



Wednesday, November 20, 2019

**Re: Windfall Ecology Centre's response to proposed amendment to O.Reg 506/18**

Windfall Ecology Centre recommends that the Ministry of Energy Northern Development and Mines (ENDM) reconsider the proposed amendment to O.Reg 506/18. The proposed amendment will impose additional cost on small and medium sized businesses in the long term. In addition, the change will reduce the ability of businesses to reduce greenhouse gas emissions.

**Financial Benefits of Benchmarking**

Over ten years of experience with the U.S. Environmental Protection Agency's Energy Star benchmarking program and Race to Reduce program undertaken in the City of Toronto demonstrate building owners that measure and benchmark energy and water use save money.

A study by the Environmental Protection Agency demonstrates that by just benchmarking your building (no deep retrofits), you can achieve energy savings of 2.4% a year, with a cumulative total of 7%.<sup>1</sup> This would yield an annual savings of \$600 to \$1750 on a \$25 000 electricity and gas bill – far greater than the estimated savings of \$300 per building suggested by the proposed amendment.

In Toronto, energy reductions under the Race to Reduce initiative resulted in savings of \$13.7 million over four years<sup>2</sup> – an average savings of \$5 per square foot of office space.

Benchmarking is the first step to further improve energy efficiency in buildings. A study by the Canadian Green Building Council highlights that building owners that "green" their building see an average increase of 4% to their property asset value.<sup>3</sup> They see qualitative benefits such as improved tenant engagement, tenant retention and positive recognition<sup>4</sup> that add financial value.

**Environmental Benefits of Benchmarking**

Benchmarking energy and water data through the Portfolio Manager tool aligns with the government's Made-in-Ontario Environment Plan. The document states that "Building resilience is about having the right information, tools and resources to adapt and respond to our changing climate. We will access the best science and information to better understand where the province is vulnerable and know which regions and economic sectors are most likely to be impacted."<sup>5</sup>

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<sup>1</sup> Energy Star Data Trends, 2012. [https://www.energystar.gov/sites/default/files/buildings/tools/DataTrends\\_Savings\\_20121002.pdf](https://www.energystar.gov/sites/default/files/buildings/tools/DataTrends_Savings_20121002.pdf)

<sup>2</sup> Civic Action, 2017. <https://www.civicaaction.ca/race-to-reduce/>

<sup>3</sup> Canada Green Building Council, 2018

<https://www.cagbc.org/cagbcdocs/resources/CaGBC%20McGraw%20Hill%20Cdn%20Market%20Study.pdf>

<sup>4</sup> Canada Green Building Council <https://www.cagbc.org/cagbcdocs/resources/CaGBC%20McGraw%20Hill%20Cdn%20Market%20Study.pdf>

<sup>5</sup> Made-in-Ontario Environmental Plan, 2018 <https://prod-environmental-registry.s3.amazonaws.com/2018-11/EnvironmentPlan.pdf>

The proposed amendment to the reporting requirements for over 9 000 buildings under 100 000 sq. ft. would result in less data for the government to make important decisions that would benefit Ontario businesses and reduce greenhouse gas emissions.

As described earlier, benchmarking a building could result in 2.4 to 7% reduction in energy. This has a direct impact on the greenhouse gas (GHG) emission reductions in the province. GHG emissions associated with building use is greater than any other sector including transportation, agriculture and waste. In the GTHA, 44% of emissions are from building energy use.<sup>6</sup>

The Race to Reduce program in Toronto resulted in a cumulative energy reduction of 12% in four years – an emissions reduction equivalent to taking 4200 cars off the road.<sup>7</sup> This was accomplished by measuring energy use through benchmarking and instituting behavioral changes. If this level of reduction was applied to the proposed amendment building space, it could reduce 38,600 tonnes of CO<sub>2e</sub> – equivalent to taking 42,000 cars off the road.<sup>8</sup>

### **Support Resources Available for Building Owners**

The proposed amendment suggests small building owners have fewer resources to comply with the regulation. There are, however, many resources to assist property owners including the [Ontario Benchmarking Help Centre](#)<sup>9</sup> operated by Windfall Ecology Centre. This is a free service, funded by Natural Resources Canada, to help building owners across the province with the benchmarking tool, Portfolio Manager. The Ontario Benchmarking Help Centre is in its second year of operation and has been successful in reducing issues encountered when reporting water and energy use.

Ontario's local distribution companies (LDCs) are aware of the EWRB reporting requirements. LDCs do not charge building owners for access to utility data. In most instances, a building owner can obtain utility data through the LDCs online access portal.

### **Endorsement of Current Program**

ClimateWise Business Network (CBN) is a member organization administered by Windfall Ecology Centre. CBN consists of businesses and institutions in York Region that are leading the way to a sustainable future. Below are testimonials from two CBN members that endorse O. Reg 506/18 in its current iteration.

Andrew Stewart, Vice President – Human Resources  
Compugen Inc. (IT company headquartered in Richmond Hill)

*'The Ontario EWRB regulation has brought baseline and tracking tools to our attention. We fall under the regulation as owners of a building over 100 000 sq. ft. so the proposed change in regulation would not impact us. However, we discovered the ease of meeting the reporting requirement in 2019. We cannot monitor and improve upon what we cannot track.*

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<sup>6</sup> Toronto Atmospheric Fund, 2018 [https://taf.ca/wp-content/uploads/2018/09/TAF\\_Emissions-Inventory-Report\\_2018.pdf](https://taf.ca/wp-content/uploads/2018/09/TAF_Emissions-Inventory-Report_2018.pdf)

<sup>7</sup> Civic Action, 2017. <https://www.civicaction.ca/race-to-reduce/>

<sup>8</sup> Assuming 9000 buildings of 75 000 square feet are to report.

<sup>9</sup> Ontario Benchmarking Help Centre, 2019. <http://www.windfallcentre.ca/climatewise/benchmarking/>

*The Portfolio Manager reporting tool made it easy to gather, enter, analyze and report on our energy and water use position and understand opportunities for easy wins as we aim to improve our efficiency and do our part. For example, we see ways to reduce heating and cooling costs (natural gas) and our lighting upgrades have a very short time to return on investment through reduced electricity consumption and longer bulb life.*

*Owners of smaller buildings will see only an upside to participating in the program’.*

Tony Iacobelli, Manager of Environmental Sustainability  
The Corporation of the City of Vaughan

*‘The City of Vaughan is supportive of the existing approach under the Energy and Water Reporting of Buildings (EWRB) regulation to require reporting by owners of buildings over 50,000 square feet. The City’s experience under Broader Public Sector reporting has shown that tracking and reporting energy and water use leads to greater awareness in the organization of energy savings and cost savings potential, with consequent climate mitigation actions.*

*The City of Vaughan’s 2018-2022 Term of Council Service Excellence Strategic Plan includes a Key Activity to “build the low carbon economy and a resilient City”. Outreach to the more than 12,000 businesses in Vaughan, in partnership with the ClimateWise Business Network and Partners in Project Green, is an important initiative under the Key Activity to “build the low carbon economy and a resilient City”. In particular, the City is relying on the initiative of the ClimateWise Business Network, the Mayors’ Energy Challenge, to improve compliance to the EWRB regulation and thereby accelerate cost savings and climate action in the business sector. City staff will report annually to Council on initiatives under this Key Activity’.*

## **Conclusion**

Windfall Ecology Centre acknowledges the province’s continued support of the Ontario EWRB program. We appreciate the opportunity to provide feedback to the proposed amendment to O.Reg 506/18.

Keeping the program in its current iteration would yield long term financial benefits to Ontario building owners while collectively reducing the province’s greenhouse gas emissions.

For further information please contact Brent Kopperson at [brent@windfallcentre.ca](mailto:brent@windfallcentre.ca) or 905-727-0491 ext. 117.