

CHBA's Position on the New Federal Discussion Paper: *Canada's Contribution to Addressing Climate Change*

These notes have been prepared for use by CHBA Provincial Representatives

Background

- The federal government has released a new discussion paper on climate change that lays out a number of "options" for achieving the Kyoto greenhouse gas emission reductions. The full report can be obtained on-line at www.climatechange.gc.ca. Select the title: *A Discussion Paper on Canada's Contribution to Addressing Climate Change*.
- This paper has been discussed by federal and provincial Ministers and will be the subject of 14 consultation sessions to take place across the country in June.
- Following this consultation, the federal government will revise the plan and expects to put forward a final document, with specific proposals, this fall.
- As of yet, there is no consensus among the provinces concerning the best approach to climate change and disagreement over the issue of whether Canada should ratify the Kyoto agreement. A fairly lengthy and heated debate between the provinces and the federal government over Kyoto ratification is expected during the coming months.
- It is important that the CHBA's position on additional environmental regulations in the housing area is forcefully presented to both the federal and provincial governments before decisions are made.

CHBA's Concerns with the Federal Discussion Paper

- In the section of the paper entitled *All Targeted Measures*, two of the measures suggested in relation to buildings are:
 - 1) *"Requiring that all new homes meet the R-2000 Standard by 2010"*, and
 - 2) *"Requiring that all new homes exceed the Model National Energy Code by 2010"*
- These, and similar regulatory measures, have been suggested in the past by environmental groups and some federal, provincial and municipal government officials who favour increased regulation of the industry. Each time such regulations have been suggested, the CHBA has presented strong, sound objections, and the measures have been dropped.

What Needs to Be Done

- Given that these ideas appear to be “back on the table”, the industry needs to make its case once again.
- At the national level, the CHBA has initiated discussions with the Minister of NRCan and will present the industry’s views at upcoming national consultations.
- It is equally important that provincial governments understand why additional regulatory measures for new housing are unnecessary and would prove counter-productive. The federal government is attempting to develop a consensus with the provinces over climate change policy, so the position taken by provincial governments will influence final decisions significantly.
- Provincial Home Builders’ Associations need to contact relevant provincial Ministers and express the industry’s concern over proposals to regulate R-2000 Standards or the Model National Energy Code for Houses.

The Industry’s Position on Climate Change

- The home building industry recognizes the importance of realistic targets for reducing greenhouse gas emissions. The industry also recognizes that increased energy efficiency in Canadian homes can help to meet these targets.
- However, additional regulations aimed at new homes are not needed **because energy efficiency improvements are happening already** as a result of normal market forces.
- Over the past two decades, the residential construction sector has achieved greater energy efficiency gains than any other sector of the economy. This has happened as a result of **voluntary, market-driven initiatives** like the R-2000 Program and as a result of consumer demand for more energy efficient and comfortable homes.
- Voluntary, market-driven approaches like R-2000 are best able to support **cost-effective** technological improvements and energy-efficiency gains. The building practices developed by the R-2000 Program are now used in virtually all new homes. The continuing trend of increasing energy efficiency in new homes proves this. (See Chart One)
- Imposing additional energy efficiency regulations on new homes would severely disrupt the current voluntary process that has proven to be so effective. **Why force additional regulations on a system that is already working well and achieving significant environmental improvements, year after year?**

- Regulating energy efficiency in new homes **will not reduce the total amount of energy used by Canadian homes**. More than three-quarters of all residential energy use is in homes built before 1985, where even modest improvements can actually cut total energy use and greenhouse gas emissions. Saving energy in these existing homes **would be far more effective** than increasing energy efficiency in new homes that are already very efficient. (See Chart Two)
- Regulatory measures that focus on making new, already energy efficient homes marginally more efficient will not meet the “most results at the least cost” test.
- The CHBA believes the best course of action lies in continuing the current voluntary, market-driven approach **that has proven so effective**. Additional measures aimed at accelerating energy efficiency upgrades in existing homes also makes sense and should be the focus of the federal government’s climate change strategy for the residential sector.

Chart One: Energy Efficiency Trends in New Homes

As the chart below shows, the energy efficiency of new homes in Canada has undergone a dramatic improvement in the last decades. All of this improvement occurred without the type of energy efficiency regulations suggested in the new climate change discussion paper. Market-driven approaches clearly work.

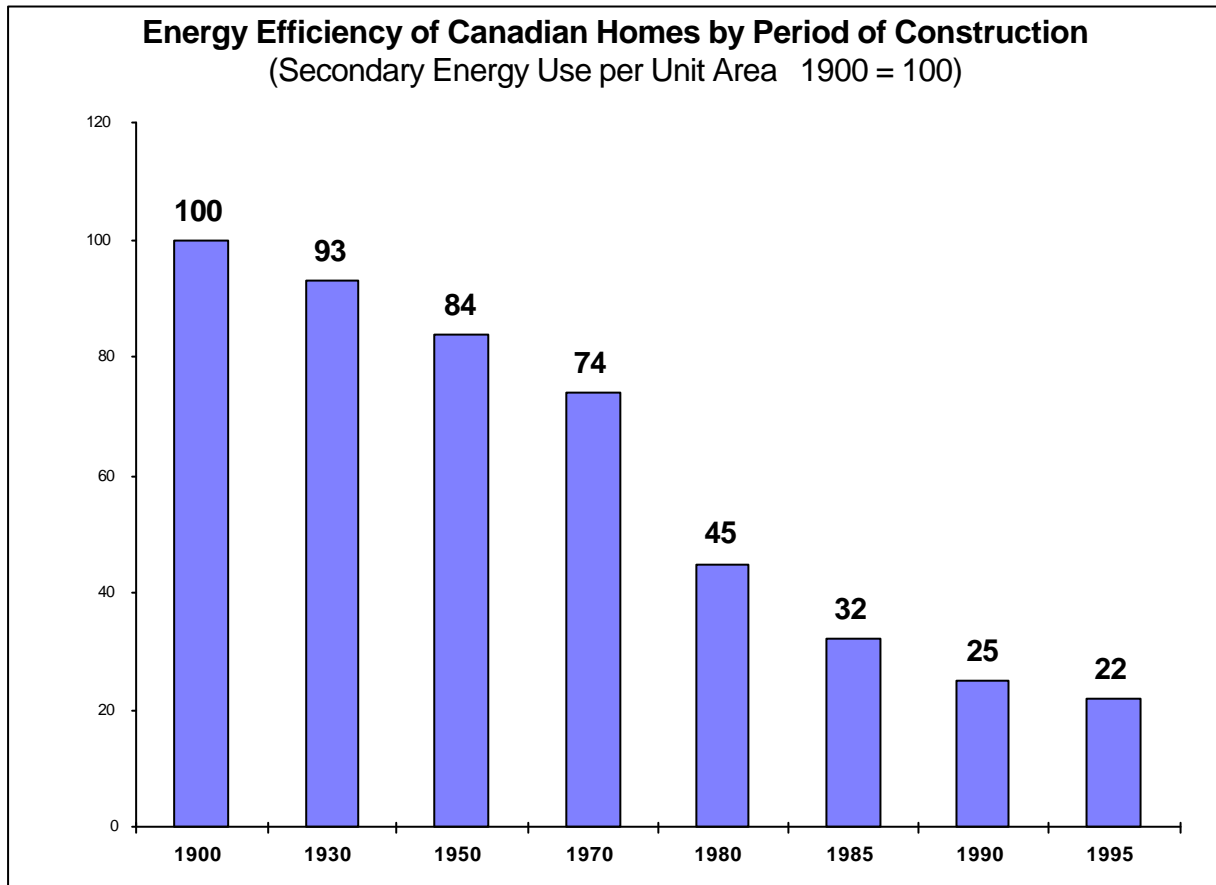


Chart Two: Energy Efficiency Trends in New Homes

Regulating the energy efficiency of new homes will not reduce the total amount of energy consumed by Canadian homes. As this chart shows, the bulk of residential energy use is in the housing stock built between 1951 and 1980. Improving the energy efficiency of the homes built during this period by even 10% would actually cut total residential energy use in Canada.

