



City of Port Moody

Report/Recommendation to Council

Date: January 8, 2020
Submitted by: Planning and Development Department – Policy Planning Division
Subject: Corporate Policy for BC Energy Step Code Rezoning Applications

Purpose

To present amendments to the Corporate Policy for BC Energy Step Code Rezoning Applications for Council consideration.

Recommended Resolution(s)

THAT Revised Corporate Policy – 13-6870-2019-03 – BC Energy Step Code Rezoning Applications be adopted as attached to and recommended in the report dated January 8, 2020 from the Planning and Development Department – Policy Planning Division regarding Corporate Policy for Energy Step Code Rezoning Applications.

Background

At the July 9, 2019 Regular Council meeting the Corporate Policy – 13-6870-2019-03 – BC Energy Step Code Rezoning Applications was endorsed.

At the October 8, 2019 Regular Council meeting, the Corporate Policy was brought back for Council consideration with minor amendments. The following resolution was passed:

RC19/409

THAT staff be directed to report back to Committee of the Whole with an analysis of using the low-carbon option within our Step Code.

Discussion

On July 9, 2019 Council endorsed an early adoption strategy for the Energy Step Code (ESC). The ESC is a performance-based compliance path for meeting new construction energy efficiency building standards that are phased in through pre-established step increases. More information on the Energy Step Code can be found in **Attachment 1**. Port Moody's ESC strategy is currently communicated through the following policy tools:

- Building Bylaw amendments applicable to building permit applications; and
- a corporate policy applicable to rezoning applications.

While the ESC establishes a framework for increase energy efficiency in new buildings, it does not explicitly address greenhouse gas (GHG) emissions from buildings. For this reason and based on available research, rezoning applications and Building Permit applications for Part 3 buildings are currently provided with two pathways: meet either a higher Energy Efficiency Step than prescribed in the Building Bylaw, or meet a lower Energy Efficiency Step with the implementation of a low carbon energy system.

Encouraging Low Carbon Buildings through the Rezoning Process

Staff brought back the Corporate Policy on October 8, 2019 with minor amendments and were directed to report back to Council with an analysis of encouraging low carbon energy systems within the Corporate Policy. After review, staff are presenting two options for Council consideration.

Option 1: Trade-off Pathways (**Attachment 2**)

Option 1 includes the original Corporate Policy brought forward on October 8, 2019 with amended text under the *Low Carbon Energy Systems* heading within the Policy. Staff have included wording to emphasize that the City prefers applicants to pursue the low carbon energy system pathway due to the implications on greenhouse gas emissions. New wording is highlighted in **Attachment 2**. The Policy inherently incentivizes the low carbon energy system pathway by reducing the energy efficiency requirements in favour of an alternative low carbon energy system, which in some cases may result in trade-offs that are cost effective and have less impact on building design. A sample of this policy can be seen in the table below.

Pathways for Buildings Classified as Part 3			
	2020	2021	2025
Group C Multi residential building	Step 3 Or Step 2 with LCES	Step 4 Or Step 3 with LCES	Step 4 Or Step 3 with LCES

Option 2: Low Carbon Energy System

Alternatively, the Policy can be amended to focus specifically on low carbon energy systems for Part 3 buildings. As opposed to the Option 1 Corporate Policy, Option 2 does not provide Part 3 buildings with the option to choose either the energy efficiency or low carbon energy system pathway. Instead, the Policy encourages projects to comply with a higher energy efficiency Step than prescribed in the Building Bylaw with the implementation of a low carbon energy system. A sample of this policy can be seen in the table below.

Pathways for Buildings Classified as Part 3			
	2020	2021	2025
Group C Multi-residential building	Step 3 with LCES	Step 4 with LCES	Step 4 with LCES

Staff Recommendation

Option 1 is recommended based on staff analysis of available information at this time. In order to reach emissions reductions necessary to reach carbon neutrality, buildings and other emission sources will need to be zero-emissions by 2050. Pathways for reducing building related emissions are varying and fluid as technology, building practices, and materials change

and adapt, and will likely result in a combination of energy efficiency in building design, low carbon mechanical systems, and other advancements as they emerge. Additionally, each development project is unique and may pose individual constraints, which may alter the business case for either energy efficiency or low carbon energy system pathways. For these reasons, it is recommended that the policy remain flexible in its approach at this time.

The additional wording in Option 1 signifies the priority of a low carbon energy system where possible, while allowing flexibility in design, pricing, and energy efficiency trade-offs. This wording is also consistent with the Building Bylaw. Council maintains full discretion on the consideration of rezoning applications and has the opportunity to make decisions about low carbon energy systems on a project-by-project basis. As more information becomes available, staff may report back with alternative approaches and recommendations. As the BC Building Code and Port Moody's Building Bylaw similarly move towards 2032 where the base requirements will be the highest Steps of the Energy Step Code, the Policy will need to be revisited to consider the most appropriate wording and consideration of industry changes and community priorities at that time.

Other Option(s)

THAT the Corporate Policy be amended per Option 2 in the report dated January 8, 2020 from the Planning and Development Department – Policy Planning Division regarding Corporate Policy for Energy Step Code Rezoning Applications.

Financial Implications

There are no financial implications associated with this report.

Communications and Civic Engagement Initiatives

The local building industry was consulted and notified of upcoming changes related to the Energy Step Code during the development of a Port Moody specific Energy Step Code early adoption strategy, including the introduction of a low carbon energy system pathway.

If Council endorses an updated Corporate Policy, staff will provide the updated version of the Policy on the City's website and in Rezoning Application packages.

Council Strategic Plan Objectives

Considering updates to the Energy Step Code Corporate Policy for Rezoning Applications supports the strategic outcomes in the area of Environmental Leadership identified in the 2019-2022 Council Strategic Plan.

Attachment(s)

1. Energy Step Code Overview
2. Draft Revised Corporate Policy – 13-6870-2019-03 – BC Energy Step Code Rezoning Applications.

Report Author

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Report Approval Details

Document Title:	Energy Step Code Rezoning Corporate Policy.docx
Attachments:	- Attachment 1 - Energy Step Code Overview.pdf - Attachment 2 - Draft Revised Corporate Policy - 13-6870-2019-03 - BC Energy Step Code Rezoning Applications.pdf
Final Approval Date:	Jan 21, 2020

This report and all of its attachments were approved and signed as outlined below:

Dorothy Shermer, Corporate Officer - Jan 16, 2020 - 12:47 PM

Rosemary Lodge, Manager of Communications and Engagement - Jan 16, 2020 - 3:13 PM

Paul Rockwood, General Manager of Finance and Technology - Jan 19, 2020 - 6:58 PM

André Boel, General Manager of Planning and Development - Jan 20, 2020 - 8:53 AM

Tim Savoie, City Manager - Jan 21, 2020 - 9:43 AM