



Video Transcript

Value-for-Money Audit: Reducing Greenhouse Gas Emissions from Energy Use in Buildings (2020)

I'd like to talk to you about our audit of Reducing Greenhouse Gas Emissions from Energy Use in Buildings.

Climate change is caused mostly by burning fuel – fossil fuels – for energy. This includes the natural gas used to heat houses and other buildings.

Because Ontario has committed to reducing total emissions 30% by 2030, compared to 2005 levels, and buildings contribute 24% of Ontario's emissions, we performed a value-for-money audit on the province's progress toward reducing greenhouse gas emissions in the buildings sector.

Two ministries and one agency regulate building energy use. The Municipal Affairs Ministry administers the Ontario Building Code, which sets energy efficiency standards for new buildings.

The Energy and Mines Ministry sets energy efficiency standards for products and operates programs that report energy use in buildings, and oversees the Ontario Energy Board, which oversees the natural gas conservation programs offered by utilities.

Our audit objective was to assess whether the Municipal Affairs Ministry and Energy and Mines Ministry have effective systems and procedures to:

- identify and implement programs that reduce energy use in buildings; and
- measure, evaluate and publicly report on the results and effectiveness of these programs.

Our audit also assessed whether the Ontario Energy Board has effective systems and procedures to:

- develop and establish comprehensive and effective natural gas conservation frameworks; and
- publicly report on the results and effectiveness of conservation frameworks, as well as utilities' programs under such frameworks.

Overall conclusions are that the ministries and the Board have a focus on energy efficiency, but do not have a focus on reducing fossil fuel use or greenhouse gas emissions. This results in missed opportunities for more significant greenhouse gas reductions in buildings. This also poses the risk that Ontario may not meet its overall emission-reduction



target. As well, the ministries and the board do not have effective oversight of existing related programs.

We found the Energy and Mines Ministry has made limited progress implementing building-related initiatives in the 2018 Environment Plan.

The Municipal Affairs Ministry could do more to strengthen energy efficiency requirements for new and existing buildings.

The Municipal Affairs Ministry, and Energy and Mines Ministry do not have effective oversight, monitoring and enforcement of their related programs; and the Ontario Energy Board natural gas conservation approach necessitates that it consider the immediate and long-term financial impact on gas ratepayers; the result is that more emissions will be released in the long-term. The financial cost of conservation programs contributes to this situation as utilities pass on costs to ratepayers.

Our report contains 19 recommendations, consisting of 36 actions, including:

That the Energy and Mines Ministry

- develop an integrated long-term energy plan - that considers gas and electricity - that aligns plans for natural gas use with Ontario's 2030 GHG reduction target; and
- implement Environment Plan initiatives related to natural gas conservation.

That the Municipal Affairs Ministry

- strengthen the Building Code to improve energy efficiency, reduce emissions, including application in this area to renovations, to meet energy efficiency standards; and
- assess compliance with the Building Code's energy efficiency requirements; and that

The Ontario Energy Board align its decision-making processes with Ontario's Environment Plan.