programs are growing in predominance across the United States and Canada. It has been a required practice across European Union countries for some time.
- Energy benchmarking is the process through which a building's energy performance is tracked in order to gauge changes in performance over time. The need for energy benchmarking rests on the fundamental principle that in order for owners and managers to manage or reduce building energy use, they must first be able to measure it. The same is true for water benchmarking.
- EWRB is a logical and necessary tool to better manage energy use and greenhouse gas emissions from Ontario's buildings, as well for municipalities to more accurately ensure adequate capacity for their water and sanitary drainage systems. Some may also choose to use the data to encourage better water conservation.
- Experiences with EWRB in the US are showing [a positive correlation between energy conservation and EWRB](#). In addition to energy conservation and GHG emissions reductions, EWRB also contributes to local economic development. According to a modelling report for Toronto, EWRB has the potential to create [10,000 person-years of employment over a twenty-year period](#). A province-wide EWRB policy has the potential to have an even greater social, environmental, and economic impact.

Benefits of Energy Reporting and Benchmarking regulations include:

- The saving due to compliance costs reduction is far less than the savings that can be found from increasing energy efficiency.
- Improves energy and water awareness and literacy among building owners, managers, tenants/lessees and consumers.
- Identifies those buildings that are being run more efficiently than others and a better understanding of what measures are improving their performance.

- Allows building owners to identify poorly performing buildings thereby identifying where there are energy saving opportunities and/or verify that investments in energy efficiency are achieving their intended energy conservation goals.
- Engages the market in energy conservation and allows for the inclusion of energy performance into market valuation of real estate, sending a market signal.
- Addresses affordability in that energy and utilities account for approximately 1/3 of operating expenses for condos and apartment buildings. Improved energy performance improves housing affordability.
- Increases Consumer and Investor protection in that EWRB makes information about a building's energy performance more transparent thereby allowing potential buyers and investors to more accurately determine ongoing energy and water costs into their decision making.
- Gives recognition to owners of high performing buildings.
- Creates jobs for skilled workers in energy and water audits, upgrades, and retrofits. Estimated potential for adding up to 10,000 person years of employment by 2035 in the City of Toronto alone.
- Enables increased focus on addressing the gap between energy and water saving opportunities captured thus far and those potentially available. It is estimated that there are potential cumulative energy savings in the amount of almost \$2 billion in the City of Toronto alone².
- Allows governments to target energy efficiency policies and programs more effectively, helping to achieve climate and energy goals.

Implications of amending **O.Reg. 506/18**:

- In addition to missing out on the above energy cost savings and the above economic, environmental and social benefits, it is likely that data accessibility costs will increase for those buildings that would like to voluntarily comply with the EWRB in that they will no longer be able to access their aggregated data from their utilities and will have to pay additional costs to access their own energy use data. Many utilities have already indicated to customers that if the EWRB is not a mandatory requirement, utilities will no longer provide aggregated data to their customers.
- The EWRB is mentioned in the Province of Ontario's Environment Plan as an action that will help support the achievement of GHG reductions towards Ontario's 2030 GHG reduction target. With this proposed change, the province is less likely to achieve its CO₂e emissions objective.
- Buildings under 100,000 ft² account for 55% of the buildings that were expected to participate in the program.

² [City of Toronto Zero Emissions Building Framework](#)