

# Stimulating Growth with Modern, Clean Technologies

July 2020



## OVERVIEW

This report outlines the conversation of the Government-Industry Roundtable hosted by the Mechanical Contractors Association of Canada (MCAC) and Canadian Institute of Plumbing & Heating (CIPH) June 23<sup>rd</sup>, 2020. The roundtable was attended by leaders from Canada's plumbing and mechanical sector and officials from government departments and agencies including:

1. Natural Resources Canada;
2. National Research Council;
3. Treasury Board of Canada Secretariat;
4. Employment, Workforce Development and Labour;
5. Standards Council of Canada; and
6. Environment and Climate Change Canada.

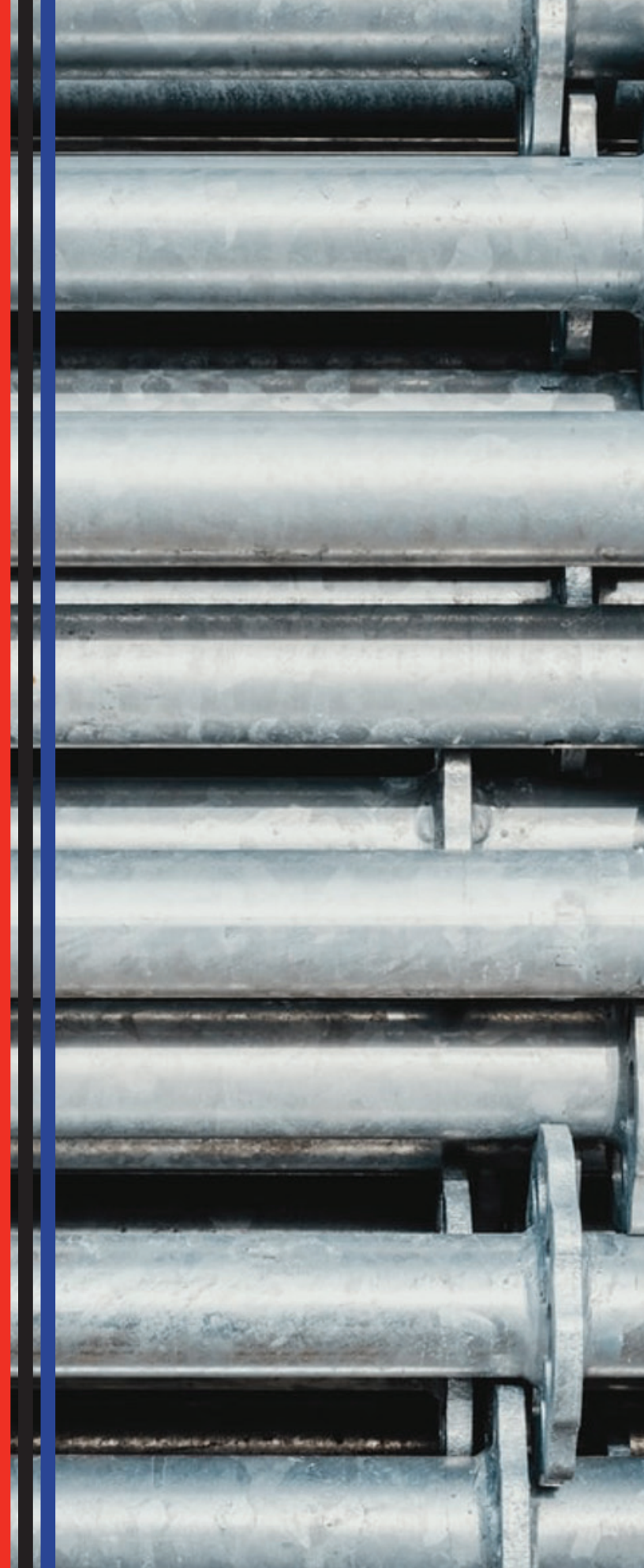
What follows are summaries of the commentary of participants, and a set of recommendations on steps that can be taken together by industry and government partners. Progress can only be made by working together on agreed and shared priorities. These include climate change adaptation and mitigation, availability of skilled workers, and more efficient regulations including building codes modernization. This paper concludes with a set of policy recommendations that benefit from strong inter-departmental alignment.

Summaries include discussion from both industry and government stakeholders on the discussed topics, which stemmed from a moderated discussion following presentations from each participant.

## INDUSTRY PRIORITIES

MCAC and CIPH are primarily focused on the following priorities where government and industry need to be aligned.

1. Federal, Provincial and Territorial collaboration is needed to ensure Canada has fully modernized building codes and unified standards that stretch from coast-to-coast-to-coast; allowing for more environmentally friendly, modern products in all project settings, while adding efficiency in supply chains and reducing costs to consumers.
2. Significant investment in the skilled trades so Canada has the workforce that will be needed to meet our 2030 climate targets, without such Canada will not meet environmental goals due to misaligned priorities with businesses and consumers.
3. The importance of retrofits and improvements to the built environment that is already standing, which accounts for 75% of all buildings standing in 2030.
4. We encourage a rapid review of any outdated regulations to pave the way for a green recovery
5. The most up-to-date products limit waste and reduce contaminants – Help our members achieve government goals
6. Industry is taking environmentally friendly approaches:
  - Considering updated standards and codes for climate action
  - Supporting climate change adaptation, sustainability and energy efficiency
  - Addressing recycling, product end of life, and sustainable product design
  - Working closely with government in sessions like this—We need to continue these conversations!





## Natural Resources Canada:

Much of what the plumbing and mechanical sectors aim to achieve is aligned with Natural Resources Canada's agenda. Natural Resources Canada aims to maximise efficiency across the economy, including the transformation of Canada's existing building stock by:

- **Driving innovation through regulation:** forcing better efficiency standards and dropping the worst performers. BuildSmart is the pan-Canada strategy for ensuring our structures and systems within will live up to the challenges climate change will present.
- **The Market Transformation Roadmap:** industry and governments have agreed to focus on three major areas: residential windows, space heating and water heating.
- Finally, Natural Resources has begun working with industry on **online skills training on energy efficiency** over the summer, while the pandemic limits in-person training, allowing some time for up training and new skills.

## Environment and Climate Change Canada (ECCC):

Although COVID has changed the immediate economic landscape, Minister Wilkinson is committed to the 2030 climate target and the department is working towards creating Canada's next targets for United Nations Climate Change Conference in November 2021.

- ECCC is working on a **whole of government** framework to meet the minister's expectations.
- Programs like the **Low Carbon Economy Fund** and Climate Action Incentive Fund, both of which are working to reducing our overall emissions. The department is reviewing how to make these programs easier to navigate, more manageable and less barriers for industry moving forward.



## National Research Council:

The National Research Council (NRC) has had success with industry and CIPH specifically with the harmonization of codes and looks forward to continuing that work. Alongside stakeholders the NRC is working on the following areas.

- **Reducing the barriers and differences in the provincial building codes is essential to a more efficient workforce**, developing an implementation plan with the provinces that will be ready for December 2021.
- Both reduction in variance and ensuring they are more responsive to governance issues between provinces and territories. **Major redesign of the code system will be happening**, and NRC will be reaching out to industry to speak more broadly about what this new system will look like.
- Significant research around many different aspects of climate change, including one project still in its infancy that will allow for future climate design files for energy modelling. This will allow you to **model the performance of a building for future climate scenarios**.

## Employment and Social Development Canada (ESDC):

ESDC understands the critical role the skilled workers will play in the transition to a low carbon economy. The government recognizes the country's dire need and the shortage of skilled workers and is committed to working with both the industry and education sector to encourage more opportunities and higher enrollment rates.

- The government is investing in several different programs to try and **broaden the worker base of the skilled trades**, with a focus on indigenous, racialized and new Canadians, and women.
- The department is in the process of **developing several programs that are not ready to be announced yet but are being designed to respond to Canada's needs in the post-pandemic landscape**.
- ESDC is heavily interested in the **need for retrofits** and the part that will play in **meeting our climate target** moving forward.

## Treasury Board of Canada Secretariat:

Treasury Board is also working to facilitate regulatory cooperation between the regulators themselves, Treasury Board is working to make sure these groups are aligned on several issues. Treasury Board is also focusing on three directives, each with different partners to improve Canada's regulatory regime.

- **Regulatory Cooperation Council:** working with the U.S. to align regulations.
- **Regulatory Reconciliation and Cooperation Table** for inter-provincial standardization.
- **Regulatory Cooperation Forum** with the EU to try and harmonize some of our regulations.



## Standards Council of Canada (SCC):

The council is hopeful stakeholders can continue the collaboration to ensure parties aligned and working toward the same goals. SCC is working with Treasury Board to the to work with the provinces to adopt national building codes in an aligned manner.

- SCC believes it is critical to harmonize standards across the country in a timely manner.
- SCC and treasury board are working on a targeted regulatory review, considering international standards to determine what we can learn from other jurisdictions.

## DISCUSSION

An open discussion was framed around the following question: How do we use this forum to move forward and not lose the momentum?

- Standardization strategies bring together government and economic partners and will play a large role. The standards council will play an important role in reaching our objectives.
- We all need to break down the silos between departments within government, and between government and industry. This will allow those in the field with firsthand knowledge to aid government decision making and ensure a reliable flow of needed information to the government.
- Organizations should present a united front when submitting information and solutions to the government.
- Government frequently puts out calls to industry that leads to collaboration.
- Moving forward, the more information and specificity you can offer about regulatory concerns, the easier it will be to fix problems and develop constructive relationships.
- The SCC and NRC want to hear from the stakeholders and help them meet their needs.



- The more information the better, the government is particularly interested in industry ideas around:
  - de-risking projects and initiatives;
  - research and development; and
  - better engagement with the code system.
- The government wants to hear about the how the governments actions are affecting the sector, which benefits were useful, and which were not.

## NEXT STEPS

As discussed by both government and industry, the only way Canada will ensure we meet our Paris climate goals is by investing in Canada's infrastructure now. Ensuring Canada can meet the challenges of the future will require a sustained, co-ordinated, pan-Canadian commitment from industry, government and consumers.

Both industry and government possess unique and necessary skills and knowledge for the work at hand. We will all need to be willing partners to tackle the challenges facing the plumbing and mechanical sector in the years ahead.

MCAC and CIPH are committed to future collaboration with the federal government, on all topics discussed during the roundtable. With that in mind we recommend the following steps be pursued to turn our meeting into meaningful action.

## RECOMMENDATIONS

### Process: Introducing ongoing, structured conversations that address silos:

1. Commencement of a quarterly roundtable to continue to monitor progress
2. Ensuring Provincial equivalent are brought into the process'

### Policy recommendations with high level support among participants:

1. Harmonization of Building Codes should be prioritized by the senior-level interdepartmental committees working on climate change at the Assistant Deputy Minister and Deputy Minister levels, federally
2. Investments be made in the near-term to attract new workers and promote upskilling for those already within the plumbing and mechanical trades. These investments need to be in addition to investments in advertising and promotion already committed, and should aim to increase incentives for businesses to bring on apprentices that they can train and eventually employ.
3. Investment in further incentives for business and homeowners in green technologies. These could include tax benefits for businesses and homeowners, or grants that encourage retrofits on existing building stock.