



Canada Green Building Council -
Greater Toronto

December 12, 2019

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

Re: Proposed amendment to O.Reg 506/18 (Reporting of Energy Consumption and Water Use) to stop further rollout to buildings under 100,000 ft².

The Canada Green Building Council (CaGBC) has been supportive of the Province of Ontario's EWRB regulation since its inception. We commend the Province for its work to date to build and implement EWRB in Ontario – the first Province/State in North America to show such an ambitious leadership – for its continued commitment to support and encourage benchmarking and to make it easier to obtain information on building utility consumption that represents a significant cost for both businesses and residents.

We know the importance of benchmarking as a significant driver of cost savings for buildings and businesses alike. Our members, including many Canadian building owners, managers and major tenants continue to champion the importance of benchmarking and data transparency. Just last month CaGBC released the results of a voluntary Disclosure Challenge lead by industry members including QuadReal, Triovest Realty Advisors, Concert Properties Ltd., Colliers International, and the Minto Group. One of the key outcomes from these industry partners was a call for broad implementation of consistent building data disclosure and regulations.

https://www.cagbc.org/News/EN/2019/20191203_news_release.aspx

While we recognize that the roll-out of EWRB is not without challenges and there is a learning curve and resource requirements for all building regulated under EWRB, the benefits of mandatory benchmarking far outweigh the costs. **We strongly encourage the government to reconsider its proposal to exclude buildings between 50,000-100,000 square feet from mandatory EWRB compliance.**

The rationale for the proposed amendment is to reduce compliance costs on businesses by an estimated \$300 per building annually.¹ However, these estimated compliance cost savings are dwarfed by the utility cost savings which would result from extending EWRB to these buildings. Experience from other jurisdictions across North America shows that

¹ Based on the Better for People, Smarter for Business Act backgrounder, which estimates a compliance cost reduction \$2.7M across 9000 buildings.





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the average building in this size-class would achieve savings of between \$1000 and \$1500 per building after only one year of benchmarking.

1. **Businesses and residents will be hurt by this change.**

Most utility costs are born by business and residential tenants either directly or through a portion of rent. By providing transparency into building energy efficiency and comparison with peer buildings, prospective tenants and buyers can make informed real-estate decisions and better manage costs. Current tenants are empowered to work with landlords to reduce excessive utility costs. Without this data, tenants are on the hook to pay for costs with no insight into their appropriateness, and little power to influence them.

2. **Smaller building owners are losing ground competitively.**

We know that large real-estate portfolio owners have a strategic advantage when it comes to deploying energy efficiency programs. They typically have more resources and access to capital to take advantage of market opportunities. Many are already benchmarking and have done so for years because its good for their bottom line. Extensive experience with voluntary programs like LEED, Race to Reduce, BOMA BEST, and Utility DSM and CDM programs have consistently found that smaller buildings are less likely to participate, regardless of the business case. Voluntary EWRB will see much lower compliance rates, lower uptake of conservation opportunities, and these buildings will fall further behind in the marketplace. Even those who desire to participate on a voluntary basis will be hindered because **utilities will no longer be obligated to provide tenant data to owners for the purpose of benchmarking**. They will be at a disadvantage regarding access to data and in competing for high quality tenants looking for building performance data while also covering higher utility costs than their larger peers.

3. **We are being inefficient with public and rate-payer money by blindly pursuing conservation activities.**

Ontario is spending tremendous amounts of money and public sector resources to drive energy conservation and GHG reduction in buildings through public sector programs and rate-payer funded utility conservation programs. However, we have little insight into what efforts offer the most impactful investments because we don't have performance data on most large buildings in Ontario. The third tier of EWRB under 100,000 square feet would provide us with insight into





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approximately 10,000 large buildings and radically streamline our efforts to design and deliver effective programs that meet market needs.

OUR RECOMMENDATIONS

We encourage the government to consider the following:

1. Continue with the eventual roll-out of EWRB to buildings under 100,000 square feet.

There are ways to minimize the most significant costs of EWRB compliance related to “growing pains” of EWRB implementation, which could include:

- a. A one-year delay for the third phase of EWRB to allow for further program refinement.
- b. Waiting until reporting compliance percentages for building over 100,000 square feet passes a specified threshold before expanding the program. I.e. When 75% of buildings over 100,000 square feet are reporting then the program will expand to include buildings < 100,000 square feet.

2. Invest in capacity building and training for smaller buildings and smaller communities

Technical capacity is a barrier for smaller buildings and training opportunities are limited in smaller markets. Minor investments in training would unlock huge economic opportunity and energy cost savings potential for smaller buildings and smaller markets. This will not require extensive public resources - the market currently has excellent training resources available that could be widely deployed with a very small amount of support from Government.

We have seen the positive impacts of funded training through CaGBC’s own Energy Star for EWRB training course which we have been able to deliver at low cost across the Greater Toronto and Hamilton Area with support from the Atmospheric Fund, and Climate Wise’s EWRB resource centre which has been made available to Ontario building owners with support from the Federal Government.

3. Ensure that whole-building utility data (including tenant meters) is available to any building owner who wishes to voluntarily participate in EWRB





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To cut red-tape for any building choosing to pursue voluntary energy benchmarking and conservation, the Province should ensure that access to energy data is easily available. There is no reason that any building in Ontario, even those <50,000 sqft should be deterred from participating in EWRB if they so choose.

Thank you for consideration of CaGBC's comments, please don't hesitate to contact us directly should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Ranson".

Jeff Ranson,
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About the Canada Green Building Council

The Canada Green Building Council (CaGBC) is a not-for-profit, national organization that has been working since 2002 to advance green building and sustainable community development practices in Canada. Through its leading programs that include the Leadership in Energy and Environmental Design (LEED®) rating system and in collaboration with its membership of over 1,200 industry organizations involved in designing, building and operating buildings, homes and communities, the CaGBC has made excellent inroads toward achieving its mission of reducing the environmental impact of the built environment in Canada. The CaGBC has had a longstanding interest and involvement in the role of the Building Code to lead the evolution of high-performing, sustainable green buildings in Ontario.

