

Encouraging Market Transformation Through Collaboration on Energy Efficiency Standards Federal-Provincial-Territorial Action Plans



Energy and Mines Ministers' Conference
St. Andrews by-the-Sea, New Brunswick
August 2017

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In August 2016, the Energy and Mines Ministers' Conference released a framework entitled [Encouraging Market Transformation through Collaboration on Energy Efficiency Standards](#) to define how federal, provincial and territorial governments can collaborate to achieve greater harmonization on energy efficiency standards.

The framework outlined a set of common goals that energy efficiency standards support and the principles that define an effective and coordinated regulatory system and guide the development of joint priorities. The framework was accompanied by an action plan, outlining planned activities among federal, provincial and territorial governments to be completed by mid-2017 in the following areas:

1. **Joint priorities for new and updated energy efficiency standards:** Product categories where federal, provincial and territorial governments will coordinate activities to implement nationally consistent new and updated energy efficiency standards.
2. **Joint priorities to prepare the market for future regulations:** Product categories where coordinated activities are required to overcome the remaining barriers to full market adoption and to facilitate future regulation.
3. **Joint priorities for improved regulatory development and implementation:** Areas where regulatory development and implementation can be improved, including labelling, compliance, reporting of information and the National Standards System.
4. **Transparency in forward regulatory plans:** Making forward regulatory plans publicly available to highlight proposed actions by federal, provincial and territorial governments.

This document provides the updated action plan for 2017–2018 and a report on the accomplishments-to-date in implementing the 2016–2017 action plan.

Section 1: 2017–2018 Action Plan

Work stream 1: Joint priorities for new and updated energy efficiency standards

Rationale: Approximately 65% to 85% of energy use in Canadian homes and buildings results from space and water heating. The balance of energy use results primarily from appliances and lighting. New and updated energy efficiency standards for technologies that are major contributors to residential and commercial energy use can make a significant contribution to reducing greenhouse gas emissions, energy use and energy-related costs.

Planned activities

1	<p>Governments will work together with industry to assess costs and benefits of higher minimum energy efficiency standards for these products:</p> <ul style="list-style-type: none"> • Residential gas-fired storage water heaters* • Commercial gas furnaces* • Residential oil furnaces • Residential oil boilers • Commercial oil boilers • Heat-recovery ventilators • Residential windows <p>If beneficial, standards would be included in future amendments to federal and/or provincial regulations.</p> <p><small>* Gas-fired storage water heaters and commercial gas furnaces are included in Natural Resources Canada's Forward Regulatory Plan for consideration in Amendment 16 to the <i>Energy Efficiency Regulations</i>.</small></p>	<p>Deliverables:</p> <ol style="list-style-type: none"> 1. Agree on common goals for standards: Fall 2017 2. Collect market information: Spring 2018 3. Initiate discussion with stakeholders: Fall 2018
2	<p>Many additional product categories are regulated or under consideration for regulation by at least one Canadian province, but not at the federal level in Canada or the United States. Governments will assess these product categories to determine how to best bring consistency to energy efficiency standards. Examples include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • Line voltage thermostats • Televisions • Large battery charging systems • Roadway lighting 	<p>Deliverables:</p> <p>Complete an opportunities analysis for national standards: Fall 2017</p>

3	Gains from improved efficiency in individual products or components are, in some cases, becoming harder to attain. There may be opportunities to find greater energy savings when standards are applied at a system level. Governments will discuss the opportunity and challenges associated with system-based standards in the Canadian context.	Deliverables: Discuss the feasibility and potential application of system-based standards in the Canadian context: Fall 2017
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Work stream 2: Joint priorities to prepare the market for future regulations

Rationale: There are several product categories for which existing or new high-efficiency technologies could generate further energy savings and greenhouse gas reductions; however, barriers remains to their full market adoption. For some of these product categories national standards do not yet exist. For others, high upfront costs, technical challenges or lack of know-how prevent technology uptake by consumers and businesses. These barriers are unlikely to be overcome without government action.

Planned activities

1	Governments will work with stakeholders to develop road maps to achieving the aspirational goals and overcoming market barriers outlined in the market transformation strategies report released by Energy Ministers in August 2017. <ul style="list-style-type: none"> • Residential windows • Residential and commercial water heaters • Residential and commercial space heating 	Deliverables: Develop plan for stakeholder engagement: Summer/Fall 2017 Begin engaging stakeholders in road map development: Fall 2017
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Work stream 3: Joint priorities for improved regulatory development and implementation

Rationale: Governments can benefit from collaboration in the collection of market information and intelligence to support regulatory development and implementation. This type of collaboration would support more cost-effective action, enable access to more robust information, and help better coordinate market surveillance.

Planned activities		
1	Governments will identify joint priorities for collaboration on post-market surveillance, as well as the collection of market data to support new and updated standards.	Deliverable: Identify joint priorities and implementation of for market surveillance activities: Fall 2017

Work stream 4: Ensuring transparency in forward regulatory plans		
Rationale: To maximize transparency for stakeholders, it is necessary to share information on proposed regulatory activities and have that information be easily accessible. Governments typically make regulatory plans public, but they are not easily found in one place.		
Planned Activities		
1	Governments will develop a Web portal with links to regulatory plans and/or requirements for federal, provincial and territorial governments, as applicable.	Deliverables: Initial Web portal launched: Spring 2018

Section 2: Accomplishments-to-date from the 2016-17 Action Plan

Work stream 1: Joint priorities for new and updated energy efficiency standards			
Planned activities		Deliverables	Accomplishments-to-date
1	<p>The following product categories are included in federal forward regulatory plans. Heating products are an area where, for climatic reasons, Canada's standards have exceeded those in the United States in stringency. Governments will work together with industry to assess costs and benefits of higher minimum energy efficiency standards for these products.</p> <ul style="list-style-type: none"> • Residential gas boilers • Residential oil boilers • Gas fireplaces • Commercial gas boilers • Commercial oil boilers • Commercial gas furnaces • Commercial gas-fired storage water heaters • Tankless water heaters • Pool heaters 	<ol style="list-style-type: none"> 1. Collect market information: Fall/Winter 2016–2017 2. Pre-consult with stakeholders on proposed standards: Spring 2017 	<p>COMPLETE</p> <p>Federal-provincial-territorial agreement on federal standards for seven products (residential and commercial gas boilers, residential gas fireplaces, commercial water heaters, tankless water heaters, residential and commercial oil boilers). Market studies and consultations with industry are underway to confirm the proposed standards.</p> <p>Federal-provincial-territorial agreement to update the federal forward regulatory plan to defer commercial gas furnaces to a future amendment and remove pool heaters.</p>

2	<p>The following product categories are not included in federal forward regulatory plans but may present significant opportunities for reducing energy use. For these products, governments will assess the feasibility and benefits of energy efficiency standards at ENERGY STAR levels in Canada.</p> <ul style="list-style-type: none"> • Heat-recovery ventilators • Residential gas furnaces • Residential gas storage water heaters 	<ol style="list-style-type: none"> 1. Collect market information: spring 2017 2. Discussions with stakeholders on outcomes of market analysis: 2017 	<p>COMPLETED</p> <p>Federal-provincial-territorial agreement to</p> <ol style="list-style-type: none"> 1. Add residential gas furnaces to Amendment 15 of the federal energy efficiency regulations; 2. Defer to 2017–2018 whether minimum energy performance standards for heat recovery ventilators should be added to federal forward regulatory plans; and 3. Add residential gas storage water heaters to federal forward regulatory plans, coupled with a market transformation strategy.
3	<p>Many additional product categories are regulated or under consideration for regulation by at least one Canadian province, but not at the federal level in Canada or the United States. Governments will assess these product categories to determine how to best bring consistency to energy efficiency standards. Examples include, but are not limited, to the following:</p> <ul style="list-style-type: none"> • Windows • Line voltage thermostats • Televisions • Large battery charging systems • Roadway lighting 	<ol style="list-style-type: none"> 1. Inventory and prioritize product categories: Spring/Summer 2017 	<p>COMPLETED</p> <p>Federal-provincial-territorial agreement to perform opportunities study in 2017 to determine the potential for national energy savings for approximately 20 products currently regulated by provinces but not federally in Canada or the U.S.</p>

Work stream 2: Joint priorities to prepare the market for future regulations		
Planned activities	Deliverables	Accomplishments-to-date
<p>1 Governments will develop joint strategies for the following product categories that identify the key market barriers, the actions required to overcome those barriers and the role of each government:</p> <ul style="list-style-type: none"> • High performance windows • Higher efficiency water heaters (all fuel types) • Network connected devices • Heat pumps (cold climate air source heat pumps) • Lighting 	<p>1. Prioritize technologies / strategies; develop timetables and stakeholder engagement plans: Winter 2017</p>	<p>COMPLETED</p> <p>Federal-provincial-territorial agreement on aspirational goals to 2035 for three product areas (residential windows, water heating, space heating) and market transformation strategies to support attainment of these goals.</p> <p>Report entitled <i>Market Transformation Strategies for Energy-using Equipment in the Building Sector</i> presented to Energy Ministers in August 2017, and it includes the agreed-upon aspirational goals and an inventory of market barriers and measures to overcome them.</p> <p>For lighting and network-connected products, federal-provincial-territorial agreement for the federal government to monitor progress at the international level and engage provinces as required.</p>

Work stream 3: Joint priorities for improved regulatory development and implementation			
Planned activities		Deliverables	Accomplishments-to-date
1	<p>Governments will work with the Canadian Standards Association, other standards development organizations (as applicable), and the Standards Council of Canada in developing a streamlined approach for standards development, covering standards that:</p> <ul style="list-style-type: none"> • Align with the United States • Align with the United States with unique Canadian requirements • Are unique to Canada 	<p>1. Implementation of a “fast track” approach at the Canadian Standards Association for improved alignment with the United States: Summer/Fall 2016</p>	<p>COMPLETED</p> <p>Federal-provincial-territorial discussions with the Canadian Standards Association and the Standards Council of Canada have resulted in process improvements in the National Standards System that will facilitate alignment with the U.S. and federal-provincial-territorial regulatory priorities.</p>

Work stream 4: Ensuring transparency in forward regulatory plans			
Planned Activities		Deliverables	Accomplishments-to-date
1	<p>Governments will develop a Web portal with links to all forward regulatory plans for federal, provincial and territorial governments, as applicable.</p>	<p>1. Web portal launched: Winter 2017</p>	<p>DEFERRED</p> <p>Federal-provincial-territorial agreement to defer this task to allow for additional discussion to ensure that the portal meets the needs of stakeholders and governments.</p>