

Municipality of North Cowichan

Committee of the Whole

AGENDA

Wednesday, February 19, 2020, 10:00 a.m.
Municipal Hall - Maple Bay Meeting Room

Pages

1. **CALL TO ORDER**

2. **APPROVAL OF AGENDA**

Recommendation:

That the February 19, 2020 Committee of the Whole agenda be adopted as circulated [or as amended].

3. **ADOPTION OF MINUTES**

4 - 11

Recommendation:

That the Committee adopt the following minutes:

1. Committee of the Whole meeting held January 29, 2020; and
2. Committee of the Whole meeting held February 3, 2020.

4. **PUBLIC INPUT**

Brief public input from registered speakers regarding items on this agenda.

5. **BUSINESS**

5.1 **PRESENTATION: Manager, Corporate Planning and Projects Re: Overview of Council Strategic Plan Administration Policy**

12 - 15

Purpose: To seek input from the Committee of the Whole on a draft Council Strategic Plan Administration Policy which will establish an administrative policy for monitoring, reporting, updating and implementing Council's Strategic Plan.

5.2 **PRESENTATION: Chief Building Inspector Re: Overview of Phased Implementation Strategy for BC Energy Step Code**

16 - 50

Purpose: To provide the Committee of the Whole with an implementation strategy and recommendation for Council on the BC Energy Step Code.

Recommendation:

That the Committee of the Whole recommend to Council:

1. That the implementation strategy for the BC Energy Step Code outlined in the attached February 19, 2020 staff report, be endorsed;
2. That up to \$30,000 a year be allocated from the Climate Action and Energy Plan Reserve Fund for the provision of BC Energy Step Code rebates;
3. That staff be directed to draft an amendment to Building Bylaw No. 3172 to require that all new construction meet Step 2 of the BC Energy Step Code as of January 1, 2021 for consideration of first and second reading; and
4. That staff be directed to draft a BC Energy Step Code rebate policy for Council's review and consideration at a future meeting.

6. NEW BUSINESS

7. QUESTION PERIOD

Public opportunity to ask brief questions regarding the business of this meeting.

8. CLOSED SESSION

Recommendation:

That the Committee close the February 19, 2020 Committee meeting at ____ a.m. to the public on the basis of the following sections of the *Community Charter*.

- 90(1)(c) - labour relations or other employee relations;
- 90(1)(f) - law enforcement, if the council considers that disclosure could reasonably be expected to harm the conduct of an investigation under or enforcement of an enactment;
- 90(1)(m) - a matter that, under another enactment, is such that the public may be excluded from the meeting; and
- 90(2)(b) - the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.

8.1 Closed Committee of the Whole Minutes from January 29, 2020

8.2 Section 90(1)(f) Law Enforcement - RCMP Update

8.3 Sections 90(1)(m) and (2)(b) Confidential Information Under FOIPPA s.16 - Indigenous Engagement

8.4 Section 90(1)(c) Labour Relations - Inappropriate Behaviour

8.5 Sections 90(1)(m) and (2)(b) Confidential Information under FOIPPA s.16 - Inter-Municipal Agreement

9. ADJOURNMENT

Recommendation:

That the Committee of the Whole meeting be adjourned at ____ p.m.

**Municipality of North Cowichan
Committee of the Whole
MINUTES**

**January 29, 2020, 10:30 a.m.
Municipal Hall - Maple Bay Meeting Room**

Members Present Mayor Al Siebring
 Councillor Rob Douglas
 Councillor Christopher Justice
 Councillor Tek Manhas
 Councillor Rosalie Sawrie
 Councillor Debra Toporowski

Members Absent Councillor Kate Marsh

Staff Present Ted Swabey, Chief Administrative Officer (CAO)
 Mark Frame, General Manager, Financial and Protective Services
 Ernie Mansueti, General Manager, Community Services
 Sarah Nixon, General Manager, Corporate Services
 David Conway, Director of Engineering
 Rob Conway, Director of Planning and Building
 Jason Birch, Director, IT and GIS Services
 Clay Reitsma, Senior Manager, Engineering
 John Dehoop, Manager, Infrastructure
 Michele Gill, Manager, Development
 Megan Jordan, Acting, Manager, Communications and Public Engagement
 Nelda Richardson, Deputy Corporate Officer
 Alyssa Meiner, Acting Corporate Officer

1. CALL TO ORDER

There being a quorum present, Mayor Siebring called the meeting to order at 10:30 a.m.

2. APPROVAL OF AGENDA

It was moved and seconded:

That the January 29, 2020 Committee of the Whole agenda be adopted as circulated.

CARRIED

3. CLOSED SESSION

It was moved and seconded:

That the Committee close the January 29, 2020 Committee of the Whole meeting at 10:30 a.m. to the public on the basis of the following section of the *Community Charter*:

- **90(2)(b) - the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.**

CARRIED

4. RESUME OPEN MEETING

The Committee rose without report at 11:30 a.m. and resumed the open portion of the Committee of the Whole meeting.

5. PUBLIC INPUT

The Committee received no public input from registered speakers regarding items on this agenda.

6. BUSINESS

6.1 PRESENTATION: John Weninger, Consultant, Urban Systems - Asset Management

The Committee heard from John Weninger, Consultant, of Urban Systems regarding his summary of findings and recommendations for improving asset management planning at North Cowichan. Highlights of Mr. Weninger's presentation included:

- A review of the seven project components (data review, assets replacement costing, condition assessment framework, financial policy, risk assessment framework and analysis, asset management investment plan, visualization).
- Linear assets (pipes, roads) populated within North Cowichan's GIS is generally very good.
- The current approach for valuing assets is good and appropriate, and have migrated costing out of a spreadsheet format and into the GIS system.
- Robust system for sewer and road assets, agreed to standard 1-5 rating scale; expanded CCTV to include storm sewers as well as sanitary sewers.
- Tracking of watermain breaks is stored within the GIS.
- Currently formalizing and documenting existing practices (policy includes 7 areas as set out in the report attached to the agenda).
- Applied risk assessment framework and analysis to linear water and stormwater infrastructure and found moderate risk (\$10 million of stormwater assets are high and medium high risk, and \$1.5 million of sewer assets are high and medium high risk).
- Visualization tool allows for high risk areas to be identified on the GIS.
- Asset management focus is on replacement at end of life, as repairs already done as part of regular maintenance.
- North Cowichan has a high amount of infrastructure when compared to similar-sized municipalities.
- A good next step is to factor in future needs (upsizing). For example, increase site to accommodate increased waterflow given environmental changes. Heard from the Director of Engineering that when staff look at replacement, also look at what it should be replaced with to address environmental and other considerations.

Councillor Sawrie identified that impact on natural assets (e.g. removal of forests) should also be considered.

The Committee heard from the CAO that an asset reserve fund could also be a good next step.

- Staff know when the assets were installed and are able to determine remaining life.
- The numbers (percentages) provided in the report are based on an average.
- The Report attached to the January 29, 2020 agenda identifies how much money needs to be invested annually by each year (\$16.2 Million annually) and shows the annual investment by area; Chemainus, Crofton and South End.
- Current annual capital funding for South End water should be increased.
- In response to a question regarding advantages to merging the three areas, the Committee heard from the CAO that there would be disadvantages and advantages and a future discussion would be required.
- North Cowichan does not have reserves for utilities, requires healthier reserves for sewer.
- Roads and stormwater are funded through taxation.
- North Cowichan has carried forward funds based on annual capital project backlog (\$4 Million). The current roads program is not directly related to roads expansion, a certain amount of annual funds is dedicated for new infrastructure.

Councillor Douglas left the meeting at 12:17 p.m.

With respect to funding the Committee heard from the General Manager, Financial and Protective Services that North Cowichan needs to start investing more in asset reserves going forward.

Mr. Weninger advised that assets will fail on a bell curve, some will last longer or fail sooner. Numbers used in the Report are based on the middle range. The Report is telling North Cowichan to do CCTV scans of the assets to determine remaining life. Stormwater is generally underfunded in all local governments and North Cowichan's annual funding is below the recommended target. North Cowichan is doing a good job, with only a few areas to address. There are minor funding gaps in the South End, and need to take a closer look at roads. Need to assess stormwater and look at dedicated funds to stormwater to ensure consistent funding.

The Committee thanked staff and commended them for all their hard work in managing the assets as identified in the Consultant's Summary Report.

It was moved and seconded:

That the Committee receive the report for information.

CARRIED

7. NEW BUSINESS

None.

8. QUESTION PERIOD

The Committee received no questions from the public regarding business considered at this meeting.

9. ADJOURNMENT

It was moved and seconded:

That the Committee of the Whole meeting be adjourned at 12:30 p.m.

CARRIED

Certified by Acting Corporate Officer

Signed by Mayor

**Municipality of North Cowichan
Committee of the Whole
MINUTES**

**February 3, 2020, 4:00 p.m.
Municipal Hall - Council Chambers**

- Members Present Councillor Kate Marsh, Chair
 Mayor Al Siebring
 Councillor Rob Douglas
 Councillor Christopher Justice
 Councillor Tek Manhas
 Councillor Rosalie Sawrie
- Members Absent Councillor Debra Toporowski
- Staff Present Ted Swabey, Chief Administrative Officer (CAO)
 Mark Frame, General Manager, Financial and Protective Services
 Ernie Mansueti, General Manager, Community Services
 Sarah Nixon, General Manager, Corporate Services
 Jason Birch, Director of IT and GIS Services
 David Conway, Director of Engineering
 Rob Conway, Director of Planning and Building
 Don Stewart, Director, Parks and Recreation
 Rohan Bender, Manager, Health and Safety
 Jason Blood, Manager, Recreation
 Shawn Cator, Manager, Operations
 Martin Drakeley, Manager, Fire and Bylaw Services
 Michele Gill, Manager, Development
 James Goodman, Manager, Budgets and Infrastructure
 Marla Laycock, Manager, Human Resources
 Megan Jordan, Acting, Manager, Communications and Public Engagement
 Dan Milne, Assistant Manager, Operations
 Dave Preikshot, Senior Environmental Specialist
 Lane Killick, Chief Building Inspector
 Jason Hammerer, Technical and Client Services
 Shaun Mason, Municipal Forester
 Alyssa Meiner, Acting Corporate Officer
 Nelda Richardson, Deputy Corporate Officer

1. CALL TO ORDER

There being a quorum present, the Chair called the meeting to order at 4:00 p.m.

2. APPROVAL OF AGENDA

It was moved and seconded:

That the February 3, 2020 Committee of the Whole agenda be adopted as circulated.

CARRIED

3. PUBLIC INPUT

Council received no public input from registered speakers regarding items on this agenda.

4. BUSINESS PLAN PRESENTATIONS

The Committee received an opening presentation from the Chief Administrative Officer (CAO) who provided an overview of the complexities and issues associated with the operational costs for providing services and further touched on the challenges of business planning for local governments and tasks ahead of the Committee.

The Committee received the following staff presentations, overviews and departmental highlights during the meeting from:

(a) CAO provided an overview of the Office of the Chief Administrative Officer. Highlights of the presentation included the budget changes from 2019 to 2020 and the divisional focus; an overview of the 2020 operating budgets for Mayor and Council, CAO Office and Communications and Engagement. The CAO reviewed the key performance indicators for the division and projected Business Plan deliverables for 2021 and beyond.

(b) General Manager, Corporate Services provided an overview of the departmental business plan presentations, as attached to the February 3, 2020 agenda, including what departmental business plans are and the role they play in ensuring that Master Plans of Council, including Council's Strategic Plan, are operationalized, budgeted for and included in annual work plans. Background information was provided on how the plans were developed, the key components, and how the plans will be used in the overall corporate planning framework going forward.

An overview of the Corporate Services Division, including the seven major services delivered within the organizational structure, the Division Mission and budget changes from 2019 to 2020 and the Corporate Services Division business plan deliverables was provided. Highlights included the 2019 key initiative of organization-wide business planning that is anticipated to continue annually, key performance indicators from 2016 and 2019 for Corporate Services.

Additional presentations were made by the Deputy Corporate Officer, Legislative Services; the Acting Manager, Human Resources; the Acting Manager of Health and Safety; the Director of IT and GIS Services; and the Information Management Officer.

(c) Acting Manager, Communications and Public Engagement provided an overview of the Communications and Public Engagement Department's key responsibilities and divisional business plan deliverables, including actions and projects for 2020. Highlights of the presentation included the volume of inquiry emails received in 2019, increases to North Cowichan's Facebook followers and news releases sent out since 2017.

(d) General Manager of Community Services provided an overview of the Divisional organizational structure and revenues and expenses. Highlights of the presentation included information on the Divisional staffing levels, budget changes from 2019 to 2020 and the Divisional focus.

Additional presentations were made by the Municipal Forester; the Manager of Operations; the Manager of Recreation; the Director of Parks and Recreation; and the Manager of Recreation.

(e) Director of Planning and Building provided an overview of the Department and advised that the OCP project is the primary ongoing deliverable for the division in 2020 and that many of the items identified in Council's strategic plan and priorities are planning related. Bylaw, policy and procedure reviews will be undertaken in 2020 onward. The Committee heard that a supplemental budget request for a Senior Social/Housing Planner is a supplemental ask in the upcoming budget discussions to primarily assist with the opioid crisis and homelessness in North Cowichan as this work is currently undertaken by various staff in different areas and as a result without a dedicated staff person making headway in this area will proceed at a slower pace than may be desired by Council without additional resourcing.

An additional presentation was made by the Chief Building Inspector.

(f) Director of Engineering provided an overview of the Divisional organizational structure and focus, including land development and subdivision approvals and business plan deliverables for 2020. Highlights of the presentation included various future infrastructure upgrades and the implementation of formalized asset management planning.

Additional presentations were made by the Senior Manager of Engineering and the Senior Environmental Specialist.

(g) General Manger, Financial and Protective Services provided an overview of the Financial and Protective Services Division organizational structure and the total revenues and expenses in the Divisional budget. Highlights of the presentation included how the Accounts Payable and Procurement Department supports internal departments for procurement, the new RCMP building, and the 2020 deliverables.

Additional presentations were made by the Senior Manager, Financial Services and the Manager of Fire and Bylaw Services.

Staff responded to various questions in relation to their presentations to the Committee.

Mayor Siebring and Councillor Douglas arrived at 4:05 p.m.

Mayor Siebring left the meeting at 5:15 p.m. and returned at 5:22 p.m.

Councillor Marsh left the Council Chambers and Mayor Siebring assumed the Chair at 6:49 p.m. Councillor Marsh resumed the Chair at 6:51 p.m.

Mayor Siebring left the meeting at 8:52 p.m. and returned at 8:57 p.m.

It was moved and seconded:

That the Committee recess the meeting for dinner at 7:15 p.m.

CARRIED

It was moved and seconded:

That the Committee reconvene the meeting at 7:45 p.m.

CARRIED

Councillor Douglas left the meeting at 9:11 p.m. and returned at 9:13 p.m.

Councillor Marsh left the meeting at 10:06 p.m. and returned to the meeting at 10:07 p.m.

The Committee thanked staff for their time, for providing the well thought out presentations and that the Committee found the business plan information very helpful.

5. NEW BUSINESS

None.

6. QUESTION PERIOD

The Committee received no questions from the public regarding business considered at this meeting.

7. ADJOURNMENT

It was moved and seconded:

That the Committee of the Whole meeting be adjourned at 11:08 p.m.

CARRIED

Certified by Deputy Corporate Officer

Signed by Mayor

Report

Date	February 19, 2020	File: 0340-10
To	Council	
From	George Farkas, Manager, Corporate Planning and Projects	Endorsed: 
Subject	Council Strategic Plan Administration Policy	

Purpose

To seek input from the Committee of the Whole on a draft Council Strategic Plan Administration Policy which will establish an administrative policy for monitoring, reporting, updating and implementing Council's Strategic Plan.

Background

In early 2019 Council created North Cowichan's first ever Council Strategic Plan. The 2019-2022 Strategic Plan outlines what Council aims to accomplish in its term. The Strategic Plan sets out several years' worth of projects and new work to realize Council's vision and strategic objectives. With the support of an external consultant, Council engaged in a priority-setting exercise to identify an initial project list, which was based on the municipal departments' available capacity in 2019.

During the February 3, 2020 Committee of the Whole meeting, each municipal department presented Departmental Business Plans, which highlight how the municipality will be operationalizing Council's Strategic Plan and the Municipality's Operational Plan objectives that have not been completed in 2019. The Departmental Plans establish a timeline for completing each priority over the next three years. In addition, the Departmental Plans indicate supplementary resources that would be required in 2020 that will be reviewed as part of the Budget process to implement each priority.

Discussion

Staff intend to discuss the attached draft Council Strategic Plan Administration Policy (Attachment 1) with the Committee of the Whole in order to seek early input and direction on the draft before bringing the administrative policy forward to a Regular Council meeting for approval.

The proposed administrative policy establishes a clear process to support Council's oversight role of monitoring staff progress towards implementing the Strategic Plan. Under the policy, staff would be providing Quarterly Updates to Council by March 31, June 30, September 30, and December 31 of each year to outline progress towards meeting the Strategic Plan's objectives. In addition, the Municipal Annual Report, which is required under Section 98 of the *Community Charter*, will include a summary of the prior year's progress in implementing the Strategic Plan. The policy also sets out that the Quarterly Updates will be made available on the municipal website after Council has approved the reports. Annual Municipal Reports are already required under the *Community Charter* to be made publicly available.

The administrative policy also establishes a process for Council to amend the Strategic Plan on an annual basis, which includes a public engagement process so that any new initiatives or modifications to the plan may be brought forward as part of the Budget process each year.

Finally, the administrative policy establishes a robust implementation framework to ensure that Council's Strategic Plan is operationalized at all levels in the organization. Each division will be responsible for revising their Business Plans as part of the annual Budget process to identify the timeline for commencing Council's Strategic Plan projects. In addition, the Chief Administrative Officer is required under the administrative policy to bring forward during the Budget process any operational and capital funding requests that would be required to implement each initiative targeted for commencement in the next fiscal year. Commencing in June 2020 (after a municipal project management framework and management training is completed), the municipality will move towards establishing project management plans, which will outline the scope, schedule, budget and interdependencies of each Strategic Plan priority project.

The Chief Administrative Officer will also be responsible for maintaining an Operational Strategic Plan, which would identify internal operational objectives and projects (e.g., policy work; employee engagement initiatives; human resource initiatives) to support successful integration of Council's Strategic Plan throughout the organization.

Implications

The Financial Services Department will be involved in the preparation of financial information and analysis to support the successful implementation of this policy, including the identification of operating and capital implications with respect to Strategic Plan revisions; the preparation of financial information to support the preparation of Departmental Business Plans; the Annual Municipal Report; and incorporating any financial implications for Council's consideration during the annual Budget process.

Communications and Public Engagement will also be involved in administration of this policy by supporting the public engagement process involved in amending the Strategic Plan, and in the finalization of materials that will be provided to the public, including: Strategic Plan revisions, Departmental Business Plans, and the Annual Municipal Report.

It is anticipated that these activities would be undertaken within the municipality's existing budget.

Attachment 1 - Draft Council Strategic Plan Administrative Policy

COUNCIL STRATEGIC PLAN ADMINISTRATION POLICY

1. PURPOSE

To set an administrative policy for monitoring, reporting, updating and implementing Council’s Strategic Plan.

2. POLICY

2.1. Council Strategic Plan Administration Policy

3. ADMINISTRATIVE POLICY

3.1. Quarterly Update to Council

Staff will provide Quarterly Update reports to Council or the Committee of the Whole four times per year by March 31, June 30, September 30, and December 31. The Quarterly Update reports will include a status update on each of the projects identified in Council’s Strategic Plan.

3.2. Annual Reporting

Staff will also provide an annual report, to be included in the Annual Municipal Report required under Section 98 of the *Community Charter*. This annual report will be included in the Annual Municipal Report as a section on progress towards implementing Council’s Strategic Plan projects.

3.3. Public Reporting

Quarterly Update reports outlined in section 3.1 will be made public on the municipal website after they have been approved by Council.

3.4. Amendments to Strategic Plan

- (a) Council will notify the Chief Administrative Officer by August 31 of each year if Council would like to amend the Council Strategic Plan.
- (b) If Council passes a resolution to amend its Strategic Plan, Council will also direct staff to schedule a Committee of the Whole meeting to review the Council Strategic Plan and provide recommendations to Council on amendments to the Plan by October 31 of each year.
- (c) The Chief Administrative Officer will provide Council with a report on the anticipated impacts of amendments to the Council Strategic Plan by October 31 of each year.

3.5. Public Input to Council Strategic Plan

- (a) The review identified in Section 3.4 may include public engagement to support Council’s identification of potential updates or amendments to the Council Strategic Plan.

3.6. Implementation of Council Strategic Plan

- (a) Each Division will develop annual Business Plans as part of the Budget process that identifies each of Council's Strategic Plan projects that are related to the Division, including a recommended timeframe on when projects will commence.
- (b) The Chief Administrative Officer will bring forward as part of the Budget process operational and capital resource requests that are required to implement Council's Strategic Plan projects, based on the recommended timeframe identified in the Business Plans.
- (c) The Chief Administrative Officer will review existing program administration as part of the Budget Process and provide recommendations on any program administrative changes that support greater alignment to Council's Strategic Plan priorities while maintaining the municipality's core service responsibilities.
- (d) The Chief Administrative Officer will maintain an Operational Strategic Plan, which identifies the internal operational requirements necessary (including policy work; training; employee engagement; and human resource initiatives) to support successful operationalization of Council's Strategic Plan.
- (e) Commencing in June 2020, individual project plans will be developed for each key project identified in Council's Strategic Plan that will outline the scope, schedule, budget and departmental interdependencies for the Council Strategic Plan project.

APPROVAL HISTORY

WRITTEN BY: George Farkas	APPROVED BY:	DATE: February 7, 2020
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Report

Date	February 19, 2020	File: SPP00070 3090-20/1950
To	Committee of the Whole	
From	Lane Killick, Chief Building Inspector	Endorsed: 
Subject	BC Energy Step Code Implementation Strategy	

Purpose

To provide the Committee of the Whole with an implementation strategy and recommendation for Council on the BC Energy Step Code.

Background

At the December 18, 2019 meeting of the Committee of the Whole, a report (Attachment A) on the merits of implementing the BC Energy Step Code was presented. Following review of the report and a staff presentation, the following resolution was passed:

That the Committee of the Whole recommend that Council direct staff to prepare a phased implementation strategy for the BC Energy Step Code that combines regulation, incentives and industry engagement.

This report provides a strategy for implementing the BC Energy Step Code (the Step Code) in North Cowichan.

Discussion

The proposed Step Code implementation strategy has five components:

1. Staff Training:

Prior to the launch of the Step Code program, building inspection staff will require training to familiarize themselves with Step Code inspection procedures and processes. Training opportunities are available through the Building Officials Association of BC and the Energy Step Code Council. Staff training will be accommodated within existing budget for staff development.

2. Program Administration:

It will be necessary to develop application forms, brochures, promotional materials and other documents in advance of the Step Code program launch. It may also be necessary adjust building inspection procedures and other current practices in order to shift from the current prescriptive building code requirements to the performance based standards in the Step Code. By establishing the administrative materials and processes required to implement the program in advance of the program launch, the process for applying for a building permit base on the Step Code should be more easily understood and followed by applicants and staff.

3. **Building Bylaw Amendment:** The proposed amendment would, based on previous Council direction, require that all new construction comply with Step 2 of the BC Energy Step Code as of January 1, 2021. In order to enact the Step Code in North Cowichan as directed, an amendment to the Building Bylaw (Bylaw No. 3172) is required.

The Province has indicated that it intends to mandate Step 3 of the BC Energy Step Code in 2022. Should that happen, further amendments to the Building Bylaw may be required at that time. Alternatively, should Step 3 not be mandated by the Province, Council may wish to consider future amendments to the Building Bylaw to require higher level steps.

4. **Rebate Program:**

A primary objective of initiating the Step Code in North Cowichan in advance of it being mandated through the BC Building Code is to assist the local building and development industry to transition to the Step Code's performance-based building standards. A rebate program is a recommended strategy for encouraging the industry to participate in the transition and to help offset some of the costs associated with the transition. Early participation in the Step Code program is also expected to have a positive effect on the energy efficiency of North Cowichan's building stock, by encouraging a higher energy efficiency standard in advance of mandatory requirements.

Proposed rebates (Table 1) are structured to provide incentives for projects that *voluntarily* achieve a given steps, with increased incentives for higher-level steps. Eligibility for a rebate would be determined at the time of building permit issuance and would be paid at the time of building completion (occupancy). As an example, if someone applied to build a home in October 2020, achieved Step 2, and obtained occupancy in March 2021, they would qualify for the \$500 Step rebate, even though Step 2 is required at the time of completion. If an applicant applied in January 2021 and completed in September 2021, they would only qualify for a rebate for a Step 3 or higher build.

Table 1

Step	Rebate Offered	Anticipated Efficiency Increase
1	\$0	0%
2	\$500	10%
3	\$750	20%
4	\$1,000	40%
5	\$1,250	80%

It is recommended that the terms and conditions for Step Code rebates be set-out in a Council Policy. A draft rebate policy is provided in Attachment B.

Funding for the rebate program is proposed from the Climate Action and Energy Fund. It is recommended that up to \$30,000 per year be allocated to the rebate program, to be issued on a first-come, first served basis.

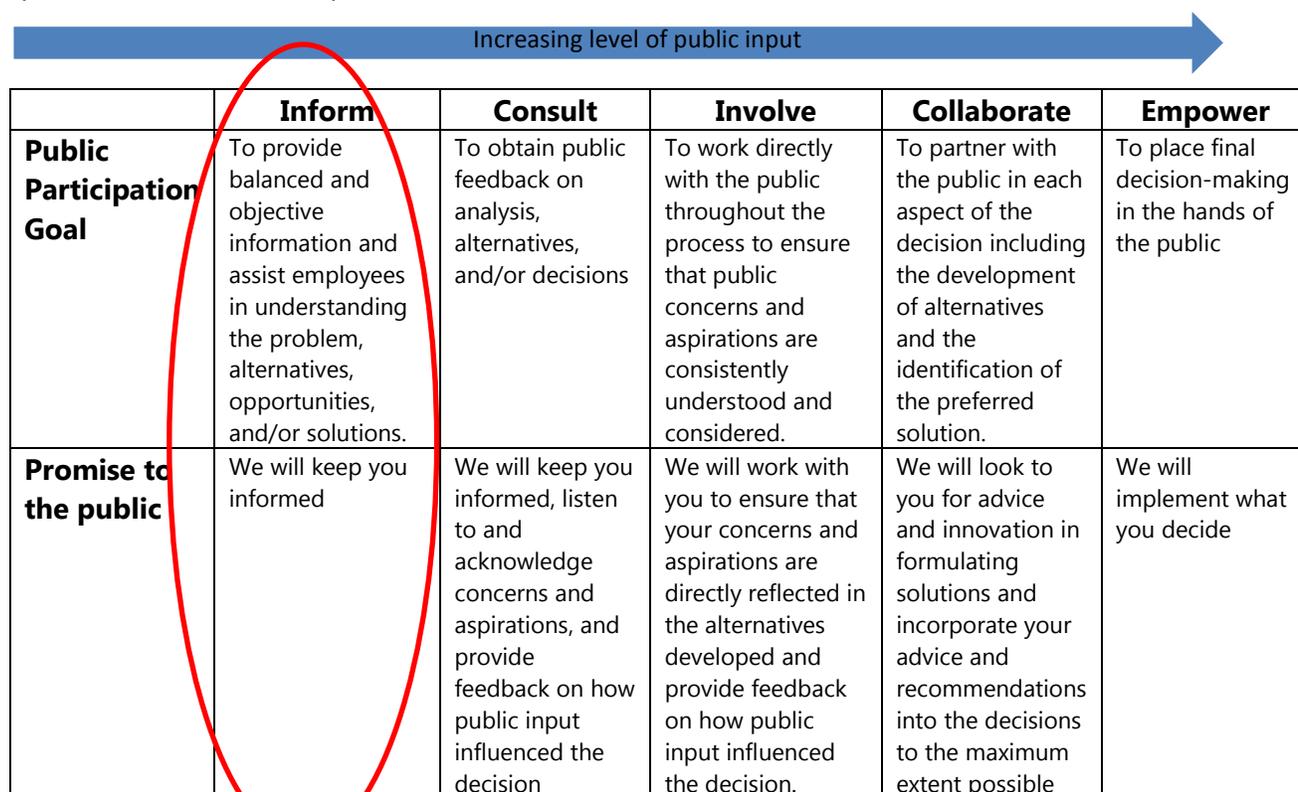
5. **Public Engagement:**

This engagement strategy has been developed in collaboration with the Municipality's communications staff. It is intended to address two engagement goals:

1. Prior to Program Launch: To inform all stakeholders and the public about the BC Energy Step Code, including pending Building Bylaw changes effective 2021 and the anticipated mandate of Step Code in the 2022 *BC Building Code*.
2. Following Program Launch: To promote and educate industry stakeholders and prospective building clients about the Step Code Rebate Program.

Engagement efforts will mainly inform, focusing on educating industry professionals and the public about the Step Code and the Rebate Program.

Spectrum of Public Participation



	Inform	Consult	Involve	Collaborate	Empower
Public Participation Goal	To provide balanced and objective information and assist employees in understanding the problem, alternatives, opportunities, and/or solutions.	To obtain public feedback on analysis, alternatives, and/or decisions	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision-making in the hands of the public
Promise to the public	We will keep you informed	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible	We will implement what you decide

Engagement Methods:

Print Media:

- The monthly building newsletter – which currently has about 140 subscribers – will include regular features about BC Energy Step Code and the Step Code Rebate Program with a static reminder and link to our webpage in every newsletter.
- A program webpage will be set up on northcowichan.ca to communicate information about the BC Step Energy Code Program, the Step Code Rebate Program, and any other relevant programs.

- Links will be shared in the newsletter and on the website to encourage stakeholders to also sign up for Provincial online webinars and receive informational materials from the Province.
- An information sheet will be prepared for distribution at the Municipal Hall front counter for prospective applicants.

Social Media:

- Staff will share information through social media about the Step Code Rebate Program and Open Houses.
- Advertisements will run on Facebook to promote the building newsletter or open house events so that interested individuals can sign up and stay informed.

Stakeholder Meetings:

- Open House 1 - An open house in spring (prior to program launch) will inform stakeholders about BC Energy Step Code and the Step Code Implementation Incentive Program. The format could include a panel of experts, including a guest someone from another jurisdiction that has successfully implemented BC Energy Step Code, and North Cowichan staff who can speak to the Step Code Implementation Incentive Program. Informational materials will be provided, as well as poster boards at the open house and sign-up sheets to sign up for the newsletter. There will also be a Q&A opportunity.
- Open House 2 - A second open house will take place as soon as possible after the launch the Step Code Implementation Incentive Program. This event will include poster boards, informational materials to hand out, and a Q&A.
- All Events Features – Educational events will be held at different times and dates in order to accommodate different schedules. The designated facility will be accessible for everyone, including those with a physical disability.
- Building Brew - An informal coffee session will be held with Municipal staff to have a discussion about BC Energy Step Code, North Cowichan's implementation, and the Rebate Program with key stakeholders. This can be done in small groups multiple times, if necessary.

Implementation Schedule (Estimated):

March: Execution of the engagement strategy begins with an Open House #1 with industry stakeholders and release of other communications elements.

April: Bylaw and Policy drafted and presented for Council's consideration.

May: Adoption of Building Bylaw amendment bylaw and North Cowichan BC Energy Step Code Rebate Program Policy.

June: Program launch and Open House #2.

June, 2020 – 2022 – Periodic industry and community engagement.

January 1, 2021 – Step 2 of the Step Code is mandated by North Cowichan Building Bylaw.

2022 (TBD) – Province mandates Step 3 of Step Code with enactment of the 2022 *BC Building Code*.

Recommendation

That the Committee of the Whole recommended to Council:

- 1. That the implementation strategy for the BC Energy Code outlined in the attached February 19, 2020 staff report, be endorsed;**
- 2. That up to \$30,000 a year be allocated from the Climate Action and Energy Plan Reserve Fund for the provision of BC Energy Step Code rebates;**
- 3. That staff be directed to draft an amendment to Building Bylaw No. 3172 to require that all new construction meet Step 2 of the BC Energy Step Code as of January 1, 2021 for consideration of 1st and 2nd reading; and**
- 4. That staff be directed to draft a BC Energy Step Code rebate policy for Council's review and consideration at a future meeting.**

Attachments (2)

Attachment A – December 18, 2019 report to Committee of the Whole

Attachment B – Draft Energy Step Code Rebate Policy

Report

Date	December 18, 2019	Prospero No: SPP00070 File: 3090-20 19.05
To	Committee of the Whole	
From	Lane Killick, Chief Building Inspector	Endorsed:
Subject	BC Energy Step Code	

Purpose

1. To provide the Committee with an overview of the BC Energy Step Code Program;
2. To evaluate the merits of the Step Code and of adopting a local implementation program; and
3. To outline options for Council to advance a Step Code program in North Cowichan.

Background

The BC Energy Step Code (the Step Code) is a provincial regulation that local governments in British Columbia may use, if they wish, to incentivize or require a level of energy efficiency in new construction that goes above and beyond the requirements of the base building code. The Province of British Columbia has committed to taking incremental steps to increase energy-efficiency requirements in the BC Building Code to make new buildings net-zero energy ready by 2032. The Step Code is the part of the BC Building Code that works towards achieving that effort. A brochure with additional information about the Step Code is attached to this report as **Attachment 1**.

Council's 2019-2022 Strategic Plan contains an Action to "Evaluate the merits of adopting the BC Energy Step Code". This report is intended to provide an evaluation of the Step Code program and to outline a process for implementing the program in North Cowichan.

Discussion

Program Description:

The Step Code is a voluntary provincial standard enacted in 2017, with the intention that all local governments in BC engage by the year 2020. In addition to promoting energy efficient new construction, the program is also intended to improve consistency by creating a Provincial standard for energy efficient buildings that replaces the patchwork of different energy standards previously developed or implemented by the private sector and government agencies.

The Step Code takes a new, performance-based approach to energy efficiency standards rather than the traditional prescriptive approach. This means the Step Code does not specify how to construct a building, but rather identifies an energy-efficiency standard that must be met and lets the designer/builder decide how to meet it. Compliance with the Step Code standards are determined by modeling the building design prior to construction and by testing the building with respect to the standard following construction.

The Step Code has four steps for large, complex buildings (referred to as Part 3 buildings in the BC Building Code), and five steps for houses and small buildings (referred to as Part 9 buildings in the Building Code). Local Governments are able to determine the Step Code standard they wish to apply locally, but the Province has indicated it will phase in progressively higher mandatory Step Code standards between 2022 and 2032.

Merits of the BC Step Code Program

A key feature of the Step Code is that every level of performance (or 'step') is evaluated using the same tests and metrics. This consistent way of measuring and understanding energy use in all buildings, regardless of their level of performance, helps transition the building industry to a province-wide performance-based building standard. Higher steps in the Step Code represent higher performance targets (i.e., greater energy efficiency), but use the same measurement tools as the lower steps.

The first step in the Step Code—called the 'Enhanced Compliance Step'—means building to the current requirements in the BC Building Code and measuring the performance of the building using the modelling and measuring tools of the Step Code. This allows the builder, owner, or designer to satisfy the current expectations of the BC Building Code using the tests and metrics required for all higher performance steps. It involves analyzing building performance using a computer energy modelling program, which is a common approach to all high-performance building, and testing the air leakage rate of the building during construction, which is an indicator of a building's energy efficiency.

Overall, the Step Code program offers:

- A gradual method of implementing higher efficiencies for new buildings.
- Improved long-term affordability of utilities while providing healthier living conditions with improved ventilation.
- Support for the Province's long-term energy reduction objective of having all new homes be net zero energy ready by 2032.
- Business opportunities related to the design and testing of new buildings.
- A consistent, clear program for achieving multiple levels of energy efficient designs and materials.
- Opportunity to work with adjacent local governments with a multi jurisdictional implementation.

Considerations for Local Governments:

Cost

The cost of implementing the Step Code for new construction will vary depending on which step is applied, the type of building proposed and the climatic zone where the proposed building is located. Studies commissioned by the Province on the feasibility and affordability of the Step Code (Metrics Research Report, 2017 and 2018) estimate that the program would add between one and three percent to total construction costs. Costs associated with the Step Code include approximately \$1,000 for an energy adviser and air leakage test and construction costs related to design, materials, labour and equipment required to achieve the level of efficiency sought. Literature on the financial implications of Step Code implementation indicate that most local governments in the Province can target Step 3 for both Part 3 and Part 9 buildings as an aggressive but affordable base code.

Capacity-Building, Communications and Engagement

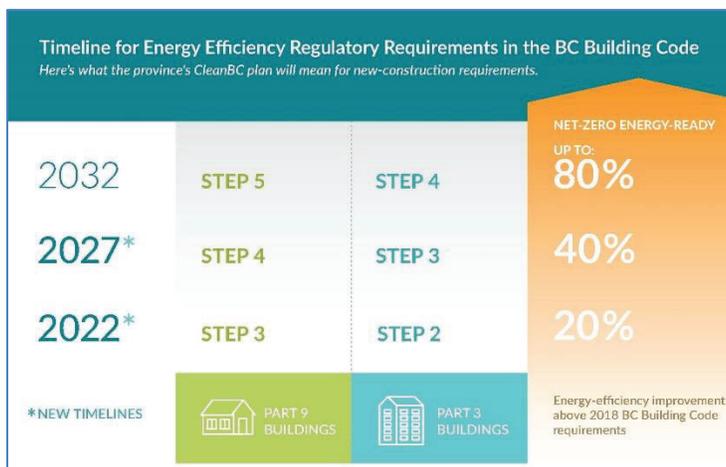
In order to successfully implement the Step Code in North Cowichan, it is necessary to have industry capacity in the form of energy advisors and energy modellers that can work with building permit applicants to achieve compliance with Step Code requirements. There likely is not sufficient local industry capacity to implement a mandatory Step Code requirement at this time. A phased-in approach is expected to enhance industry capacity by attracting more people and business to the industry of energy advising and modelling. If the Municipality and other local governments in the region provide clear and gradual implementation of the Step Code, it is expected that a right-sized pool of local energy advisors and modellers will be established in the mid-to-long term.

Education and outreach will also be required with the local building industry to familiarize it with the Step Code and the requirements and implications that implementation of the Step Code will have for new construction. An information and engagement strategy should be included in any Step Code implementation program.

Some capacity building and resourcing for North Cowichan's Planning and Building Department will also be necessary for it to participate in community and industry engagement processes and to develop and implement new processes and procedures associated with a performance based building code standard. Coordinating and harmonizing North Cowichan's implementation of the Step Code with implementation initiatives of other local governments in the Cowichan Valley will also require resourcing and prioritization.

Implementation of the Step Code:

Step Code is currently a voluntary program. However the BC Safety Standards Branch has announced that it intends to enact regulations to make Step 3 a requirement in the BC Building Code in 2022. The period prior to this is an opportunity for local governments to create incentive programs and to phase-in regulations to encourage an early and gradual implementation process and to educate and prepare industry professionals and government staff for the pending change. An Implementation Guide (**Attachment 2**) provides direction for local governments to implement the Step Code and it is recommended that this document be used to guide North Cowichan's Step Code implementation.



The Implementation guide recommends that local governments not regulate steps higher than Step 3 until at least 2020. Introducing the Step Code gradually provides builders, property owners, land developers and municipal staff the opportunity to develop the knowledge, skills and procedures related to the design, construction and inspection of Step Code complaint buildings in an orderly and predictable manner.

The Implementation Guide also recommends that local governments develop incentives to help offset a portion of the cost. The Step Code comparison chart in **Attachment 3** shows how a number of local governments in BC have chosen to implement Step Code early.

Options Analysis and Resource Requirements:

In reflecting on the merits of the Step Code program outlined above and in the attachments, Council might consider the following approaches to implementation of a Step Code Program:

1. Phase In with Incentives Approach – Establish a voluntary, incentivized program with industry consultation and engagement until the Step 3 is required by Provincial regulation.

An incentive should not directly subsidize construction costs, but could subsidize a portion of the engagement of an energy advisor upon occupancy of a building that met Step 3. This process would require funding, and internal and external funding sources would need to be explored. This option would be the most gradual approach and provide staff and the industry the ability to work together to adjust to a new regulatory environment. Once the Province enacts Step Code compliance requirements, the program could be evaluated and adjusted or renewed.

2. Regulation Approach – Establish regulation to require Step Code compliance in advance of Provincial regulation.

North Cowichan could mandate compliance with the Step Code (e.g. Step 3) through an amendment to Building Bylaw No. 3172. In this case, no incentive would be in place to ensure gradual transition to the Step Code. Compliance and enforcement requirements would be immediate. This would be the most direct implementation approach, but would be disruptive and costly to the building industry. It would also be difficult for Planning and Building Department staff to administer in the short term.

3. Do Nothing Approach – Do not adopt Step Code regulation or incentives at this time and wait for the Step Code to be mandated by the Province in 2020.

Outside of voluntary efforts in the industry, this would be an abrupt and obtrusive approach.

4. Phased Implementation Strategy with Incentives and Regulation Approach – Establish Step 2 requirements by regulation in 2021 with a phased, incentivized implementation for Steps 3 and above.

This option involves a bylaw amendment to require Step 2 alongside a two-year incentive program for Step 3, 4 or 5. It is anticipated that an amendment to the Building Bylaw to require Step 2 would be undertaken in 2020 but not come into effect until 2021. By adopting Step Code regulation in advance of Provincial implementation, the local industry would have the certainty needed to initiate the transition. The incentive program creates space for applicants and staff to engage and work through the incentive program and to encourage construction to higher level steps.

This would be the most effective approach in transitioning the local building industry to Step Code's performance based building standard and improving the energy efficiency of new construction in the Municipality. It would also have the greatest administrative burden for implementation and industry outreach.

Staff believe a combination of regulation, incentives and industry engagement would best support the objectives of the Province and Council in improving the energy efficiency of new buildings while helping the local building industry transition to the new Step Code standards the Province will be mandating in a manageable and cost effective manner.

In order to proceed with the implementation of the Step Code in 2020, it will be necessary to include the project in the Building Department's 2020 work plan and in the 2020 budget. While there are some external programs that may assist with funding incentives and implementation, it is expected that a Municipal budget allocation of \$25,000 to \$30,000 will be necessary to fund the program outlined in the recommended option.

Options

Alternative Options:

1. That Council direct staff to report back with a draft terms of reference and proposed options for funding for a BC Energy Step Code incentive program, as well as a public education, communications and engagement strategy.
2. That Council direct staff to prepare draft documents to require all new construction meet Step 3 of the BC Energy Step Code, including a bylaw amendment to Building Bylaw No. 3712; a public education, communications and engagement plan; and an implementation strategy for Council's consideration.
3. That Council receive the December 18, 2019 report from the Chief Building Inspector for information and that no action be taken on the implementation of the BC Energy Step Code at this time.

Staff Recommendation:

4. That Council direct staff to prepare a phased implementation strategy for the BC Energy Step Code that combines, regulation, incentives and industry engagement.

Recommendation:

That the Committee of the Whole recommend to Council to direct staff to prepare a phased implementation strategy for the BC Energy Step Code that combines regulation, incentives and industry engagement.

Attachments:

1. BC Energy Step Code Brochure.
2. Provincial Policy: Local Government Implementation of the BC Energy Step Code
3. BC Energy Step Code implementation comparison chart

How the BC Energy Step Code Works

The Province of British Columbia first introduced energy efficiency as a BC Building Code objective in 2008. Ever since, designers and builders have had the option to use either “prescriptive” or “performance” approaches to comply with the code’s efficiency requirements.

To date, the vast majority of builders in British Columbia have pursued the prescriptive approach. Following this approach, buildings must meet specific requirements for insulation, windows, furnaces, water heaters, lighting and other equipment and systems. It focuses on individual elements, rather than ensuring the building functions well as a system. The result can be a building that does not perform as well as intended.

Builders have a second option to comply with the energy-efficiency requirements of the BC Building Code: the performance approach. The BC Energy Step Code offers a specific form of this approach.

The performance approach establishes a desired outcome, and leaves it to the design and building team to decide how to achieve it.

To comply with the BC Energy Step Code, builders must use energy software modelling and on-site testing to demonstrate that both their design and the constructed building meet the requirements of the standard. They may use any materials or construction methods to do so.

This approach echoes that taken by many green-building certification programs, including Natural Resources Canada’s Energy Star for New Homes™ and R-2000™ programs, and Passive House Institute (in Darmstadt) certification, as well as the Canadian Home Building Association’s Net Zero Home™ and Net Zero Ready Home™ programs.

A High-Performance Staircase

As shown below, the regulation sets performance targets for new construction and groups them into “steps” that apply across various building types and regions of the province. The Lower Steps are relatively straightforward to meet; the Upper Steps are more ambitious.

All authorities having jurisdiction over the BC Building Code—including local governments—can choose to require or incentivize builders to meet one or more steps of the BC Energy Step Code as an alternative to the code’s prescriptive requirements.

For governments, the BC Energy Step Code offers assurance that new buildings are performing as billed. Meanwhile, on the other side of the counter, builders have a more flexible option to comply with the energy-efficiency provisions of the provincial

legislation. The new standard empowers builders to pursue innovative, creative, cost-effective solutions—and allows them to incorporate leading-edge technologies as they come available.

Local governments can choose to require or incentivize a given step of the BC Energy Step Code in new construction. In addition, beyond the regulatory context, builders and developers can adopt a given step to use across all of their projects, if they wish.

The diagrams below show what the performance improvements look like for simple buildings (those covered under Part 9 of the BC Building Code) and more complex buildings (covered by Part 3 of the code). The first diagram outlines five steps from the current BC Building Code requirements to net-zero energy ready requirements for Part 9 residential buildings. As shown in the second diagram, the same progression for Part 3, wood-frame residential buildings is four steps.

PATHWAY TO 2032: PART 9 (HOMES)

2017



PATHWAY TO 2032: PART 3 (WOOD-FRAME R

2017



Over time, as high-performance designs, materials, and systems become increasingly available and cost-effective, the building industry will integrate new techniques into all new buildings. By 2032, the BC Building Code will move toward the higher steps of the BC Energy Step Code as a minimum requirement. The National Building Code of Canada is similarly moving towards this outcome by 2030.

Page Last Updated: December 31, 2018.



Office of Housing and
Construction Standards



Provincial Policy: Local Government Implementation of the BC Energy Step Code

Section C2 of the *Building Act* Guide

April 2017



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1. About this Guide

In spring 2015, the Province passed the *Building Act*, the first Act dedicated solely to building and construction.

This guide is part of a series of informational materials prepared by the Province that forms the *Building Act* Guide. It explains the policy intent of the BC Energy Step Code and its use and application by local governments and other local authorities under the *Building Act*. If the *Building Act* information you are seeking is not in this guide, [check online](#) for more information, including other guides in this series. This guide may be revised in future. Please ensure you are reading the most current version which will always be available [online](#).

This guide is not a stand-alone document but is meant to complement additional educational materials about the BC Energy Step Code developed by the Building and Safety Standards Branch and the Energy Step Code Council, as explained later in this guide.

The information provided here is for guidance only and is not a substitute for provincial legislation. It is not legal advice and should not be relied upon for that purpose.

A Note about the *Building Act* Guide

The *Building Act* Guide provides information about the Act for local authorities, building officials, and those working in the building construction sector. Sections of the guide are released as the Act and the supporting regulations come into force. The following sections are available [online](#):

Part A – Introduction

- A1 - Understanding B.C.'s Building Regulatory System
- A2 - A Guide to the *Building Act*: Modernizing B.C.'s Building Regulatory System
- A3 - *Building Act* Brochure
- A4 - *Building Act* Introductory PowerPoint Presentation

Part B – Information for Specific Stakeholders

- B1 - What Local Governments Need to Know about the *Building Act*
- B1 Appendix - Changes for Local Governments Under Section 5 of the *Building Act*
- B2 Short - What Building and Plumbing Officials Need to Know about the *Building Act*
- B2 Full - What Building and Plumbing Officials Need to Know about the *Building Act*

Part C – New Procedures (How to...)

- C1 - A Guide to Requesting a Local Authority Variation
- C2 - Provincial Policy: Local Government Implementation of the BC Energy Step Code (this section)



2. Introduction: What is the BC Energy Step Code?

The BC Energy Step Code is a voluntary roadmap that establishes progressive performance targets (i.e., steps) that support market transformation from the current energy-efficiency requirements in the BC Building Code to net zero energy ready buildings. It establishes a set of incremental performance steps for new buildings that aims to communicate the future intent of the Building Code and improve consistency in building requirements across British Columbia (B.C.) to transition to net zero energy ready buildings by 2032. It is a voluntary tool local governments across B.C. can use to encourage—or require—the construction of more energy-efficient buildings in their communities, and do so in a consistent, predictable way.

The BC Energy Step Code takes a new, performance-based approach rather than the traditional prescriptive approach. This means the BC Energy Step Code does not specify *how* to construct a building, but identifies an energy-efficiency target that must be met and lets the designer/builder decide how to meet it. The BC Energy Step Code has four steps for large, complex buildings (referred to as Part 3 buildings in the BC Building Code), and five steps for houses and small buildings (referred to as Part 9 buildings in the Building Code).

A key feature of the BC Energy Step Code is that every level of performance (or ‘step’) is evaluated using the same tests and metrics. This is intended to create a consistent way of measuring and understanding energy use in all buildings, regardless of their level of performance, and prepare industry for a province-wide performance-based building approach. Higher steps in the BC Energy Step Code represent higher performance targets (i.e., greater energy efficiency), but use the same measurement tools as the lower steps.

The first step in the BC Energy Step Code—called the ‘Enhanced Compliance Step’—means building to the current requirements in the BC Building Code and measuring the performance of the building using the modelling and measuring tools of the BC Energy Step Code. This allows the builder, owner, or designer to satisfy the current expectations of the BC Building Code using the tests and metrics required for all higher performance steps. It involves analyzing building performance using a computer energy modelling program, which is a common approach to all high-performance building, and testing the air leakage rate of the building during construction, which is an indicator of a building’s energy efficiency.

What is a net zero energy ready building?

For the purposes of this guide, a net zero energy ready building can be defined as a building built to high energy-efficiency standards such that it could (with additional measures) generate enough onsite energy to meet its own energy needs.

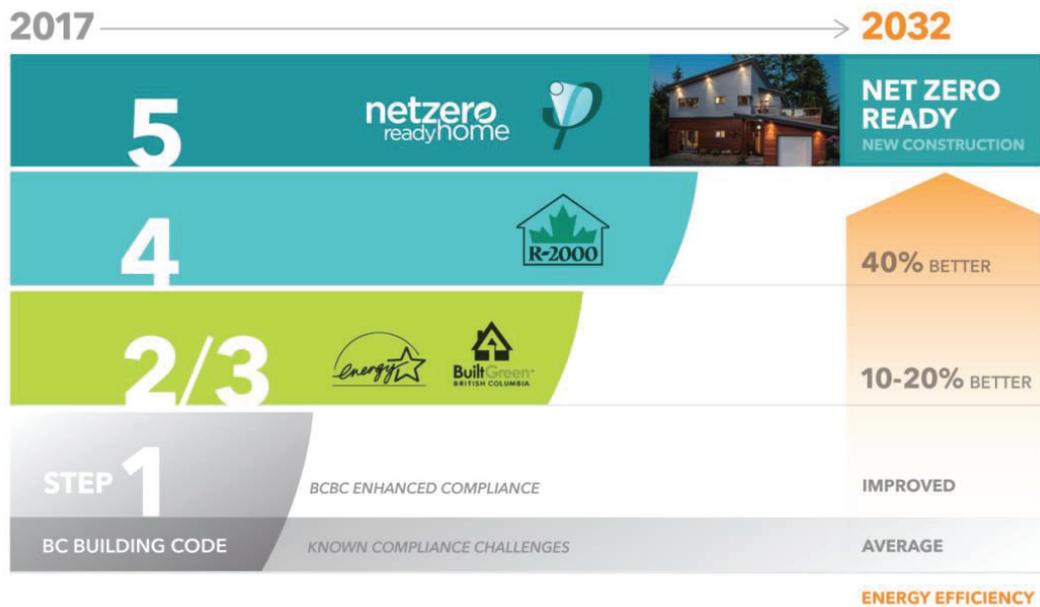
BC Energy Step Code: Lower and Higher Steps		
Building Type	Lower Steps	Higher Steps
Part 3 Residential	Steps 1 and 2	Steps 3 and 4
Part 9 Residential	Steps 1, 2 and 3	Steps 4 and 5



In addition to energy modelling and airtightness testing, all steps of the BC Energy Step Code use metrics to model the designed performance of the building envelope (insulation, air leakage, doors and windows, etc.), and the efficiency of the systems and equipment inside the building (heating, ventilation, etc.). To satisfy each step of the BC Energy Step Code, a builder needs to demonstrate that they have satisfied both the envelope target and the equipment and systems target—a different approach than has been used in the past.

The BC Energy Step Code is voluntary and is intended to apply to the construction of new buildings. Local governments and other local authorities may choose to require the steps in the BC Energy Step Code in their jurisdictions, but they are not obligated to do so; when they do, it is expected they will follow the policy guidance provided in this guide. Similarly, developers, builders, or owners may choose to build more energy-efficient buildings according to the requirements in the BC Energy Step Code, and may do so even if the jurisdiction in which they are building does not require it; however, they are not obligated to unless the jurisdiction in which they are building requires it.

The BC Energy Step Code: Steps for Part 9 Buildings



2.1 Principles of the BC Energy Step Code

The BC Energy Step Code represents a substantial consensus among a broad range of stakeholders who participated in a series of working groups and committees over the past two years. The following key principles guided this work:

- **Provincial Priorities:** Consider provincial priorities, including the 2016 Climate Leadership Plan and housing affordability, when developing the BC Energy Step Code.
- **Consistency:** Increase the consistency of technical building requirements and practices across the province.



- **Local Options:** Provide local governments with options to meet adopted targets, policies, and actions to reduce greenhouse gas emissions, as required under the *Local Government Act*, and meet voluntary commitments under the *Climate Action Charter*.
- **Industry Flexibility:** Provide industry with flexibility to adjust to new technologies and clear guidance on the long-term intent of the BC Building Code.
- **Market Transformation:** Transition the market towards increased accountability and measurable improvements in energy efficiency.

2.2 Multi-Partner Collaboration and the Energy Step Code Council

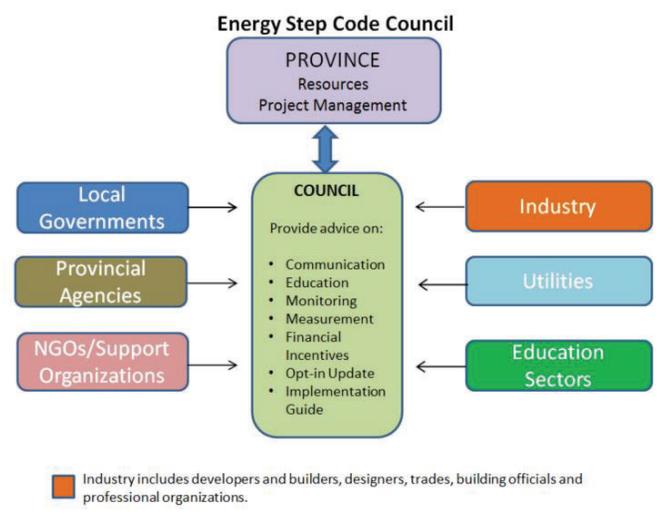
The Province, local governments, industry, and utilities are embarking on the BC Energy Step Code together. Success will require continued commitment from all involved during a transition period that will take place over at least the next three years (2017-2020). An Energy Step Code Council has been established to support local governments and industry towards smooth uptake of the BC Energy Step Code and help guide market transformation towards higher-performance buildings within B.C. The Energy Step Code Council will meet quarterly during the transition period with the following mandate:

- Support the creation and dissemination of training and capacity building opportunities for local governments, industry, and other stakeholders;
- Develop clear communications for various audiences on what the BC Energy Step Code is and how to implement it across the province;
- Provide advice and clarification on technical aspects of the BC Energy Step Code;
- Profile incentives and financing mechanisms; and
- Seek resolution of implementation issues as they arise.

A representative of the Building and Safety Standards Branch will chair the Energy Step Code Council and act as a liaison between the Council and the Province. The Energy Step Code Council comprises many stakeholders (see diagram).

In addition to leadership from the Energy Step Code Council, successful implementation will require:

- Leadership from the Province to support ongoing collaboration between stakeholders, resolve issues as they arise, conduct analysis to determine if the BC Energy Step Code is achieving intended results, continue analysis of technical issues related to high-performance buildings, and lead by example in public-sector buildings. Additionally, the Province will work to align the BC Energy Step Code with other provincial priorities.





- Local governments to represent the needs of their communities and engage within their region (as outlined in the BC Energy Step Code best practice implementation guide) to ensure uptake is as smooth as possible on both a local and regional basis. The best practice implementation guide is being developed to provide local governments with clarity on what stakeholders agree successful implementation will require, and is expected to be published in summer 2017.
- Industry to provide education on how to design, build and measure energy-efficient buildings, to prepare members for the BC Energy Step Code. Industry will be expected to provide feedback to the Province and local governments on impacts of the BC Energy Step Code implementation on building design and construction, and work with partners to align the pace of implementation with the growth of industry capacity.
- Utilities to support with training resources, capacity building and incentive programs that facilitate uptake of the BC Energy Step Code across the province. As implementation progresses, utilities can help evaluate the success of the program over time.



3. BC Energy Step Code Policy

Preamble

This BC Energy Step Code policy has been developed to support local governments and industry during a transition period from 2017 to at least 2020. The transition period may be extended depending on how the implementation of the BC Energy Step Code proceeds.

Until December 2017, the focus of the transition will be on helping shift local governments with existing energy-efficiency programs (for buildings) to appropriate targets in the BC Energy Step Code. From 2018 - 2020, the transition period will continue to support local governments using the BC Energy Step Code, and help other local governments that would like to explore doing so. Once local governments and industry are comfortable with the implementation of the BC Energy Step Code, the transition period will be formally closed, and the BC Building Code will be updated to require staged increases in energy performance, as per the BC Energy Step Code.

3.1 Monitoring Implementation of the BC Energy Step Code

- 3.1.1 The Energy Step Code Council, with the participation of the Province, will monitor implementation of the BC Energy Step Code. Tracking key data will inform the continued implementation of the BC Energy Step Code.

3.2 Legal Authority to Reference the BC Energy Step Code

- 3.2.1 The *Building Act* governs building and construction across B.C. except in the City of Vancouver, and on federal lands and reserves. Under the Act, the Province has sole authority to set technical building requirements (using the BC Building Code or other regulation).
- 3.2.2 The BC Energy Step Code is a provincial building regulation that is a voluntary compliance path within sections 9.36.6 and 10.2.3 of Division B of the BC Building Code.
- 3.2.3 By December 15, 2017, section 5 of the *Building Act* will render local government bylaws that establish technical building requirements of no legal force unless the bylaws concern what the Act calls ‘unrestricted matters.’
- 3.2.4 Two new matters (with two conditions) have been added to the unrestricted matters list in the Building Act General Regulation to enable local governments to require that new buildings constructed in their jurisdictions be constructed to one of the steps in the BC Energy Step Code. The two matters are:
- The conservation of energy, and
 - The reduction of greenhouse gas emissions.



These two matters are **unrestricted with two conditions:**

- Local governments may not require buildings to be constructed except in conformance with a step described in Article 9.36.6.3. or 10.2.3.3. of Division B of the BC Building Code; and
- Local governments may not modify a requirement of, or impose requirements in addition to those set out in, Subsection 9.36.6. or 10.2.3. of Division B of the BC Building Code.

3.2.5 The BC Energy Step Code is available for local governments to reference in bylaws, policies, and programs using the authorities in the *Local Government Act*, *Community Charter*, *Building Act*, or other sources of local government authority.

3.3 How to Implement the BC Energy Step Code

3.3.1 Local governments are advised to review the best practice implementation guide (when it becomes available) to understand recommended steps to successfully adopt and implement the BC Energy Step Code.

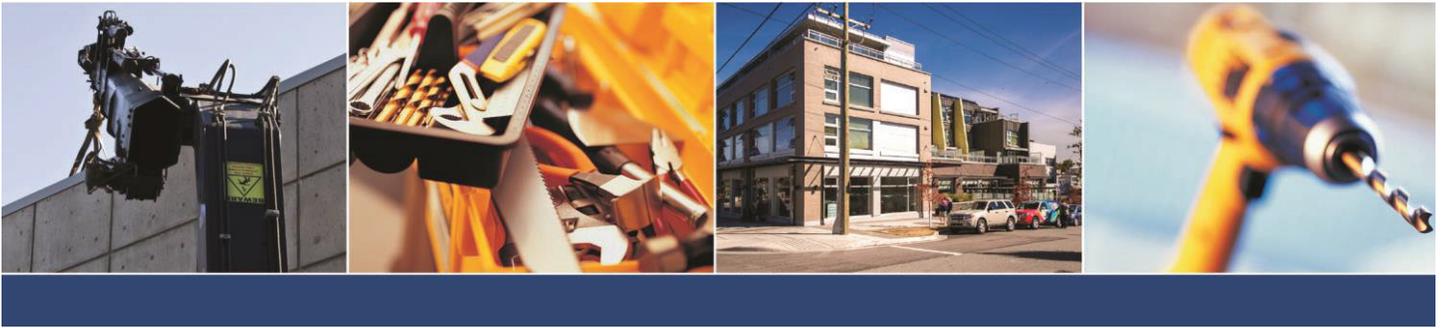
3.3.2 Local governments are advised to contact the Energy Step Code Council when beginning to consider adopting the BC Energy Step Code, to ensure access to the latest information, tools and support.

3.3.3 Local governments are advised to review readiness in their communities and region to reference and implement the BC Energy Step Code, prior to taking any action. This includes:

- Understanding industry readiness to meet the requirements of the BC Energy Step Code in the local government's region. The Energy Step Code Council is undertaking a review of industry capacity in different regions, and will make this material available on the BC Energy Step Code website. Local governments are advised to consider this analysis, alongside local analysis of capacity; costs; benefits; technical implications; and opportunities to provide training, information and education for industry on how to implement the BC Energy Step Code.
- Reviewing organizational readiness to implement the BC Energy Step Code. This includes training needs for city councils, design panels, planners, and building officials, as well as reviewing inspection procedures, policy documents, community development processes, handouts, bulletins, and websites for necessary changes.

3.3.4 A local government should notify the Energy Step Code Council of its intent to consult with the development and building industry servicing its region, and other associated organizations, including neighboring municipalities. A timeline for notification is provided in section 3.4 of this guide.

3.3.5 A local government should notify the Energy Step Code Council when bylaws or policies that reference the BC Energy Step Code are ratified, and of the date of enactment.



3.3.6 Steps in the BC Energy Step Code are divided into higher and lower steps.

3.3.6.1 For Part 3 Buildings, higher steps are defined as steps 3 and 4 (step 4 being the highest).

3.3.6.2 For Part 9 Buildings, higher steps are defined as steps 4 and 5 (step 5 being the highest).

3.3.6.3 During the transition period (from now until at least 2020), local governments should not apply community-wide requirements to meet the higher steps of the BC Energy Step Code.

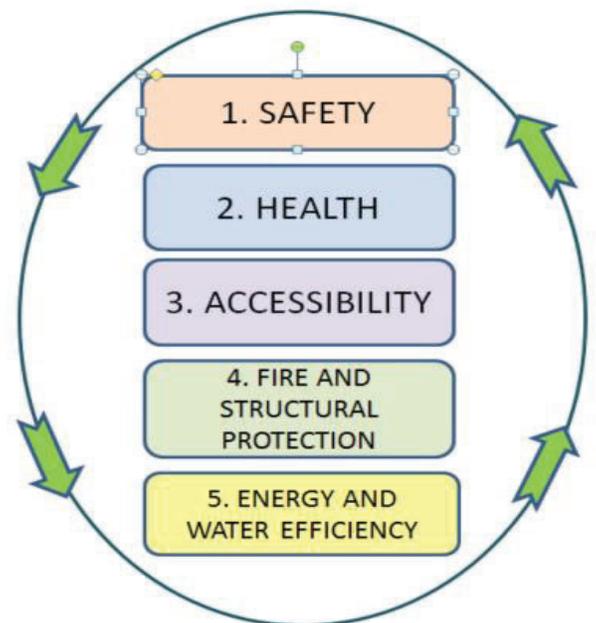
3.3.6.4 During the transition period, reference to higher steps should only be made in circumstances where there is significant value being added to the property where higher steps will apply. The value added should be equal or greater than the cost to build to the higher step.

3.3.6.5 Local governments are advised to exercise caution when calculating the anticipated increased cost of building to the performance targets in the BC Energy Step Code. Over time, the cost of building to the BC Energy Step Code is expected to decrease as familiarity with it increases.

3.3.6.6 The use of higher steps in the BC Energy Step Code will require financial or other incentives. Depending on local circumstances, value could be added through a significant increase in buildable floor area, revitalization tax exemptions, or other inducements.

3.3.7 Supporting the energy-efficiency requirements in the BC Energy Step Code does not mean the other BC Building Code objectives are less important. The BC Building Code sets technical building requirements to meet five objectives; energy efficiency is just one of the five. Buildings that meet the higher energy targets in the BC Energy Step Code must still meet all other requirements supporting the four other Building Code objectives.

BC Building Code Objectives





3.4 Minimum Timelines for Requiring the BC Energy Step Code

- 3.4.1 This policy sets a framework for local governments to support progressively higher energy performance buildings in concert with increasing local industry capacity. Minimum timelines are intended to:
- Reduce the risk of a community requiring a performance level that local industry or internal staff cannot meet;
 - Provide an adequate consultation window for industry to provide input on policy and bylaw changes that may have an impact on their work;
 - Give the Energy Step Code Council information to track projected and actual BC Energy Step Code uptake provincially;
 - Create an opportunity to mitigate unintended consequences as they arise;
 - Provide an adequate time for industry and local governments to prepare after adoption; and
 - Encourage incremental adoption of steps rather than big leaps.
- 3.4.2 All Programs: During the transition period (i.e., until at least 2020), local governments should not apply community-wide requirements to meet higher steps of the BC Energy Step Code.
- 3.4.3 New Programs, Lower Steps (Part 3 & Part 9 buildings): Local governments intending to require lower steps should notify industry and the Energy Step Code Council of their intent to reference the BC Energy Step Code at least six months prior to enforcement.
- 3.4.4 New Programs, Higher Steps (Part 3 & 9 buildings): Local governments intending to require higher steps (in a specific location or situation) should notify industry and the Energy Step Code Council of their intent to reference the BC Energy Step Code at least 12 months prior to enforcement.
- 3.4.5 Existing Programs, All Steps (Part 3 & 9 buildings): After December 15, 2017, existing programs may be deemed equivalent to the BC Energy Step Code per an equivalency table that will be available from the Energy Step Code Council. These programs may reference an equivalent step of the BC Energy Step Code without a delay for enforcement.
- 3.4.6 When existing programs in a community are applied in a new location within that community (e.g., a neighbourhood plan) or situation (e.g., rezoning), the minimum timeline between notifying industry and enforcement of the BC Energy Step Code is three months.

3.5 Grace Period for In-stream Projects

- 3.5.1 When a local government implements the BC Energy Step Code, applicants who have applied for a development application (rezoning, development permit, development variance permit, or building permit), with detailed design drawings, should be permitted to build to the energy standards in place at the time of application, as long as they have moved to full building permit application within one year. In-stream protection of one year from the proposed enactment of the BC Energy Step Code regulation is considered appropriate. An exemption to this is where there has been a lengthy consultation process



with the public and industry to increase the energy requirements of a development, prior to adoption of a bylaw referencing the BC Energy Step Code.

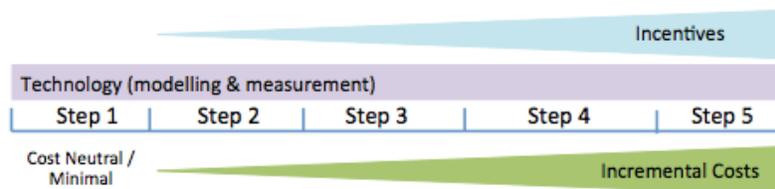
3.5.2 In situations where there is no development process in place (e.g., Part 9 buildings), there should also be a three-month grace period between enactment and enforcement.

3.6 Equivalency Table for the BC Energy Step Code

3.6.1 The Building and Safety Standards Branch will provide information, through the Energy Step Code Council, for local governments seeking to replace current technical building requirements for energy efficiency in bylaws with equivalent steps in the BC Energy Step Code.

3.7 Financial Tools and Incentives

3.7.1 In some cases, financial tools and incentives will be required to expedite and support BC Energy Step Code implementation. Step 1 is expected to be cost minimal or cost neutral, as these costs are needed to bring buildings up to the energy performance standard expected in the BC Building Code. For steps beyond step 1, local governments are advised to conduct cost analysis to ensure benefits offered through incentives and financial tools match additional costs, and do not add hardship to industry. The figure below illustrates when financial support may be necessary to achieve higher steps of the BC Energy Step Code. A list of incentives and financial tools for consideration will be available in the best practice implementation guide.



3.8 Policy Alignment

3.8.1 **Policy alignment with district energy:** Where a district energy system is planned or in operation, or an innovative renewable energy source is being incorporated, local governments are advised to consider lowering the required step of the BC Energy Step Code.

3.8.2 **Where to seek support for resolving issues:** The Province commits to continuing to be involved directly in the implementation of the BC Energy Step Code through active participation in and resourcing of the Energy Step Code Council. This engagement will ensure direct communication between the development industry, local governments, and the Province.



4. Other Implementation Information

The Province and the Energy Step Code Council realize that successful implementation of the BC Energy Step Code will be a collaborative effort. This guide outlines provincial BC Energy Step Code policy only; it does not contain all of the information needed to understand and implement the BC Energy Step Code.

Additional educational and implementation materials will be developed and distributed by the Energy Step Code Council and the Building and Safety Standards Branch, including:

- A local government implementation best practice guide.
- Communication and training materials for:
 - Local government councils;
 - Local government staff;
 - Design professionals (e.g., architects, engineers);
 - Professional associations;
 - Developers, builders and those in the trades;
 - Suppliers; and
 - Others as needed.
- Costing studies on the costs of building to the enhanced energy-efficiency steps in the BC Energy Step Code.
- Funding programs offered by the utilities and governments.

Please visit the provincial website (www.gov.bc.ca/buildingcodes) for regular updates.



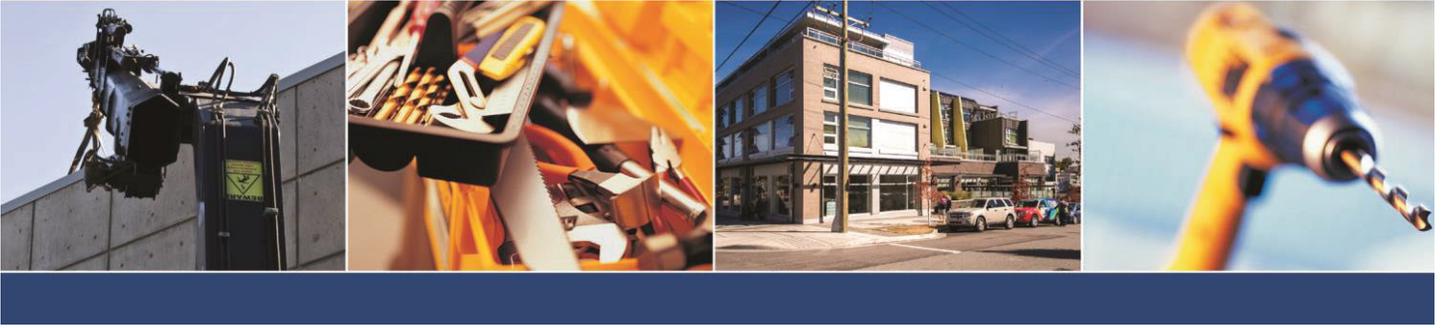
5. For More Information

Find out more about the *Building Act*:

Website: Regular updates, including other guides in this series, will be posted online as they become available - see www.gov.bc.ca/buildingact.

Email: Building.Safety@gov.bc.ca

Mail: Building and Safety Standards Branch
Office of Housing and Construction Standards
PO Box 9844 Stn Prov Govt
Victoria, British Columbia
CANADA - V8W 9T2



6. Glossary of Terms

BC Energy Step Code: A voluntary compliance path within the BC Building Code that local governments across B.C. can use to encourage or require the construction of more energy-efficient buildings in their jurisdictions. Building owners may also voluntarily choose to build to the BC Energy Step Code.

- Steps 3 and 4 are the higher steps for Part 3 buildings (step 4 being the highest).
- Steps 4 and 5 are the higher steps for Part 9 buildings (step 5 being the highest).

Energy Step Code Council: A multi-stakeholder committee, chaired by the Province, established to support local governments and industry towards smooth implementation of the BC Energy Step Code, and guide market transformation towards higher-performance buildings within B.C.

Net Zero Energy Ready Buildings: A building built to high energy-efficiency standards such that it could (with additional measures) generate enough onsite energy to meet its own energy needs.

Part 3 Buildings: Buildings regulated under Part 3 of the BC Building Code. Part 3 buildings include large, complex buildings.

Part 9 Buildings: Buildings regulated under Part 9 of the BC Building Code. Part 9 buildings include houses and small buildings.



FOR MORE INFORMATION PLEASE VISIT:
WWW.GOV.BC.CA/BUILDINGACT

BC Energy Step Code comparison chart

Step Code	Voluntary	Mandatory	Incentives	Residential	Commercial	Incentive Non-monetary	Phased	Other Energy Incentives
Penticton	Starts	2021	Up to \$1500	yes	no	no	yes	yes
Campbell River	yes	no	Up to 100% of BP fee	yes	no	Yes	no	yes
Saanich	Starts	2020	Flat \$500	yes		no	no	yes
Kamloops	yes	no	Up to \$3000	yes	yes	no	no	yes
Squamish	no	yes	none	yes	yes	none	yes	no
Whistler	no	yes	none	yes	yes	none	no	yes
Kimberly	yes	no	yes	yes	yes			yes
Kelowna	yes	yes	yes	yes	no	no	yes	yes
Whistler	no	yes	no	yes	yes	no	yes	yes

COUNCIL POLICY

NORTH COWICHAN ENERGY STEP CODE REBATE POLICY

1. PURPOSE

To encourage voluntary participation in the BC Energy Step Code in advance of mandatory requirements.

2. SCOPE

This policy applies to individuals applying for rebates for the North Cowichan BC Energy Step Code Rebate Program.

3. DEFINITIONS

“BC ENERGY STEP CODE” means the system of energy performance requirements set out in Subsections 9.36 of the BC Building Code.

“BUILDING CODE” means the current version of British Columbia Building Code

4. POLICY

4.1 All complete building permit applications accepted by North Cowichan building department after July 1st 2020 are eligible for the corresponding rebate as shown in table 4.8 in accordance with this policy.

RELATED POLICIES & PROCEDURES

4.2 Rebates described in sentence 4.1 are based on achieving compliance with one of the steps 2-5 described in Part 9.36.6 **Energy Step Code** of the 2018 BC Building Code

4.3 Rebate applications must be submitted prior to the issuance of the building permit.

4.4 The following documents are to be provided to confirm compliance with section 4.2

- North Cowichan Energy Step Code rebate application form
- Energy modeling report as described in Part 9.36.6.4 BC Building Code
- BC Energy pre construction report
- Mid construction report
- As-Built Compliance Report

4.5 Rebates will be processed upon the issuance of occupancy by a building inspector along with the submission of all compliance documents as stated in section 4.4.

4.6 Rebates are not redeemable for expired building permits, (2 years from building permit issuance date).

4.7 Rebates applications will be accepted for all steps in table 4.8, unless those steps are mandatory in accordance with the Building Code or North Cowichan’s Building Bylaw.

4.8

Step 2	\$500	10% higher efficiency
Step 3	\$750	20% higher efficiency
Step 4	\$1000	40% higher efficiency
Step 5	\$1250	80% and Net 0 Ready

APPROVAL HISTORY

WRITTEN BY: Lane Killick	APPROVED BY:	DATE: Click here to enter a date.
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