



January 25, 2021

Honourable George Heyman
Minister of Environment and Climate Change Strategy
Parliament Buildings
Victoria, British Columbia V8V 1X4

Dear Minister Heyman:

Re: Setting Sectoral Targets for Emissions Reductions Discussion Paper

As we noted in our December 7 [letter](#) to you, the Urban Development Institute (UDI) is interested in working with your Ministry on its efforts to establish sectoral targets for the building and development industry, and we appreciate the opportunity to respond to the *Setting Sectoral Targets for Emissions Reductions Discussion Paper*.

UDI is very interested in this initiative, as we have been a leader in green building practices and sustainable communities for decades. We have worked collaboratively with governments and stakeholders on initiatives like the development and ongoing implementation of the *BC Energy Step Code (ESC)* and our numerous educational programs on environmental best practices. UDI is eager to continue to work with *CleanBC* as new sectoral targets are developed.

The Need for Further Consultation

It is imperative that additional consultation with the building industry is conducted prior to establishing new targets for our sector. Given the preliminary questions raised in the *Discussion Paper*, it appears to be early in the process of establishing the sectoral targets; but the targets are required to be in place by the end of March 2021. We are concerned that because of time constraints, much needed consultation with the industry on the actual targets may not occur. UDI asks that Ministry meet with our sector prior to establishing the Greenhouse Gas (GHG) reduction targets for Buildings and Communities, and consider this input as part of a more robust consultation process.

It is noted in the *Discussion Paper* that BC's Climate Leadership Team (CLT) recommended a 50% GHG reduction target for the built environment, which is substantially higher than the objectives set for industry and transportation. However, there have been no detailed discussions with our members about the assumptions behind the targets (including potential policies) to meet the 50% reduction goal. For our sector, having a better understanding of the approaches that could be adopted to reduce GHGs is critical before sectoral targets are determined to ensure their viability. While we understand the desire of the Government to have targets that are bold, to truly make a positive impact, they also need to be achievable.

Having these consultations will also assist *CleanBC* with regard to its other mandate - to grow the green economy. The potential availability, through supply chains, of key building

technologies and materials needed to reduce GHG emissions (e.g. heat pumps, cross-laminated timber wood paneling) before targets are established will be key to understand their viability. Our sector views *CleanBC* as a partner in reducing GHG emissions to support stronger supply chains and increased local manufacturing capacity, similar to the approach taken with high efficiency windows and heat recovery ventilation units.

The consultation with the sector needs to be broad and include regulators such as the Province's Building Safety and Standards Branch. One forum that could be considered is the Energy Step Code Council, which includes representatives from several provincial ministries, municipalities, the Federal Government, utilities and other stakeholders.

Principles for Developing Sectoral Targets

In terms of the "*Principles for developing sectoral targets*," noted in the *Paper*, UDI believes that fairness and affordability are critical in establishing the GHG reduction targets. As noted above, the CLT targets for GHG reductions for the Buildings and Communities sector were significantly higher than those for the transportation and industry sectors even though those sectors have double the current emissions of our sector. We are concerned about the equitability of these targets, which disproportionately impact the building sector. UDI believes that this warrants further discussion – especially if the affordability of homes is impacted. As you are aware, housing affordability is also a key priority for this Government as well as the Federal Government and municipalities.

It is also unclear whether the sectoral targets for the Buildings and Communities sector will be focused on operational GHG emissions or will include embodied carbon emissions. If the targets encompass a broader range of emissions, a much more extensive consultation with our sector will be necessary, as our members are unfamiliar with the embodied carbon issue, and there would potentially be substantial changes required to how buildings are constructed.

As the sectoral targets for the Buildings and Communities sector are developed, CleanBC should recognize the other objectives of the Provincial Government related to the energy efficiency of new buildings. Sectoral targets will need to be situated within the broader landscape of existing and planned policies, such as the advancing BC Energy Step Code requirements.

Metrics for Targets

We concur with the Ministry that the Percentage Reduction approach should be used for the sectoral targets, as it appears to be what is most commonly used by other jurisdictions. The other options described in the *Paper* (program based, intensity, and emission/fuel type targets) could be used to assist sectors in achieving a Percentage Reduction Target, but should not themselves become mandated targets. UDI also understands the reluctance of developing regional or actor based targets due to data limitations.

The sectoral targets currently adopted by the Province use a base year of 2007. There is a reference in the Discussion Paper regarding CLT's recommendation to use 2015, rather than 2007 as a base year. UDI recommends that 2007 continue to be used as the base year for consistency and to avoid confusion. Our sector has substantially reduced its GHG emissions since 2007. We want to ensure that if 2015 becomes the base year for the new sectoral targets, there will be a commensurate reduction in target percentages for our sector to account for the progress that has already been made.

Defining the Sectors

At this time, UDI does not have a preference regarding the number of sectors (i.e. having 3, 4 or 8 sectors). However, we do question why “*land-use change*” is being limited to just “*afforestation/deforestation*”. We have been concerned for several years that the issue of land-use planning, especially in urban areas, has been ignored as a method to achieve GHG reductions.

Our industry is shrinking the ecological footprint of new housing. In Metro Vancouver, where most of the development occurs in the Province, 75% of the new homes built over the next 30 years will be infill and redevelopment projects. Our members are also building compact, mixed-use, transit-oriented communities where people can walk, bike and take transit to work, home and other destinations. Rather than choosing to purchase an electric car, more and more British Columbians are choosing not to purchase a car at all. This offers other environmental benefits and improves housing affordability through parking reductions and lower transportation costs per household. We are concerned that under the approach being considered, governments will just focus on requirements for new buildings to reduce GHGs – and may overlook the importance of where those buildings are located.

Other Design Features

UDI supports the concept proposed by *CleanBC* of using ranges as targets to introduce flexibility and address the problems noted in the *Discussion Paper* – “... *forecast error and data uncertainty*.”

We thank the Ministry, again, for the opportunity to respond to the *Discussion Paper*, but ask for further opportunities for consultation given that we are still in the early stages of this process. More information is needed on the high-level policies and the availability of technologies in British Columbia to reduce GHG emissions before sectoral targets for building sector can be determined. UDI would be pleased to collaborate with *CleanBC*, as well as other ministries and stakeholders, on this important work.

Yours sincerely,



Anne McMullin
President & CEO