

**Re: Notice of intent – Free Trade and Labour Mobility in Canada Act
Regulations**

August 22, 2025

The Honourable Dominic LeBlanc
Intergovernmental Affairs – Internal Trade
Privy Council Office
85 Sparks Street, Room 1000
Ottawa, Ontario
K1A 0A3

Dear Minister LeBlanc,

This letter constitutes Efficiency Canada and The Atmospheric Fund's comments on the Privy Council Office Notice of intent – *Free Trade and Labour Mobility in Canada Act regulations* published in the Canada Gazette, Part I, Volume 159, Number 31: GOVERNMENT NOTICES.¹

While we support the Act's aim of reducing federal barriers to interprovincial trade and labour mobility, we oppose doing so by rendering ineffective the federal *Energy Efficiency Act* and *Regulations'* power to restrict inefficient, federally non-compliant appliances and equipment from being shipped between provinces.

¹ Privy Council Office, "Canada Gazette, Part 1, Volume 159, Number 31: GOVERNMENT NOTICES," Government Of Canada, Government of Canada, Public Works and Government Services Canada, Integrated Services Branch, Canada Gazette, August 2, 2025, <https://gazette.gc.ca/rp-pr/p1/2025/2025-08-02/html/notice-avis-eng.html#ne3>.

The federal *Energy Efficiency Regulations* currently apply when appliances and equipment cross international or provincial borders for sale or lease²; however, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario and Quebec also have their own provincial energy efficiency regulations that apply at the point-of-sale.³ These provincial energy efficiency regulations have historically set minimum energy performance standards (MEPS) higher than, or for appliances and equipment not yet covered by, federal MEPS.⁴ However, as federal MEPS have expanded to more categories and have been strengthened through the amendment process,⁵ many provincial energy efficiency regulations have fallen behind.

For example, on December 31, 2009, the federal MEPS for residential gas furnaces became an annual fuel utilization efficiency of 90 per cent,⁶ while Manitoba's

² Natural Resources Canada, "Guide to Canada's Energy Efficiency Regulations," Government of Canada, Natural Resources Canada, June 27, 2025, <https://natural-resources.canada.ca/energy-efficiency/energy-efficiency-regulations/guide-canada-s-energy-efficiency-regulations>.

³ Natural Resources Canada, "Energy-Using Products Regulated Federally and Provincially*," Government Of Canada, June 9, 2025, <https://natural-resources.canada.ca/energy-efficiency/energy-efficiency-regulations/energy-product-s-regulated-federally-provincially>.

⁴ Nippard, A., Maas, C., Wu, M., Gaede, J., Haley, B. 2024. The 2024 Canadian Energy Efficiency Scorecard: Provinces and Territories. Efficiency Canada, Carleton University, Ottawa, ON, https://scorecard.efficiencycanada.org/?_gl=1%2Aldr7zd%2A_ga%2AMTg1MjY4NDU3Ny4xNzU1NjIwMTY5%2A_ga_v4RDZXBP8N%2AczE3NTU2MjQzMDkkbzlkZzEkdDE3NTU2MjQzNDQkajl1JGwwJGgw.

⁵ Natural Resources Canada, "Amendments to the Energy Efficiency Regulations, 2016," Government of Canada, July 2, 2025, <https://natural-resources.canada.ca/corporate/transparency/amendments-energy-efficiency-regulations-2016>.

⁶ Natural Resources Canada, "Consolidated Federal Laws of Canada, Energy Efficiency Regulations, 2016," Justice Laws Website - Government of Canada, April 9, 2025, <https://laws-lois.justice.gc.ca/eng/regulations/SOR-2016-311/page-15.html#docCont>.

became 92 per cent the day prior.⁷ Manitoba originally made this change to achieve higher energy savings. Since then, the federal MEPS has increased to 95 per cent AFUE, while Manitoba's has remained unchanged. Given that the vast majority (if not all) of residential gas furnaces sold in Manitoba are imported into the province and therefore subject to the federal *Energy Efficiency Regulations*, Manitoba's lower MEPS currently would have little, if any, adverse effect, which is likely why it hasn't been updated.

However, if the *Free Trade and Labour Mobility in Canada Act* proceeds as proposed, Manitoba's functionally defunct gas furnace MEPS and several other outdated provincial efficiency standards across Canada would regain relevance, since they could be recognized as comparable to the federal requirements. This could entice manufacturers to move to provinces with weaker than federal MEPS, as they would no longer have to meet federal standards to export their products to other provinces. It could also encourage provinces to lower their provincial MEPS, in a race-to-the-bottom, to attract manufacturing. This change appears to be counter to the government's objectives of reducing administrative burden. Since the vast majority of products cross provincial borders, the federal regulations act as the harmonized and single rule to follow. This change could require a business to look at two separate sets of rules and attempt to game these rules to the detriment of the nation's energy productivity.

In response to the *Questions to guide input from interested parties: 2. Criteria for "comparable" requirements*: A provincial energy efficiency regulation should only be deemed comparable to the federal energy efficiency regulation if the provincial MEPS is the same or higher than the federal MEPS for any appliances or equipment that are covered by *Canada's Energy Efficiency Regulations*.

⁷ Energy Efficiency Standards for Replacement Forced Air Gas Furnaces and Small Boilers Regulation, M.R. 181/2009 (2009).

<https://web2.gov.mb.ca/laws/regs/current/181-2009.php?lang=en>.

Canada's Energy Efficiency Regulations are a powerful tool for lowering energy costs for consumers and businesses and freeing up domestic clean energy that can be used to electrify other end-uses. To date (from their inception in 1995 to the recently published Amendment 18), by 2030, they are projected to produce energy efficiency gains equivalent to powering all ~16 million existing Canadian households for 5.5 years.⁸ This energy savings improves the productivity of our economy, by requiring lower energy inputs per unit of economic activity. We strongly encourage the Privy Council to protect consumers and businesses from the higher energy costs and greenhouse gases associated with inefficient appliances and equipment by preventing the *Free Trade and Labour Mobility in Canada Act*, as part of Bill C-5, from weakening Canada's *Energy Efficiency Act* and Regulations.

Thank you for the opportunity to comment on this proposed regulation.

Sincerely,

Sarah Riddell

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⁸ Not yet published – Provided by email by NRCan's Office of Energy Efficiency, June 13, 2025.