

August 22, 2025

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## **Submission to the Consultation on the Free Trade and Labour Mobility in Canada Act**

To Whom It May Concern,

The Canada Green Building Council (CAGBC) appreciates the opportunity to provide input into the development of regulations under the *Free Trade and Labour Mobility in Canada Act*. As Canada's leading advocate for sustainable building practices, CAGBC represents a broad coalition of industry stakeholders committed to advancing energy-efficient, low-carbon, and resilient buildings across the country.

### **Sector of Impact: Green Building and Energy Efficiency**

The green building sector is critical to Canada's transition to a clean economy. It contributes over \$50 billion in GDP, and supports 460,000 jobs. Buildings in Canada remain the third-largest source of carbon emissions.

### **Recommendation: Exclude the Energy Efficiency Act and Regulations from the Scope of Mutual Recognition**

CAGBC strongly recommends that the *Energy Efficiency Act* and its Regulations be excluded from the scope of mutual recognition under this legislation. While harmonizing trade and labour mobility is important, energy efficiency standards are not consistently strong across provinces, and automatic recognition could undermine economic growth, international trade and investment, and national climate objectives.

### **Risks to Health, Safety, and the Environment**

Federal standards under the *Energy Efficiency Act* establish a uniform national minimum for the efficiency of energy-using products. Mutual recognition could allow products that meet weaker provincial minimum energy performance standards to be sold nationally once deemed "comparable," even if they fail to meet existing federal thresholds. This would risk:

- Increased energy consumption and emissions
- Higher utility costs for Canadians
- Reduced resilience to climate-related risks

### **Inconsistency Across Jurisdictions**

Some provinces, such as British Columbia, have robust energy efficiency frameworks, but others do not regulate all federally covered products or, at the building level, do not harmonize with model building codes or are only at Tier 1 of the NECB/NBC 2020 energy codes. This variability means products or services meeting lower standards could circulate nationally, undermining efforts to reduce emissions and improve building performance.

### **Alignment with Sustainable Finance Framework in Development**

The Government of Canada's recent announcement of a made-in-Canada sustainable investment Guidelines reinforces the importance of maintaining strong federal standards. Buildings are a priority sector for classification under the taxonomy which aims to mobilize private capital toward low- and zero-emission activities. Including the *Energy Efficiency Act* within the Act's recognition framework would conflict with a taxonomy's goals by weakening the credibility of what constitutes a "green" or "transition" activity. It would also be misaligned with strong efficiency standards and green taxonomies established by Canada's key trading partners such as the European Union and the U.K. Strong, consistent federal standards are essential to:

- Ensure consistency in climate-related financial disclosures
- Support investor confidence in green building projects
- Enable Canada to meet its net-zero commitments by 2050

### **Risk Mitigation Without an Exception**

If the Act proceeds without excluding the *Energy Efficiency Act*, CAGBC recommends that the regulatory body implement the following safeguards:

- Establish stringent comparability criteria, including outcome-based performance metrics and rigorous third-party verification. At the product level, ENERGY STAR® certification provides a proven model of independent verification, while at the building scale, programs such as CAGBC's LEED and Zero Carbon Building Standards demonstrate the importance of transparent, nationally recognized and widely used industry standards.
- Require transparent public reporting on energy savings and emissions reductions to confirm that recognized provincial standards deliver equivalent or superior outcomes to federal benchmarks.
- Implement a review trigger to reassess provincial standards if federal benchmarks are updated or if provincial requirements change materially, ensuring ongoing alignment with Canada's climate commitments.

**Conclusion**

The *Free Trade and Labour Mobility in Canada Act* is an important step toward reducing barriers across jurisdictions. However, including the *Energy Efficiency Act* risks weakening the growth of innovation in buildings, national climate action and investor confidence. CAGBC urges the government to retain strong federal leadership and harmonization of energy efficiency standards to safeguard environmental integrity, keep energy costs down for Canadian consumers, and maintain confidence in energy efficiency as core requirement for Canada's building sector.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Mueller', with a long horizontal flourish extending to the right.

**Thomas Mueller**

President and CEO of the Canada Green Building Council