

DATE OF MEETING JUNE 3, 2020

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**SUBJECT BC ENERGY STEP CODE REZONING POLICY**

## **OVERVIEW**

### **Purpose of Report**

To present to the Environment Committee a draft copy of the BC Energy Step Code Rezoning Policy for review.

### **Recommendation**

That the Environment Committee endorse the draft BC Energy Step Code Rezoning Policy.

## **BACKGROUND**

On 2018-JUL-09, Nanaimo City Council received and endorsed the “BC Energy Step Code Implementation Strategy” (Attachment A). The strategy included a number of recommendations including the incorporation of BC Energy Step Code standards into the City of Nanaimo Building Bylaw 2016 No. 7224 (the “Building Bylaw”). The introduction of bonus density points towards additional density in the City of Nanaimo Zoning Bylaw 2011 No.4500 (the “Zoning Bylaw”) for projects that exceed the Step Code requirements, and a Step Code rezoning policy. Council adopted the Building Bylaw and Zoning Bylaw amendments in October and November 2019, respectively. On 2019-SEP-16, Council directed Staff to develop a building energy efficiency rezoning policy as previously identified in the BC Energy Step Code Implementation Strategy (Attachment A). This report provides a draft building energy efficiency rezoning policy for the Committee’s consideration.

Council also directed staff to refer the Step Code Implementation Strategy to the Environment Committee for review, including consideration of an expedited implementation plan. Review of the Step Code Implementation Strategy has been included on the Environment Committee’s workplan for 2020 and will be addressed in a subsequent report on a future Committee meeting agenda.

### **BC Energy Step Code Implementation**

The Province has set a long-term goal of all new buildings being net-zero-energy-ready by 2032 through implementation of the BC Energy Step Code. The Step Code, which applies to new construction in buildings under Part 9 (houses and small buildings) and Part 3 (large and complex buildings) of the BC Building Code (BCBC), was created to help local governments incentivize or require a level of building energy efficiency that goes above and beyond the base requirements of the BCBC. Incorporating the lower steps of the BC Energy Step Code into the

City's Building Bylaw was an important first step in the process to allow for incremental improvements in building energy efficiency that are achievable with minimal impact on the development industry, while building capacity for implementation of higher steps in the future.

The City now requires builders to meet the lower steps (Steps 1 – 3) of the BC Energy Step Code as an alternative to the BCBC minimum prescriptive requirements. The City's Step Code requirements are set out in the Building Bylaw and increase over time as shown in the table below.

	<b>PART 9 Buildings</b>	<b>PART 3 Buildings</b>
<b>Step 1:</b> (Enhanced Compliance) Perform EnerGuide or Energy Modeling to current BCBC requirements	2020-APR-21	2020-APR-21
<b>Step 2:</b> 20% greater than current BCBC requirements	2021-JAN-01	2022-JAN-01
<b>Step 3:</b> 40% greater than current BCBC requirements	2022-JAN-01	TBD

Schedule D of the Zoning Bylaw was also amended by Council to provide density bonusing opportunities that incentivize developers to exceed the minimum Building Bylaw Step Code requirements. The available Zoning Bylaw density bonusing points for meeting each of the Step Code standards are outlined in the two tables below.

*For Part 9 Buildings (houses and small buildings)*

Step	As of 2020-Apr-21	As of 2021-Jan-01	As of 2022-Jan-01
1	0 points*	0 points*	0 points*
2	10 points	0 points*	0 points*
3	15 points	15 points	0 points*
4	30 points	30 points	30 points
5	30 points	30 points	30 points

\*Required by Building Bylaw

*For Part 3 Buildings (large and complex buildings)*

Step	As of 2020-Apr-21	As of 2021-Jan-01	As of 2022-Jan-01
1	0 points**	0 points**	0 points**
2	10 points	10 points	0 points**
3	15 points	15 points	10 points
4	30 points	30 points	30 points

\*\* Required by Building Bylaw

Depending on the zoning and the type of project, an applicant can take advantage of density bonusing if allotted points to meet the minimum thresholds set out in Zoning Bylaw Schedule D (achieved by meeting a point threshold in up to 5 categories of Schedule D).

## **DISCUSSION**

Local governments have the opportunity to encourage or incentivize more energy efficient buildings under the Energy Step Code framework in advance of Provincial regulation. The City's Building Bylaw outlines the minimum Step Code requirements for new buildings. The Zoning Bylaw provides incentives for developers to achieve higher densities through meeting higher steps in the Step Code along with meeting other desirable amenity features as outlined in Schedule D of the Bylaw.

The draft BC Energy Step Code Rezoning Policy (Attachment B) has been prepared in response to Council's 2019-SEP-16 direction to develop a building energy efficiency rezoning policy. The draft policy is intended to provide policy support for Staff to work with developers to secure building energy efficiency commitments through rezoning that exceed the minimum Step Code requirements of the Building Bylaw.

If adopted by Council, the draft policy will establish enhanced building energy efficiency requirements for developments that require rezoning. The draft policy proposes to secure a commitment of one-step above the Step Code requirements of the Building Bylaw for developments that require rezoning.

Requiring higher Step Code standards through rezoning applications will help address Council's Climate Emergency Declaration. Tying the policy to Step Code allows industry to use conventional materials and approaches they are familiar with, while building partnerships and capacity in terms of the number of energy advisors available to assess the work, and providing a clear and defined timeline so that the development industry is informed and ready to meet higher steps. Additionally, the policy will help the City meet the energy efficiency target timelines laid out in the Provincial Clean BC Plan.

## **OPTIONS**

1. That the Environment Committee endorse the BC Energy Step Code Rezoning Policy. The Policy would be forward to Council for endorsement.
2. That the Environment Committee provide recommendations on revisions to the draft BC Energy Step Code Rezoning Policy. Suggestions or edits as recommended from the Environment Committee could be incorporated into the draft policy prior to consideration by Council.

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