

Intelligence MEMOS



From: Charles DeLand
To: Canadians Concerned About Climate Change
Date: August 3, 2022
Re: A REALITY CHECK FOR CANADA'S EMISSIONS REDUCTION BLUEPRINT (II)

The federal government's 2030 Emissions Reduction [Plan](#) was the subject of a recent C.D. Howe Institute special policy seminar to address several key questions: What's realistic? How feasible are the Plan's projected 2030 outcomes, and the implications for the economy, for households and for businesses?

The conference was designed to present a clear-eyed, non-partisan view of the Plan's contents rather than to develop an alternate roadmap or idealized suite of policies. We discussed its broad observations [yesterday](#), and today we look at the ERP's building sector goals, part of the conference's sectoral conversations.

Presenters and participants at this session highlighted the Plan's inherent tensions in discussion of the building sector, which Ottawa projects can reduce its emissions 37 percent from 2005 levels by 2030. To some, the Plan is an exciting development, while a more pessimistic view is that the Plan remains aspirational, not concrete.

There is support in the sector to make progress; there is support for a net-zero building code; and there is support from builders to reduce emissions – although there are several conflicting and overlapping standards.

Obstacles exist in the sector that must be overcome: the need for faster project approval, a stronger decision making framework, and coordination between governments and the private sector.

One presenter noted that there is an asymmetry between policy, procurement, technology, and best practices. Procurement is slow and based on arbitrary goals. Policymakers focus too much on new projects, when retrofitting old buildings can have a greater impact on GHG reductions.

One presenter noted that to reach 2030 goals, there would need to be 130,000 buildings per year retrofitted in Toronto alone. Concerns about skills and information gaps of operators who take on net-zero buildings were discussed.

Other concerns raised include: the use of unrealistic arbitrary goals and the negative impact on credibility when targets are missed, the need to consider the whole lifetime of the project, and the problem of technology outpacing slow project construction. Canada comes 34th out of 35 OECD countries in the average time to get regulatory approval for a construction project, according to the World Bank's Ease of Doing Business Index.

Also highlighted were the gaps in the Plan for the sector such as the exclusion of digitization, mass timber, and offsite construction consideration.

The presenters agreed that goal-oriented planning is crucial. There is a need for new skills and perspectives to drive innovation to enhance speed and develop green materials. Investment will drive the technological innovation, but faster project development will ensure that the technology and the building progress contemporaneously.

Presenters highlighted the need for stronger cooperation between all levels of government, the private sector and academia. While a frequent complaint, growing numbers of regulations and bodies appear to make this unlikely. A stronger framework to set rules for targets and establish accountability will also increase the speed of project development. One presenter noted there are currently more than 45 agencies involved in a given project approval process.

Overall, the Plan's vision for the sector appears somewhat arbitrary. Participants agreed they would like to see more explicit planning in coordination with industry. The development of skills, coordination between actors and stronger accountability for operators of net-zero buildings are important components of the building sector's ambitions to reach targets.

Finally, some participants said, it might be inevitable that businesses and consumers leave the slow yet standardized political sphere and choose to pursue lower-emission projects faster on their own.

Beyond building and construction, the conference examined three additional sectors, oil and gas, electricity, and transportation. Full accounts of those discussions can be found online in the conference [report](#).

Charles DeLand is the Calgary-based associate director, research at the C.D. Howe Institute and was the conference moderator.

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