

SUBMISSION

Date: August 29, 2025 | **Prepared by:** Jana Elbrecht, Senior Policy Advisor

Clean Energy Canada is a climate and clean energy program within the Morris J. Wosk Centre for Dialogue at Simon Fraser University.

We are pleased to submit these comments as part of the Government of Canada's consultations on the [Build Canada Homes Market Sounding Guide](#).

Summary

Clean Energy Canada is broadly supportive of the Government's approach to found Build Canada Homes (BCH) as a new federal entity and its envisioned roles in financing and building affordable housing. We commend the federal government for making affordable housing a priority.

However, we believe the proposed design of BCH as outlined in the Market Sounding Guide overlooks some crucial opportunities. Specifically, we believe the proposed design could do more to incentivize the electrification of new homes and the effective use of made-in-Canada low-carbon materials and designs in their construction.

To address these gaps and improve BCH's design, we recommend:

1. Expanding the BCH's "affordability" objective to include electrification as a path to ensuring long-term affordability for residents;
2. Modifying the investment criteria related to low-carbon building materials by including reference to the government's existing requirements under the [Standard on Embodied Carbon in Construction](#), which currently applies to direct federal procurements but not necessarily to crown corporations;
3. Adding an investment criterion related to electrification, which prioritizes projects that facilitate clean heating and cooling, as well as EV charging at home.

Recommendations

Build Canada Homes' "affordability" objective

Clean Energy Canada recommends that the BCH's "affordability" objective be expanded to include electrification as a path to ensuring long-term affordability for residents. The Market Sounding Guide defines the objectives of Build Canada Homes as "build affordable housing at scale" and "build faster, better and smarter." The description of the "affordable housing" objective notes the importance of long-term affordability. However, if the federal government is truly committed to supporting long-term affordability for Canadian residents, it must think beyond the initial purchase price of the home and also consider the longer-term costs of operating that home. Clean Energy Canada's [analysis](#) shows that electrifying one's home by

adopting clean energy solutions such as electric vehicles and heat pumps can save Canadian households hundreds of dollars per month on energy bills and insulate homes from the price swings of foreign energy. BCH-supported homes should therefore be electrified whenever possible to ensure future residents have the ability to benefit from the long-term cost-savings these technologies provide.

Investment selection criteria

Electrified wherever possible

Clean Energy Canada recommends that the BCH design should add an investment criterion related to electrification, which prioritizes projects that facilitate clean heating and cooling, as well as EV charging at home. Given the affordability, comfort, health and energy security benefits home electrification provides, we believe projects supported through Build Canada Homes should be fully electrified, unless there is a clear rationale not to (for example in off-grid communities or regions where a combination of disproportionately high electricity prices and very cold climates makes full electrification prohibitively expensive).

Canadians are [increasingly](#) faced with dangerously hot summer days, leading to discomfort or even [health risks](#). **All new homes should therefore come with active cooling for safety and comfort.** This cooling can be delivered by a heat pump, which functions similarly to a one-way air conditioning system, but has the added benefit of providing affordable heating as well as cooling. The government should lead by example by **making every cooling system a heat pump** in homes built as part of the Build Canada Homes initiative.

In many of Canada's climates, **a fully electrified home** with a cold climate heat pump (air source or ground source) **will provide comfort and [affordable energy bills](#)**. On top of near-term affordability, not connecting new homes to the natural gas grid will avoid the [financial burden of stranded assets in the future](#). With more and more households electrifying, the costs of natural gas infrastructure will be carried by a smaller ratepayer base, resulting in higher costs for households who are still connected to natural gas. Since Build Canada Homes will provide affordable housing mainly to low- and middle-income households, it should avoid setting these households up to pay for stranded assets.

In addition to heating and cooling, an electrified home is also one that allows its residents to charge their vehicles at home. The average Canadian household can save around [\\$3,000 annually](#) by driving an electric vehicle rather than an equivalent gas car. Most of those savings come from being able to avoid the gas station and powering a vehicle at home, with affordable electricity. While [96% of current EV drivers](#) have access to at-home charging, some groups, including households living in apartments, [face significant barriers](#) to at-home charging. That means they do not have the same access to driving electrically and affordably.

Ensuring all new buildings have the electrical infrastructure required to install EV-charging later on will enable households moving into these new homes to make the choice to switch to

affordable electric driving. Constructing a building that is EV-ready is [3-4 times cheaper](#) than retrofitting that same building later on to install charging infrastructure. With decades-long lifetimes, any building constructed with support from Build Canada Homes will need EV charging in the future. Constructing EV-ready buildings now is the sensible and equitable policy choice.

Use clean, made-in-Canada materials and designs

Clean Energy Canada supports the inclusion of low-carbon building materials in the investment criteria but recommends modifying it by requiring all projects to at least meet the government's existing requirements under the [Standard on Embodied Carbon in Construction](#), which currently applies to direct federal procurements but not necessarily to crown corporations.

Analysis by the Canada Green Building Council shows that in efficient, electrified buildings on clean grids, embodied carbon will make up the [vast majority](#) of the lifetime emissions of a building.

The Market Sounding Guide already includes language on low-carbon materials and designs among its investment criteria. To provide certainty for industry and ensure low-carbon Canadian materials are used as much as possible, Build Canada Homes should consistently apply existing federal government standards on embodied carbon. Construction companies delivering projects for federal departments will already be familiar with these requirements. Using the existing Standard will therefore ease implementation.

Using clean, Canadian materials and design has the potential to reduce both carbon and cost. [Recent research](#) by Clean Energy Canada, in partnership with Chandos Construction and Ha/f Climate Designs, shows that using cleaner materials and design can be done at no or negligible cost increases and in some cases even reduce the cost of construction.

We appreciate the opportunity to comment.

Please feel free to contact us with any questions regarding our recommendations.

Contact

Jana Elbrecht

Senior Policy Advisor

jana@cleanenergycanada.org

(437) 324-9323

Joanna Kyriazis

Director of Public Affairs

joanna@cleanenergycanada.org

(613) 612-0912