

Ontario Ministry of Energy, Northern Development and Mines
77 Grenville, 5th Floor,
Toronto, ON
M7A 2C1

December 12, 2019

Re: Proposed amendments to O.Reg. 506/18 to exempt buildings under 100,000 ft² from the Energy Reporting and Benchmarking (EWRB) requirements.

Dear Minister Rickford,

[Efficiency Canada](#) is the national voice for an energy efficient economy. We are a research and advocacy organization housed at Carleton University's Sustainable Energy Research Centre. Our mission is to create a sustainable environment and better life for all Canadians by making our country a global leader in energy efficiency policy, technology, and jobs. We conduct rigorous policy analysis; communicate compelling narratives; and convene and mobilize Canada's dynamic energy efficiency sector.

We appreciate this opportunity to comment on the Ministry of Energy, Northern Development and Mines' proposal to amend O.Reg. 506/18 to exempt buildings under 100,000 ft² from the Energy Reporting and Benchmarking (EWRB) requirements.

Our comments reflect our confidence that removing the EWRB requirement for these buildings will undermine energy efficiency efforts across Ontario's buildings sector and result in lost opportunities for Ontario's businesses and residents and we urge the Ministry to reconsider the proposed amendment.

You can't improve what you don't measure

The buildings sector is responsible for just under 1/3 of end use demand in Canada and is well-positioned to capture an estimated 30% in energy efficiency improvement.¹ Tracking the energy performance of buildings under 100,000 ft², which account for 55% of the buildings expected to participate in the EWRB program, is a logical first step in capturing these savings.²

As noted in Efficiency Canada's [Canadian Provincial Energy Efficiency Scorecard](#), the existing EWRB program was an important component of Ontario's leadership in energy efficiency in 2018. Benchmarking and reporting programs, like Ontario's EWRB, are increasingly commonplace across Canada, the United States and standard practice across European Union countries because they build energy awareness and literacy among building owners, managers, and consumers. Benchmarking and reporting spurs behavioural and operational changes, as well as low-cost reductions in energy consumption. Even before deep retrofit activities are

¹ International Energy Agency and Natural Resources Canada, "Energy Efficiency Potential in Canada to 2050."

² Purcell, B. (2019, November). Energy and Water Reporting Benchmark. Presented via webinar.

considered, benchmarked buildings have seen average annual reductions in energy use of 2.4%.³

EWRB programs help businesses save energy and money

EWRB programs help building owners and managers, particularly those in the Multi-Unit and Commercial sector which the proposed exemption directly affects, compare their building's current energy use against its own past performance, and the performance of similar buildings. This helps identify opportunities to reduce energy use and costs associated with energy consumption. In the City of Toronto alone, these potential cumulative energy savings are estimated to be almost \$2 billion.⁴

Alongside energy efficiency savings, the existing EWRB also signals a building's potential savings and investment potential to investors, thereby helping to reduce barriers to investments in energy efficiency.⁵ The resulting local investment activity has the potential to generate jobs for Ontario's skilled workers in energy audits, upgrades, and retrofits which have been estimated to be as much 10,000 person years of employment by 2035 in the City of Toronto alone.⁶

The proposed amendment is a step-backwards for Ontario businesses

Monitoring and tracking energy use to develop benchmarks in buildings of all types is a low-cost way to identify buildings that are good candidates for energy audits and retrofits and has been demonstrated as an effective way to improve building performance over time.⁷ It is an informative tool that can motivate businesses and lets them know in clear terms if their building is performing 'better' or 'worse' than others in their sector.

Businesses can identify how their buildings are performing, target investments on a cost-benefit basis and verify that their intended energy conservation goals were achieved. However, these investments compete with other priorities for time and capital and the proposed exemption makes it more difficult for businesses to evaluate the available investment options and realize readily available energy cost savings and the associated economic, environmental, and social benefits.

Many utilities have already indicated to customers that if the EWRB is not a mandatory requirement for buildings under 100,000 ft², they will no longer provide aggregated data to their customers. This will directly impact Ontario's competitiveness. First, businesses that choose to voluntarily measure their building's performance in order to achieve targeted energy savings will have to pay additional costs to access their own energy use data. Next, the aggregated data collected through the EWRB is critical to enabling programs, incentives, or financing to directly target worst performing buildings. More broadly, this data has contributed to Ontario's policy

³ United States Environmental Protection Agency, 2017. Data Trends: Benchmarking and Energy Savings.

⁴ Halsall Associates prepared for City of Toronto (2014). Opportunity Screening Study: Building Energy Reporting Requirement.

⁵ Environmental Commissioner of Ontario (2019). A Healthy, Happy, Prosperous Ontario 2019 Energy Conservation Progress Report.

⁶ City of Toronto (April 2017). TransformTO: Climate Action for a Healthy, Equitable, Prosperous Toronto

⁷ Environmental Protection Agency (2012). Benchmarking and Energy Savings – Data Trends.

makers, businesses and utilities as they develop community energy plans, design effective policy and programs and otherwise grow investment in energy efficiency and local communities.

As well as the reduction in energy saving actions being implemented and an increase in energy costs for Ontario businesses and residents over the longer term, the proposed exemption to the EWRB will undermine the greater environmental impact of the regulation. Buildings account for 21% of total carbon emissions in Ontario⁸ and 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, the proposed exemptions could reduce the impact of the policy by 38%, equivalent to more than 428,000 TCO₂e/year when fully implemented.⁹

Greater support for implementation

The benefits of energy benchmarking and reporting policies and programs are clear, and given the disparity between building types, size, and operation *we urge the Ministry to reconsider the proposed amendment to stop further rollout of the Energy and Water Reporting and Benchmarking program to buildings under 100,000 ft².*

If the Ministry chooses to move forward with the proposed amendment, *we recommend that the Ministry delay this third phase of the EWRB program by one year to allow time for the Ministry to focus on supporting the regulation.* This will allow sufficient time for the industry to fully understand the proposed regulatory requirements and provide industry with the resources and support needed to adequately satisfy their EWRB requirements. This support includes creating new job opportunities for certified energy managers and energy auditors.¹⁰

We urge the Government to reconsider their proposal to exempt buildings under 100,000 ft² from the EWRB requirements and instead focus their efforts on supporting building owners and operators in the implementation of the full EWRB program.

Thank you for your consideration in reviewing Efficiency Canada's comments. We are pleased to be a part of this important discussion and welcome any question you may have.

Sincerely,



Kevin Lockhart,
Efficient Buildings Lead

⁸ Environment and Climate Change Canada, 2018. National Inventory Report 1990-2016: Greenhouse Gas Sources and Sinks in Canada.

⁹ Clean Air Partnership, personal email.

¹⁰ Ontario has 9.7 Certified Energy Managers per 100 large businesses, which is just behind Nova Scotia in our benchmarking for Efficiency Canada's 2019 [Provincial Energy Efficiency Scorecard](#) (p. 83). This means Ontario is better placed than most provinces to support energy and water reporting, however such reporting will be easier with a greater number of trained energy experts.