

DECEMBER 16, 2016

RESPONSE TO THE LONG TERM ENERGY PLAN (LTEP) CONSULTATION



Federation of Rental-housing
Providers of Ontario

Ministry of Energy

EBR # 012-8840

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INTRODUCTION

The Federation of Rental-housing Providers of Ontario (FRPO) appreciates the opportunity to provide input into the government's Long Term Energy Plan (LTEP) consultation.

FRPO is the largest association of rental housing providers in Ontario, representing 2,200 members who supply rental homes to over 350,000 Ontario households. In total, approximately one-third of Ontarians live in rental housing.

There are two key sections of the Discussion Guide that are pertinent to the rental housing sector: Section 5 – Energy Pricing and Section 6 – Conservation and Energy Efficiency. FRPO's submission provides feedback that is limited to these two areas of focus.

FRPO agrees with the government that conservation and energy efficiency are an effective way to manage costs and reduce energy consumption for all Ontarians, including homeowners and tenants. FRPO believes that in order for the government to achieve its energy reduction and climate change objectives, all consumers have a role to play in conserving their energy consumption whether they live in a home or an apartment.

FRPO believes that all tenants in Ontario should have the opportunity to benefit from the government's energy rebate programs that will reduce cost of living expenses for tenants. Currently, tenants who are not in sub-metered units are not able to benefit from these programs. We know that if you give tenants the tools, and the information, to monitor their individual energy usage, consumption rates decrease by up to 30%. If this were applied province-wide, the province could reduce millions of kilowatts of energy, resulting in lower utility costs for property-owners and lower rents for tenants.

The current rebate system disadvantages tenants, in particular low-income tenants, and unfairly burdens the rental housing sector who are unable to provide incentives for tenants to lower their individual energy usage.

Despite these challenges, the rental housing sector in Ontario is currently investing approximately \$2.8 billion a year on energy retrofits, maintenance and capital repairs that improve the energy efficiency of multi-residential buildings. FRPO's members are industry leaders when it comes to implementing new environmental standards, but there is more we can do to reduce our carbon footprint by allowing tenants to manage their individual energy consumption and take advantage of energy rebate programs.

FRPO would like to work with the Ministry of Energy and the Ministry of Housing to measure the impact of the government's energy policies on the rental housing sector and discuss how we can work together to improve energy conservation in multi-residential units and reduce utility costs for tenants.

FRPO RESPONSES TO DISCUSSION GUIDE

PRICING AND RATE MITIGATION

Price Rebate Programs and Impact on Tenants

The high costs of energy are becoming increasingly burdensome for Ontarians, in particular low-income families. While the government has two price rebate programs to offset electricity prices – the Ontario Electricity Support Program (OESP) and the HST rebate, many Ontario tenants are ineligible for these programs. This is unfair to tenants, and the rental housing sector, who are unable to benefit from the same energy relief program as homeowners who on average have a higher income than tenants.

Allowing property managers to further implement unit sub-metering would reduce utility costs for tenants by allowing tenants to take advantage of these rebate programs, making life more affordable for low and moderate income Ontarians. In addition, where sub-metering has been implemented, energy consumption rates have decreased by up to 30%. Giving tenants the tools and information to manage their own energy consumption will have a positive impact on the reduction of emissions in multi-residential buildings.

The evidence clearly shows that the most effective conservation is achieved by the consumer or end-user. This premise is clearly stated in the government's own LTEP Discussion Guide, "Conservation and energy efficiency remain the most effective ways to manage electricity bills for all consumers". In order for the government to achieve its objectives to improve the energy efficiency of multi-residential buildings across the province, the government must consider allowing all multi-residential buildings to implement sub-metering.

CONSERVATION AND TARGETS

Capital Investment in Conservation and Efficiencies

The rental housing sector's annual capital investment in repair and maintenance, including energy retrofits, is approximately \$2.8 billion. This is a significant investment and demonstrates the importance that the private rental housing sector places on quality and on energy efficiency.

The LTEP Discussion Guide did not mention the Energy Retrofit Incentive Program announced on May 25, 2016 by the Minister of Municipal Affairs and Housing, Ted McMeekin and the Minister of the Environment and Climate Change, Hon. Glen Murray. This new program intends to provide up to \$400 million over 4 years to private rental housing through rebates and grants for capital investment in energy efficient retrofits. \$400 million over 4 years is a small amount compared to the \$2.8 billion already being invested by the sector, but the program could assist small to mid size rental housing and/or older buildings where energy retrofits are more expensive and do not demonstrate a direct value for money investment return.

FRPO and its members are keen to learn more information about this program and would be pleased to provide input into the program's design. FRPO would like to see this program included in the final LTEP.

Benchmarking and Target Setting

FRPO submitted feedback to the Large Building Energy and Water Reporting and Benchmarking regulation consultation. In that feedback we highlighted investments already made in energy retrofits and the factors and challenges impacting further improvements (e.g. building age).

These factors continue to be important when considering benchmarking and target setting. FRPO would like to see the final regulation in place first and then several years of benchmarking before setting targets for the sector. This would allow time for the Energy Retrofit Incentive Program to be rolled out so that the benefits to the industry can be seen before targets are set. Additionally, this would also ensure a level playing field and realistic and achievable targets.

Industry Action and Progress to Date

In October 2013, FRPO launched an industry-led sustainability initiative called "Living GREEN Together™" as an extension of the existing Certified Rental Building (CRB) Program. The first of its kind in North America, the goal of the program is to promote sustainability by requiring property managers to follow a series of environmental standards to achieve certification and maintain CRB membership.

FRPO members have been strong adopters of the "Living GREEN Together™" program. To date, approximately 100,000 units and 250,000 tenants are participating in this program, that on average will reduce each unit's carbon footprint by up to 20%.

In order to participate in the CRB "Living GREEN Together™" program, FRPO members are required to monitor and record their electricity, gas and water consumption levels. This allows property managers to analyze the data and take measures to reduce consumption. Building owners also work with their staff to identify measures to improve performance when above average usage is identified.

The Ontario government has been a strong advocate of FRPO's "Living GREEN Together™" program and has recognized our efforts to improve the sustainability of multi-residential buildings across the province. The former Minister of Energy, Bob Chiarelli, attended the launch of the "Living GREEN Together™" program at an Ottawa rental building in 2013.

"FRPO's Certified Rental Building program will now enhance environmental standards in multi-residential buildings across Ontario. This is excellent news as it will directly benefit the almost 3 million Ontarians who live in apartment buildings, bringing conservation programs right to their doors," said Bob Chiarelli, Ontario Minister of Energy. "I congratulate FRPO for their leadership enhancing conservation opportunities and taking steps to lower the carbon footprint of multi-residential buildings." (FRPO News Release, October 18, 2013).

The Minister of Environment and Climate Change, Glen Murray, also attended the launch of a new building at 66 Isabella St in Toronto on March 9, 2016.

“I’m thrilled to be a part of this announcement not only as Minister of the Environment and Climate Change, but to be announcing this program right here in my riding of Toronto Centre. I know this is a huge priority for my constituents, and I’m so pleased to be working with the Federation of Rental Housing Providers of Ontario (FRPO) and Park Property Management. Housing is essential and it is imperative that we create sustainable infrastructure that is made to take care of our communities for generations. This is a very important first step in contributing to carbon neutral communities, which is the future,” said Glen Murray, Minister of Environment and Climate Change and MPP Toronto Centre. (FRPO News Release, March 9, 2016).

The “Living GREEN Together™” program standards include measures to reduce energy and water consumption, as well as waste reduction and recycling measures to improve building conservation. The standards include requirements such as the installation of energy efficient electrical fixtures, ENERGY STAR qualified in-suite appliances, water efficient plumbing fixtures, and an active residential education and awareness program.

As a result of this work, tenants are benefiting from lower utility costs and buildings are operating more efficiently. Simply replacing four energy efficient incandescent bulbs per unit will save approximately \$21.24 a year in a tenant’s utility costs. On a wider scale, adding energy-efficient light bulbs in 100,000 suites will save the equivalent of about 14,195 metric tons of carbon dioxide per year. As another example, changing a 13L toilet to a 6L toilet will save about 10.22 cubic metres of water per person a year, saving about \$32.65 per person. Multiplied by 250,000 residents, this is equivalent to 2.555 billion litres of water, enough to fill an Olympic sized swimming pool.

FRPO’s members and their tenants are doing their part to improve the sustainability of thousands of rental homes across the province, and we believe that by expanding the “Living GREEN Together™” program we can make a real difference in reducing the carbon footprint of multi-residential buildings.

CONCLUSION

The Federation of Rental-housing Providers of Ontario supports the government's goals to make energy prices more affordable for Ontarians, while encouraging energy conservation to reduce the province's greenhouse gas emissions.

We believe that in order to achieve these objectives, all tenants in Ontario should be able to benefit from the government's energy pricing rebate programs. We also believe that in order to effectively reduce carbon emissions from multi-residential buildings, the government must allow more sub-metering of units in order to provide incentives for tenants to conserve energy.

The rental housing sector makes significant annual capital investments in repair, maintenance, and energy retrofits to ensure quality rental homes that are well run, properly maintained, and energy efficient. Our members have seen the benefits of these investments in terms of real energy savings for tenants as well as property managers. Investing in energy-efficient technology is good for business as well as the environment.

There is more we can do by working in partnership with the government, and tenants, to reduce the burden of growing energy prices. We welcome the government to partner with FRPO to develop solutions for the rental housing sector that will both improve conservation and reduce energy costs for tenants.

Thank you for the opportunity to provide input into the government's Long Term Energy Plan consultation.

Sincerely,



Scott Andison
President and CEO

