

Attachment 3

*Summary Consultation and Impacts
Related to Adoption of BC Energy Step
Code and BC Zero Carbon Step Code*

Industry Consultation

The implementation timeline was communicated to the building and development industry through the following means:

- July 10, 2023 council report was included in the Urban Development Institute newsletter
- Cover page added to the Building Bylaw on the City website informing of January 1, 2024 changes
- Email communication to current applicants to the Planning and Development sections
- In person Builder Breakfast in collaboration with the City of Burnaby (45 participants)
- Presentation to Urban Development Institute (UDI), New Westminster committee
- Update to City webpage content
- New Westminster City Page
- Social media posts, Facebook, Instagram and LinkedIn
- Energy Save New West monthly newsletters
- Economic development newsletter

A survey was developed and disseminated through each of the aforementioned communications to gather information on challenges that may exist for builders to meet the proposed timeline requirements and to identify potential City-supported capacity building programs and initiatives to address them.

The survey had 24 respondents from a wide range of industry representatives supporting both single family and multifamily residential and commercial buildings (full results in attachment 4). Below summarizes the survey results:

- 50% have participated in the Energy Save New West High Performance Home program.
- 50% are concerned about meeting the ZCSC standard as it relates to electrical servicing, incremental cost increase and operating costs.
- All respondents building small residential (Part 9) expressed that they are more likely to build Step 3 with Emissions Level 4, rather than Step 5.
- Concerns related to building to higher steps of the ESC included availability of required expertise, cost increase and design impacts.
- All respondents indicated they would select a heat pump over baseboard heating to meet zero carbon requirements.

It should be noted that based on the survey results, particularly as it relates to Part 9 compliance pathways (Step 3 with Emission Level 4 or Step 5), it can be concluded that

builders who are already building to Step 5 of the ESC in New Westminster did not participate in the survey.

The needs identified in the survey to overcome challenges include:

1. Educational opportunities
2. Financial and floor space ratio incentives
3. Expansion of Energy Save New West incentives
4. Certainty regarding ability to meet electric capacity

Similarly, direct feedback from the UDI, who focus on multi-unit residential, highlighted increased construction costs and electric servicing as the major concerns.

Incremental Building Cost Implications

The Province commissioned a number of BC Energy Step Code metrics reports which model the incremental capital cost to build to higher steps in the Energy Step Code compared to the base code prior to May 1, 2023 (without ESC requirements). The resulting increase in cost ranges from 1.3% for low rise MURBs to 6.6% for small single family homes. The impact to build zero carbon ready for all building types ranges between 0.1% cost savings to 2.2% cost increase depending on the electric mechanical systems selected. A detailed breakdown of the metric report findings is in Attachment 4.

It is not anticipated that incremental capital cost increase to build to higher steps of the Energy Step Code or Zero Carbon Step Code will impact affordable housing providers. BC Housing design guidelines have put in place Energy Step Code requirements that are above the current requirements in New Westminster and CMHC funding programs also typically include energy efficiency requirements.

It should be noted that in 2024, there should be minimal cost impacts to builders in New Westminster based on our current ESC requirements.

Electrical Utility Implications

Electricity supply and capacity concerns raised through industry consultation have also been heard in other municipalities who have adopted or are considering adopting the Zero Carbon Step Code.

BC Hydro is planning for the rapid scale up of building, vehicle and industry electrification and has developed near- and long-term actions to meet the scale of electrification required for achieving the provincial government's climate targets. BC Hydro is currently in an energy surplus and has indicated they have the capacity to meet projected electricity demand.

New Westminster electric utility is responsible for local distribution and is currently undertaking a series of planning analyses to develop short- and long-term electric distribution load plans to meet electrification needs in buildings and transportation.