CLEAN ENERGY CANADA

SUBMISSION

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Response to the government's proposed changes through Bill 98

We strongly advise the government reconsiders its proposed changes to the *Planning Act, Municipal Act, 2001*, *Building Code Act, 1992*, and *City of Toronto Act, 2006* that would have the effect of prohibiting mandatory municipal enhanced development standards and green building standards.

In the event that the provincial government still decides to move forward with these changes, we strongly advise the government adopt province-wide regulations that would achieve similar results in energy efficiency, EV-readiness, and reduced embodied carbon in new construction, thereby lowering energy bills for Ontarians living in newly built homes.

Removing municipalities' freedom to set their own green building standards would reverse progress on energy affordability and innovation in the construction and material sectors.

Firstly, municipal green building standards impose requirements including for homes to be energy efficient and capable of supporting cost-saving technologies such as electric vehicles (EVs). In its proposal, the government asserts that there are no costs to consumers associated with the proposed changes. However, this overlooks the direct and indirect cost benefits to Ontarians that will live in the homes built in communities where existing green building standards apply.

Energy efficient homes are cheaper to operate, delivering lower energy bills for households every month for years to come. In the midst of a cost-of-living and energy crisis, the long-term cost burden should not be shifted onto households in the hopes of reducing short-term costs for developers.

Requiring new homes to be equipped with the infrastructure to charge EVs at the time of construction also leads to significant cost savings. Recent analysis by Clean Energy Canada shows that a typical Ontario EV driver saves over $200 per month largely by charging their vehicle at-home with cheap, clean, Ontario-made electricity instead of gasoline. Additionally, EV readiness requirements spare residents the cost of retrofitting parking facilities in the future to accommodate EV charging, which can cost three to four times more than including that infrastructure at the time of construction, according to AES Engineering. In Quebec, a Regulatory Impact Analysis anticipated a province-wide EV-readiness requirement would net savings of roughly $815 million over five years due to avoided retrofit costs, even after

accounting for the cost of EV-readiness to developers. By invalidating municipal EV-readiness requirements, the province would prevent households from accessing EV savings and burden them with the cost of future retrofits.

On top of that, EV-ready and more energy efficient homes can reduce costs for the electricity system as a whole. Energy efficient homes use less electricity to heat and cool during peak load events and managed EV charging can be used to shift electricity demand and respond to peaks. Together these technologies can support grid stability and reduce the need for additional generation capacity.

Secondly, several municipalities, including the City of Toronto and Hamilton, have used green building standards to address embodied carbon, meaning the emissions produced by the materials and construction process. Ontario material producers have been investing in cleaner production. For example, St. Marys Cement invested in specialty cement kiln infrastructure that uses lower-carbon fuels and Algoma Steel is transitioning its production process to Electric Arc Furnaces. By setting embodied carbon requirements, municipalities encourage the use of these made-in-Ontario clean materials and support innovative industries.

Moreover, a 2025 research report published by Clean Energy Canada and attached to this submission found that a reduction in embodied carbon in buildings through the use of lower-carbon materials and design is possible at no or negligible cost increases. In fact, in many cases designing more efficiently can reduce the amount of material required and thereby reduce both the cost of construction and in many cases the time it takes to construct a building.

As the Ontario government pursues a much-needed buildout of new homes, it should consider ways to streamline development and support energy affordability simultaneously. In this vein, if the government removes the ability of municipalities to set green building standards, it should simultaneously develop regulations that require EV-readiness and energy efficient and sustainable design province-wide.

Housing affordability should not just be about the upfront purchase price, but how much it costs to heat and cool a home and drive to work year after year. Ontarians should have access to homes that enable them to make choices for long-term affordability, including energy efficient homes and homes that enable at-home charging of electric vehicles. We should build homes that do not need to be retrofitted a few years later and that maximize opportunities to plug into homegrown Ontario electricity. We need to ensure buildings are designed efficiently to minimize both cost and carbon, and are built with made-in-Ontario clean materials. Keeping down the cost of construction is important, and so is keeping the cost of living in those homes under control. Province-wide green building standards would enable both.

Clean Energy Canada is a think tank at Simon Fraser University, working to accelerate Canada's clean energy transition by conducting original research, convening influential dialogues, informing policy leadership, and driving public engagement.

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