



City of Richmond

Report to Committee

To: Public Works and Transportation Committee **Date:** January 13, 2014
From: John Irving, P.Eng. MPA **File:** 10-6125-01/2014-Vol
 Director, Engineering 01
Re: **Letter Supporting Continuation of *LiveSmart BC: Small Business Energy Efficiency Program***

Staff Recommendation

That a letter supporting the continuation of the *LiveSmart BC: Small Business Program* be sent to the B.C. Minister of Energy and Mines under the Mayor's signature.

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 Director, Engineering
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REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Economic Development	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

The *LiveSmart BC: Small Business Program* is administered by the Province of B.C. The program assists small and medium enterprises (SMEs) in reducing energy use and emissions in their facilities. The program ends March 31, 2014, and the Province has not indicated that it intends to renew funding.

In a letter to Mayor Malcolm Brodie and Richmond City Council dated December 13, 2013, the Chair of the Metro Vancouver Board suggested that the Mayor and Council consider sending a letter to the B.C. Minister of Energy and Mines, supporting renewed funding for the *LiveSmart BC: Small Business Program*. Metro Vancouver is sending such a letter. Likewise, other local governments have been asked to write similar letters.

Sending this letter aligns with the Sustainability component of Council's Term Goals to continue implementing the City's Sustainability Framework. The Sustainability Framework articulates climate protection and energy strategies, which are further developed in the City's forthcoming Community Energy and Emissions Plan (CEEP). Moreover, the City's 2041 Official Community Plan established aggressive community greenhouse gas (GHG) emissions reduction targets.

Analysis

Since 2011, the *LiveSmart BC: Small Business Program* has assisted thousands of small businesses in BC, many of them here in Richmond, to upgrade their facilities to save energy, money, and GHG emissions. Commercial buildings were responsible for 36 percent of all the energy used in Richmond in 2010, and SMEs comprised a significant proportion of this use. Energy savings can meaningfully improve the financial position of SMEs, which can benefit the local economy. SMEs also constitute a significant proportion of Richmond's GHG emissions.

The *LiveSmart BC: Small Business Program* is currently leveraged by the City to support energy upgrades in businesses in our community. Notably, in 2013, the City supported 11 businesses to participate in the *Climate Smart* program. Among other emissions management activities, the *Climate Smart* program connects businesses to *LiveSmart BC* Energy Advisors. City staff are preparing a separate report on the results of the *Climate Smart* program.

In the future, the City has indicated it will increase its efforts to connect businesses to programs that facilitate reducing energy and emissions. The City's CEEP identifies outreach, education and incentives for upgrade programs like the *LiveSmart BC: Small Business Program* as key actions. Moreover, the CEEP recognizes that the widespread adoption of deep energy upgrades as a "Breakthrough" strategy, necessary to achieve the energy and emissions targets in the OCP. The services and incentives provided by programs like the *LiveSmart BC: Small Business Program* are needed to help the City meet its energy and emissions goals.

In addition to continuing support for *LiveSmart BC* in the short to medium term, City staff also recognize the need to strengthen the suite of energy efficiency programs and upgrade market development initiatives. Staff's engagement with energy upgrade industry stakeholders suggests

that the lack of multi-stakeholder planning and long-term commitment to support the building upgrade industry hinders this market's development. For instance, stakeholders have noted that:

- Funding for programs comes sporadically in 1-2 year increments, and disappears during intervening years. This sporadic funding makes it difficult for markets to grow and gain momentum; contractors cannot plan for long-term growth to their businesses and workforce, and consumers are left confused about what programs are available to them.
- Programs have focused predominantly on incentives, and not on other factors that can grow the upgrade industry, such as: streamlining the customer experience; community-based marketing and outreach; introducing consumer financing mechanisms; and quality assurance.

Given the value of consistent energy upgrade programs, it is recommended that a letter supporting the continuation of the *LiveSmart BC: Small Business Program* be sent to the B.C. Minister of Energy and Mines under the Mayor's signature.

Financial Impact

None.

Conclusion

Continued Provincial funding for the *LiveSmart BC: Small Business Program*, and associated efforts to strengthen markets for energy improvements to existing buildings, will provide opportunities for Richmond businesses to improve their financial position while reducing energy use and GHG emissions. This report recommends that the Mayor send a letter to the B.C. Minister of Energy and Mines to continue support for this program, as well as strengthen the suite of energy efficiency programs and market transformation efforts.



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