



August 13, 2020

Nicholas Heap
Sustainability Project Manager
City of Richmond
6911 No. 3 Road
Richmond BC V6Y 2C1

Norm Connolly
Community Energy Manager
City of Richmond
6911 No. 3 Road
Richmond BC V6Y 2C1

Dear Mr. Heap and Mr. Connolly:

Re: Proposed Energy Step Code Implementation for New Hotel Developments

The Urban Development Institute (UDI) would like to thank Richmond Staff for meeting virtually with representatives from building and hotel sectors to discuss proposals to implement the *BC Energy Step Code (ESC)* for new hotel development in Richmond. The *ESC* is important to us, as our organization was one of the original participants in its development, and we continue to sit on the BC Energy Step Council. We see the *ESC* as a positive vehicle to meet the 2032 energy efficiency targets established by senior governments in a consistent and flexible way across multiple jurisdictions that allows builders to adapt to new approaches in construction.

We would like to commend staff for their work on the development of this policy and their dedicated outreach to local builders, in-particular those with in-stream applications. Although hotel development is not a primary focus for many of our members, we would like to offer some general comments on the proposed policy and Richmond’s broader *ESC* framework.


UDI continues to support the two-option framework through which, builders in many areas can choose to build to a higher step or a lower step with a low carbon energy system (LCES), as it provides additional flexibility for builders. However, as we have expressed in the past, we are concerned with the City’s continued requirement for builders to design and construct a District Energy-ready LCES in the City Centre area, to be provided to the Lulu Island Energy Company with no compensation. This is an added cost for builders, at a time when the economy is transitioning into a recovery phase.

By requiring that LCES systems be provided to the City, it prevents the builder from pursuing other cost recovery mechanisms, including allowing other energy provider, such as Corix or FortisBC, to purchase the system. Homebuyers and tenants are paying much more for their units to be have their energy costs regulated by the City – as opposed to the BC Utilities Commission.

As we noted in the discussion in the July 22nd webinar, the grandfathering period for in-stream applications is relatively short. It was acknowledged that the time for a new application to reach the Development Permit Panel stage will most likely exceed the 6-month in-stream protection proposed in the policy. To provide increased certainty to applicants we would suggest that staff consider extending the grandfathering period to ensure that applications that are already underway can proceed without the need redesign projects, contributing to costly delays. Our members purchase land and make financial commitments early in the development process. Adjustments become increasingly difficult to make at later stages.

We thank staff again for meeting with builders regarding these proposals, and ask that you consider our recommendations as part of the ongoing work on this policy. We look forward to working with Richmond on this and other initiatives.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anne McMullin', with a stylized flourish at the end.

Anne McMullin
President and CEO, Urban Development Institute