

## Climate change plan offers construction sector opportunities, raises questions

by Don Wall Jun 15, 2016

Ontario homebuilders, environmentalists and electric-vehicle advocates all said they are onside with sweeping changes that will affect their sectors following the unveiling of the province's five-year, \$8.3 billion Climate Change Action Plan.



The plan provides incentives to put more electric cars on the road, encourage industries across the board to reduce greenhouse gas emissions, create a green bank that would use revenues from the new cap and trade program to fund multiple green initiatives and launch the home-building sector towards a net-zero energy future by 2030.

"Kudos for taking a very strong position in dealing with climate change, and maybe this is a starting point in terms of the conversation," said Andy Manahan, executive director of the **Residential and Civil Construction Alliance of Ontario**. "Maybe the government realized that not everything was going to be completely baked when it came out of the oven."

Among the sectors with the greatest impetus for change are homebuilders and renovators. Joe Vaccaro, CEO of the Ontario Home Builders' Association (OHBA), was cited on the Ministry of Environment website as a supporter of the plan. The OHBA issued a statement recounting a half-dozen new measures that will affect its sector including energy audits associated with a Home Energy Rating and Disclosure program, rebates for high-performance buildings, building code changes promoting energy efficiency, retrofitting programs for existing private apartments and an initiative ensuring homes are electric-vehicle ready.

While new homes built from 2030 on are expected to have zero carbon footprint, the OHBA noted that new-home construction comprises only one per cent of the overall building stock on an annual basis, so "that's why it is essential to improve the existing 4.8-million homes in Ontario."

Beyond homes, the existing stock of numerous other types of structures were targeted for energy-efficiency retrofit programs including heritage buildings (\$80 million to be allocated);

schools, universities and hospitals (\$800 million); and social housing and apartment buildings (\$900 million).

The announcement pointed to analysis from EnviroEconomics that forecasts the economic impact of the cap and trade program will be equivalent to a 0.03 per cent decline in GDP growth in 2020.

The action plan was announced by Minister of Environment and Climate Change Glen Murray on June 8 and contains 76 distinct initiatives.

Both Manahan and David Frame, director of government relations for the Ontario General Contractors Association (OGCA), spoke of the plan as representing broad strokes rather than fully formed policies.

"It's still early days and I think we are going to have to go through it," said Manahan. "It's still vague on the implementation side. So I view it as aspirational to a certain degree.

"We are going to have to do some analysis on our own, and prove to the province that there are realistic ways to do things and perhaps some things might be unrealistic, so there are some things the province might not have thought through carefully enough that we might have to point out to them."

Frame said, "You don't really know from announcements, you don't really know until the programs are rolled out."

He said the OGCA had assessed the implications of the new cap and trade regime — proclaimed into law earlier this spring and included as a major component of the action plan and due to take effect next Jan. 1 — and determined the construction sector was spared a direct hit.

"Most Ontario construction companies won't be covered because they don't operate in places like quarries or processing facilities that emit 25,000 tons of greenhouse gas emissions per year or more," said Frame. "But we tend to be purchasing materials from those who do, so certainly the cap and trade cost will be passed on to us and passed on to our buyers."

"The indirect costs will affect the cost of the final product," added Frame. "We escape it (the cap), but we are very much part of the big economy and we are very much affected by how those who will be captured by this react to it."

The retrofitting and other incentives contained in the action plan will be a source of work for OGCA members, said Frame.

Manahan also acknowledged the indirect costs that will hurt RESCON (Residential Construction Council of Ontario) members.

"In terms of heavy equipment and other vehicles that are used to get to job sites and those sorts of things, there will be impacts," he said.

Manahan said his team had already identified a number of policy initiatives that would have to be clarified. The plan referred to net-zero carbon homes, as opposed to net-zero energy — did that mean location would be an issue, if gas-powered vehicles were used to get to and from work? And there was mention of updating environmental assessments to account for climate change, and a new guide was referred to — what stage was this guide at?

"And questions like, does the government expect that all new homes will have solar panels on the roof in the future?" he said. "You are not going to get to net zero overnight, everyone knows that."

Among the organizations issuing statements of support for the action plan were the Canadian Solar Industry Association, the Cement Association of Canada and the Canadian Vehicle Manufacturers Association.

But sewers and watermains were completely left out, noted Giovanni Cautillo, executive director of the Ontario Sewer and Watermain Construction Association.

"With climate change being such a focus by this government in recent years, we are disappointed that protecting Ontarians from flooding wouldn't have been more of a priority." said Cautillo.