

Vancity Submission CleanBC Review



Vancity

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Re: CleanBC Review

Thank you for the opportunity to provide input to the CleanBC Review. We commend the province for its leadership in developing a climate plan that aims to build a low-carbon, resilient, and equitable future. CleanBC has already made important progress by establishing a roadmap to 2030 that provides much-needed certainty to industry and investors. This level of clarity helps de-risk clean investment, accelerate innovation, and guide long-term infrastructure planning. It also supports action on key provincial priorities such as advancing energy independence, developing a skilled workforce, and lowering costs for families. The CleanBC Review is a key opportunity to strengthen the plan to deliver deeper emissions reductions while supporting affordability and economic competitiveness across the province.

As one of Canada's largest community-based credit unions, Vancity is committed to achieving net-zero emissions in our lending portfolio by 2040 and supporting our members through this transition. While we are committed to doing our part, the scale and pace of change required must be guided by transformative government policy, clear regulatory direction, and sustained public investment. Through the CleanBC Review, we see an opportunity to strengthen the enabling environment that allows British Columbia to be a place where communities and businesses thrive, while meeting ambitious climate goals. To fully realize emissions reductions and unlock the potential of a net-zero economy, Vancity recommends:

- 1. Following through with the commitment to implement Property Assessed Clean Energy (PACE) financing to enable more accessible and affordable retrofit options for owners and businesses.** By allowing retrofit expenses to be repaid through property tax bills over time, PACE makes energy upgrades more affordable and accessible. This model has been successfully adopted in other jurisdictions across North America and has proven to increase participation in climate-friendly building upgrades, stimulate local economic activity, and reduce energy poverty. In the United States, PACE has already been established as a model for driving large-scale private investments in energy efficiency. There are active PACE programs in 27 states, and it is estimated that PACE projects completed to date will create more than 150,000 jobs, reduce carbon emissions by 11 million metric tonnes, and generate over \$19 billion in total economic benefits for local communities. Vancity Community Investment Bank has already [developed partnerships](#) in other provinces to introduce PACE. To support similar investments

across BC, the Province would need to update several laws that define local government powers – including the Community Charter, Vancouver Charter, Local Government Act and Taxation Act. These changes would allow municipal governments to collect PACE program charges the same way they collect property taxes. Enabling PACE through legislation is an opportunity to enable retrofits, potentially with no additional cost to the province, as municipalities that opt-in can partner with the private sector to deliver financing and program administration. To support the successful implementation of PACE programs, enabling legislation in BC should include strong consumer protection measures. Moving forward with timely implementation would help unlock widespread private investment, advance emissions reductions in line with provincial climate goals, and make clean energy more equitable and inclusive for communities across the province.

2. **Introducing clear, measurable goals for annual retrofit rates.** Analysis from the Pembina Institute indicates that to protect our climate and grow the clean economy, BC needs to retrofit 30,000 homes, 17,000 apartment units, and 3 million m² of commercial space per year until 2050. Recognizing the scale and urgency of this problem, the province should set specific goals for retrofit rates - such as the number or percentage of buildings upgraded each year. There is an opportunity to align with the Canada Green Buildings Strategy, which notes that reaching Canada's goal of net-zero by 2050 in the buildings sector will require a retrofit rate for existing homes and buildings of approximately 3% per year. Setting targets helps create the market conditions needed to accelerate retrofits by signaling clear and sustained demand and giving industry the confidence to invest in workforce training, supply chains, and innovation, while also guiding policy, financing programs, and regulatory efforts. By providing a shared direction for governments, businesses, and investors, targets help align efforts, reduce uncertainty, and unlock the scale of market activity needed to meet climate and resilience goals.

On top of reducing emissions, retrofitting existing buildings supports safe, healthy, and comfortable homes. Poorly built or aging buildings can leave occupants more vulnerable to extreme heat, cold, moisture, and air pollution. This increased exposure can harm respiratory, cardiovascular, and mental health, contribute to illness and premature death, and increase healthcare costs. The deadly heat dome in 2021, which led to over 619 heat-related deaths in BC, is a stark example of the consequences. Other regions have found that retrofits can also generate significant savings in health spending. In New Zealand, a cost-benefit analysis of retrofit programs revealed that reductions in hospitalization, mortality, and drug use resulted

in \$1.03 billion in combined health and energy savings. These findings highlight the broader value of retrofits - not only do they reduce emissions and energy costs, but they also offer a potentially life-saving pathway to making homes healthier, safer, and more affordable to heat and cool.

Retrofit goals should be introduced alongside additional targeted support to ensure that everyone can equitably access the benefits of energy-efficient, climate-resilient buildings. Programs such as the existing CleanBC Energy Savings Program have already proven effective in accelerating the uptake of heat pump installations across the province, demonstrating that well-designed incentives can drive real climate action at the household level. When people can realistically afford to make energy efficiency upgrades, adoption increases, leading to faster progress toward climate targets and more resilient, comfortable homes for all British Columbians.

3. **Requiring new buildings to meet or exceed EL-3 of the Zero Carbon Step Code by 2027.** Introducing the Zero Carbon Step Code was an important step towards accelerating decarbonization in the buildings sector, but British Columbia still has a long way to go to meet its legislated goal of reducing emissions by more than half by 2030. The next phase of provincial regulations under the Zero Carbon Step Code is expected to come into effect in 2027. To ensure BC stays on a credible path to its 2030 targets, we encourage the province to use this regulatory window to require all new buildings to meet or exceed level 3 of the Zero Carbon Step Code (EL-3). Doing so would establish a clear, consistent, and ambitious performance baseline across jurisdictions that will reduce emissions, support affordability through improved energy efficiency, and stimulate demand for low-carbon building solutions across the province.

To ensure the success of an accelerated Zero Carbon Step Code pathway, the province should pair it with targeted support that helps municipalities build the internal capacity needed for implementation. This could include dedicated funding for staff positions, streamlined compliance tools, or access to centralized technical guidance. With the right support, municipalities can become even more powerful enablers of building decarbonization, helping BC meet its climate goals more quickly and equitably.

4. **Renewed attention to the Highest Efficiency Equipment Standards (HEES).** The province made important strides in 2023 by launching a public consultation on HEES. However, further action is needed to translate policy intent into meaningful regulatory outcomes. Now is the time to build on the momentum of the 2023 consultation process and take concrete steps to operationalize these standards.

We encourage the province to release a clear and transparent regulatory roadmap that outlines the implementation of HEES. Draft regulations should be released well in advance, ideally prior to 2029, to provide certainty for industry, local governments, and the public. The path forward should be developed in coordination with industry to ensure adequate workforce capacity and supply chain readiness and paired with public engagement to build awareness and consumer confidence.

5. **Support the expansion of modular and prefabricated housing to simultaneously address the climate crisis and the housing shortage.** To meet both climate and housing affordability goals, British Columbia should prioritize the expansion of net-zero modular and prefabricated housing, a solution that has the potential to deliver high-performance, low-carbon buildings more quickly and cost-effectively than traditional construction. While the *CleanBC Roadmap to 2030* outlines strategies for reducing emissions from new construction, it does not specifically address the role of industrialized building methods, leaving a gap in the province's approach to low-carbon, rapid housing delivery. Analysis shows that modular construction delivers multiple benefits, including cost savings, less waste, reduction in embodied carbon emissions, a safer workplace, and faster project timelines. For example, research indicates that modular construction in Europe and the US could deliver annual savings of up to \$22 billion. To capitalize on this opportunity, the province should develop a pathway for industrialized building methods that includes investment in domestic manufacturing capacity, support for pilot projects that create demand signals and aligning zoning, permitting and building codes to enable faster approvals and integration.

Critically, the federal government has committed to investing \$25 billion in debt financing and \$1 billion equity financing to innovative Canadian housing developers, including those specializing in prefabricated and modular construction. By developing a made-in-BC pathway for industrialized building methods, the province can ensure that BC businesses are well positioned to benefit from incoming federal funding while also meeting urgent housing needs, driving down emissions, and building a more resilient housing sector.

6. **Unlock the potential of small businesses to drive innovation and growth in the Net-Zero transition.** Small and medium-sized enterprises (SMEs) are the backbone of British Columbia's economy and will play a critical role in achieving the province's climate targets. Despite their importance, SMEs face distinct barriers in the transition to net-zero, including limited access to capital and technical expertise. In addition, the freeze on CleanBC commercial rebate programs, such as the Commercial Express and Custom-Lite programs, is hindering the ability to decarbonize. Deeper investment in these programs is needed to better support the clean energy transition.

While *CleanBC: Roadmap to 2030* contains sector-specific pathways for other sectors of the economy, it does not include a dedicated strategy for SME decarbonization. The province should introduce a tailored SME net-zero pathway, recognizing their specific needs and capacities. This could include support such as targeted financial resources, technical assistance, advisory services, or workforce development. Introducing a clear SME decarbonization pathway within the CleanBC framework has the potential to unlock innovation, drive local economic development, and ensure that the net-zero transition is inclusive of the full spectrum of BC's business community.

Climate action is not just about reducing emissions – it's also about creating good jobs, building more affordable communities, and securing a thriving, inclusive economy for future generations. It's a powerful economic development strategy that can improve quality of life today while laying the foundation for long-term prosperity. There is no better time to reaffirm our collective commitment to energy independence and a safer, cooler world. By accelerating the shift toward a low-carbon economy, BC can reduce exposure to volatile global markets, support affordability, and ensure communities are protected from climate-related risks. This is our opportunity to build a province that doesn't just keep up with change but shapes it – leading the economy of the future in a way that is fair, inclusive, and sustainable. Vancity is ready to work alongside government, industry, and communities to deliver on this vision.