

MINUTES
SPECIAL GOVERNANCE AND PRIORITIES COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,
80 COMMERCIAL STREET, NANAIMO, BC
WEDNESDAY, 2023-JUL-26, AT 8:59 A.M.

Present: Councillor J. Perrino, Chair
Mayor L. Krog
Councillor T. Brown (joined electronically 9:02 a.m. disconnected 11:25 a.m.)
Councillor H. Eastmure
Councillor B. Geselbracht
Councillor P. Manly

Absent: Councillor S. Armstrong
Councillor E. Hemmens
Councillor I. Thorpe

Staff: R. Harding, Acting CAO/General Manager, Parks, Recreation and Culture
D. Lindsay, General Manager, Development Services/Deputy Chief Administrative Officer
B. Sims, General Manager, Engineering and Public Works
L. Bhopalsingh, Director, Community Development
K. Ing, Director, IT/CIO
J. McAskill, Manager, Facility Asset Planning
T. Pan, Manager, Sustainability
J. Rose, Manager, Transportation
D. Stewart, Environmental Planner
S. Gurrie, Director, Legislative Services
N. Sponaugle, Communications Advisor
J. Vanderhoef, Steno Coordinator
J. Tonella, Recording Secretary

1. CALL THE SPECIAL GOVERNANCE AND PRIORITIES COMMITTEE MEETING TO ORDER:

The Special Governance and Priorities Committee Meeting was called to order at 8:59 a.m.

2. INTRODUCTION OF LATE ITEMS:

- (a) Agenda Item 5(a)(1) – BC Energy Step Code and Zero Carbon Step Code Implementation – Add Attachment D “Industry Email Responses to Proposed Pathway”.
- (b) Agenda Item 5(a)(1) BC Energy Step Code and Zero Carbon Step Code Implementation – Add correspondence from David Suzuki Foundation.

(c) Agenda Item 5(a)(1) - BC Energy Step Code and Zero Carbon Step Code Implementation – Add the following delegations:

1. Larry Whaley
2. Whelm King
3. Nina Rastogi
4. Brunie Brunie
5. Angie Boileau

3. APPROVAL OF THE AGENDA:

It was moved and seconded that the Agenda, as amended, be adopted. The motion carried unanimously.

4. REPORTS:

a. GREEN NANAIMO:

(1) BC Energy Step Code and Zero Carbon Step Code Implementation:

Introduced by Dale Lindsay, General Manager, Development Services/Deputy CAO.

Presentation:

1. Ting Pan, Manager, Sustainability, provided a presentation. Highlights included:
 - There are two sets of regulations as part of the BC Building Code that help local governments regulate building performance;
 - The Energy Step Code (ESC) focuses on energy and efficiency and the Zero Carbon Step Code (ZCSC) focuses on emissions reduction;
 - Both apply only to new construction;
 - As of 2023-MAY-01, all the applicable new buildings are required to achieve the 20% increase in energy efficiency;
 - The City is currently at Step 3 of the Energy Step Code for Part 9 buildings (homes and small buildings) and at Step 2 for Part 3 buildings (large and complex buildings);
 - The upper steps of the Energy Step Code will be implemented by the Province by the end of 2027 and 2032;
 - Many buildings can be regulated under the Zero Carbon Step Code; however, some complex and specific users are not regulated right now such as recreation centers, hospitals, and restaurants;
 - Zero Carbon Step Code Prescriptive Pathway levels:

- Moderate – Applicants must demonstrate that the space heating is connected to a zero-carbon energy system like electricity.
- Strong - Applicants must demonstrate that both the space and hot water systems are connected to the zero-carbon system.
- Highest Level- No fossil fuels are allowed.
- The provincial timeline for the BC Energy Step Code is to reach the top steps by 2023 and achieve the highest zero carbon performance level before 2030;
- With natural gas heating, there can be a lot of emissions, whereas with electric heating systems, they naturally emit less emissions;
- A high portion of Part 3 buildings are already achieving the higher step code levels due to incentives and high standards set by BC Housing;
- The same incentives do not apply to Part 9 buildings;
- Since the Energy Step Code has been introduced, the larger permitted buildings are using electric space heating and hot water heating, but the smaller buildings are still mainly using gas for space and hot water heating;
- A regional engagement was done which focused on 150 building and development industry stakeholders as well as professional associations to assess the policy recommendations;
- Engagement results included strong support for emissions reductions and energy efficiency improvements, fewer changes even if it means accelerating the timelines, a desire for consistent jurisdictions, as well as education for homeowners on the benefits of connecting low carbon systems;
- There were concerns in the feedback regarding grid capacity and power reliability with the Zero Carbon Step Code, but industry capacity and cost were less of an issue;
- The Energy Step Code faces challenges in reaching the top steps by 2025 as there is currently not a lot of financial incentive to build to the top step;
- Victoria and Saanich are the first municipalities to adopt the Zero Carbon Step Code and are intending to follow the provincial timeline for implementing the Energy Step Code.
- Nanaimo's proposed policy is to introduce the Measure-only Level (EL-1) upon bylaw adoption, then by 2024-JUL-01 requiring all applicable Part 3 and Part 9 permit applications to meet the Zero Carbon Performance Level (EL-4), and by 2026-JAN-01 requiring all applicable Part 3 buildings to meet Step 3 of the Energy Step Code; and,
- The City plans to review and update policies and guidelines to identify any potential policy barriers, monitor emissions reductions in new construction, promote low carbon energy systems, and work with BC Hydro to conduct a grid capacity analysis.

Madi Kennedy, Senior Climate Sustainability Planner, Introba, and Lisa Westerhoff, Principal, Introba, were in attendance via Zoom to answer questions.

Committee and Staff discussion took place regarding the timeline of the implementation of the Zero Carbon Step Code in single family homes within the next six months. If approved by Council, the next steps would be implemented early Spring 2024. The 2024-JUL-01 date would give builders more notice and would create less confusion.

Delegations:

1. Mark Bernhardt, Bernhardt Contracting, provided a PowerPoint presentation highlighting how worried builders should be regarding the implementation of the Zero Carbon Step Code and provided a diagram highlighting the greenhouse gas (GHG) emissions for a sample house. For builders, this is not a gas ban. For homeowners, this will be more cost effective.

Committee discussion took place. Highlights included:

- For most developers, this recommendation maintains status quo, and the timeline is not unreasonable;
 - Energy efficiency is in the top five items prioritized for buyers; and,
 - A significant portion of Bernhardt Contracting’s work is doing energy retrofits for older buildings, but it is very expensive and not always worthwhile for a single-family home.
2. Carmen LeBlanc, FortisBC, shared that FortisBC was not included in the consultation process and wished to be. FortisBC advocates for a gradual adoption of the Zero Carbon Step Code; however, they do not think that a six-year implementation plan should be condensed into eight months. She provided four key recommendations to support the gradual implementation of the Zero Carbon Step Code:
 - a. The City undertakes a comprehensive consultation with a broad range of stakeholders so that they can understand the implications and market readiness of the stakeholders including energy providers;
 - b. Allow time for the market education and adoption. A gradual approach to the Zero Carbon Step Code will allow builders to understand and prepare for implementation;
 - c. Consideration of the impacts to meet housing targets on new home construction that aligns with the Premier and the provinces;
 - d. Ensure there is significant energy to meet the requirements of the code.

Committee discussion took place. Highlights include:

- Sources and amounts of renewable natural gas developed on Vancouver Island;
 - Concerns regarding health hazards of using natural gas in homes;
 - Vancouver Island currently produces less than 1% of it's natural gas from renewable sources and is unlikely to reach 2.2%; and,
 - Addition of hydrogen to natural gas potentially and as stand-alone systems.
3. Kyle Joncas, Project Coordinator, Westmark Construction, provided a PowerPoint presentation highlighting the Zero Carbon Step Code changes and how these changes will affect development. Westmark Construction reached out to their sub trades for feedback on the proposed changes. There were concerns regarding costs and the complexity of the energy efficiency changes. Provided estimates on potential cost impacts due to the increased step code and zero carbon changes and noted the requirements would incentivise changes.

Committee discussion took place. Highlights included:

- Estimated costs for energy efficient standards look to be relatively negligible; and,
 - Request for examples where incentive frameworks to meet certain goals set by the municipality have been applied.
4. Robyn Webb, BC Hydro, Tom Berkhout, BC Hydro, and Ted Olynyk, BC Hydro provided a PowerPoint presentation highlighting how BC Hydro is preparing for electrification and the adoption of the Zero Carbon Step Code across the province. Highlights included:
- BC Hydro is a leader in clean electricity generation and 98% of the power generated comes from renewable sources;
 - Two big questions around electrification include if we have enough electricity and how we will keep the grid strong and reliable;
 - There is currently a surplus of electricity and by 2025 there will be a 10% increase when Site C comes online;
 - BC Hydro and the Province are hoping to acquire more renewable electricity by 2028;
 - Solar and wind will be the most cost-effective generation options;
 - There is currently a high-level reliability performance in Nanaimo;
 - In 2022, BC Hydro invested \$3.5 billion to upgrade both new transmission and distribution grid infrastructure which has been the largest expansion of electrical infrastructure;
 - Challenges include reducing connection timelines to new buildings; and,
 - BC Hydro perceives that their energy system is changing for the better and that they do a lot of work to be ready for the anticipated energy transition.

Committee discussion took place. Highlights included:

- Clarification regarding when there is a surplus of electricity, and that peak demand is during the winter months;
 - BC Hydro is part of an integrated system; they buy, sell, and trade electricity. 3% of electricity is imported from Alberta; however, BC is self sufficient and has enough electricity to meet the needs of the province during demand;
 - BC Hydro is seeing growth in fuel switching as well as hybrid patterns in development, population growth and demand from LNG facilities, so more resources are needing to be built to meet that increased demand;
 - Potential for BC Hydro to diversify and create power locally and create more power stability;
 - Currently 40% of electricity on the island is produced on the island and the rest comes across from the mainland. The power supply line from the mainland is not currently a concern for BC Hydro; and,
 - Feasibility of meeting electricity needs going forward and BC Hydro's plans for meeting increased demands.
5. Kerrian Coady, Canadian Home Builders Association – Vancouver Island, joined the meeting via Zoom and thanked Staff for not recommending accelerating the higher steps of the BC Energy Step Code as this will allow for more readiness, predictability, and consistency for industries. She requested that the zero carbon requirements be implemented gradually.

Committee discussion took place. Highlights included:

- Following the provincial timeline rather than an accelerated timeline for the zero carbon requirements;
- The Federal government is changing the national building code and encouraging provinces to move their step codes in faster;
- The benefit of the Step Code was its incremental steps which would allow time for the industry to prepare; and,
- Buildings with passive designs have higher costs in the beginning, but result in lower energy bills for the end users.

The meeting recessed at 10:30 a.m.

The meeting reconvened at 10:40 a.m.

6. Barbara MacLellan spoke regarding environmental issues and her concern for future generations. She requested that Council implement the Zero Carbon Step Code.
7. Larry Whaley spoke on behalf of Nanaimo Climate Action Hub. The Climate Action Hub supports the Staff recommendation regarding zero carbon and would like it to be implemented now.
8. Whelm King spoke regarding historical situations where health concerns were covered up and his concern that the same scenario is happening with climate change and the carbon emissions from gas.

9. Nina Rastogi spoke regarding climate change and the amount of GHG emissions in Canada. She applauds the City's proposal to reduce emissions and greenhouse gases.
10. Brunie Brunie spoke regarding the impact's climate change has on the planet and increased health concerns. She stated we need to learn to consume less.
11. Angie Boileau, Focal Engineering, spoke regarding her support for the Staff recommendation. She noted the targets are both reasonable and achievable and an important step in the right direction.

Committee and Staff discussion took place. Highlights included:

- Issues predicted in David Suzuki's book, *A Matter of Survival*, are unfolding today;
- The time to make a building energy efficient is when it's being built;
- Canadians represent less than 0.5% of the population, but generate 1.6% of greenhouse gas emissions;
- Council has been working hard to align their goals for GHG emissions with the internationally accepted targets to keep warming below 1.5°C;
- Multi and single-family homes will save money in the long run with this switch to zero-carbon;
- Restrictions will get tighter as the Province implements more regulations regarding zero carbon;
- There is proven building technology and proven backends like BC Hydro to supply these types of necessary transitions;
- Implementation of this motion will shift a small part of the problem to new consumers and purchasers;
- Requirements could impact how many developers wish to build in Nanaimo;
- We need to learn to consume less;
- Council received an overwhelming amount of feedback from the community on this subject voicing support; and,
- Importance of the absent Council members being involved in future discussions.

It was moved and seconded that the Governance and Priorities Committee recommended that Council direct Staff to prepare the necessary "Building Bylaw 2016 No. 7224" amendments in order to:

- a. adopt the Provincial Zero Carbon Step Code and require that all applicable building permit applications meet the Measure-only Level (EL-1) upon bylaw adoption.
- b. require all Part 3 and Part 9 applicable building types and occupancies meet the Zero Carbon Performance Level (EL-4) of the Zero Carbon Step Code by 2024-JUL-01; and,
- c. require all applicable Part 3 building types and occupancies meet the Step 3 of the Energy Step Code by 2026-JAN-01.

The motion carried unanimously.

Councillor Brown disconnected from the meeting at 11:25 a.m.

b. City of Nanaimo Privacy Management Program Update:

Introduced by Sheila Gurrie, Director, Legislative Services.

- Highlights of the planned PowerPoint presentation include the City of Nanaimo's Privacy Management Program and an update on the legislation changes to *the Freedom of Information and Protection of Privacy Act* (FOIPPA) implemented in 2021;
- Updates to FOIPPA:
 - Provided provisions for the disclosure of personal information outside of Canada in certain circumstances;
 - Permitted public bodies to charge a one-time application fee for non personal FOI requests;
 - Implementation of a privacy management program which includes the requirements for mandatory privacy impact assessments for all new and updated programs and initiatives as well as privacy breach reporting;
- The City is wanting to inform the public of the steps taken to ensure the protection of their privacy with the new initiatives being brought forward;
- Concerns have been raised by the public regarding how information is gathered by cameras at intersections;
- The City completes a privacy impact assessment which takes into consideration how the City is authorized to collect information, how it can be used, and how it is stored and secured;
- The City is ahead of the curve and very progressive when it comes to the privacy management program which was started in 2018;
- Additional changes to FOIPPA have provided increased penalties for offenses and the addition of new offenses for evading FOIPPA;
- Changes also enable more information sharing with Indigenous peoples as well as adding Indigenous cultural protection; and,
- Staff and Council education is provided as well as education regarding privacy and security management.

Committee and Staff discussion took place regarding an increased sense of mistrust from the public in general.

5. QUESTION PERIOD:

Council received no questions from the public regarding agenda items.

6. ADJOURNMENT:

It was moved and seconded at 11:36 a.m. that the meeting terminate. The motion carried unanimously.

C H A I R

CERTIFIED CORRECT:

CORPORATE OFFICER