

FINDING THE EMISSIONS SWEET SPOT. How much is too much?

Sonja Winkelmann Senior Director, Net Zero Energy Housing, CHBA

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Andy Oding Vice President, Director of Building Science, Building Knowledge Canada Inc.

Leigh St. Hilaire Executive Director, Volta Research

Laureen Chung Senior Manager, Low Carbon Homes Task Force, NRCan Jay Wilson Director, Net Zero and Electrification, Electricity Canada

Builders/Renovators: Have you measured the energy consumption of your homes?



Builders/Renovators: Have you measured the operational emissions of your homes?



Builders/Renovators: Have you measured the embodied/material emissions of your homes?



Which of these scares you the most?





Sonja Winkelmann, Senior Director, Net Zero Housing,

CHBA



CHBA Net Zero Council

2024-2026 Strategic Plan

Canadian Home Builders' Association



NZC Key Priorities

- 1. A Labelling Program to distinguish and recognize Net Zero and Net Zero Ready Homes (detached, attached, and MURBs), Renovations, and Neighbourhoods, and the participating builders/renovators focused on both energy efficiency and emissions reductions. To support industry adoption of this voluntary program, the following efforts will be delivered:
 - Technical & Administrative Requirements that support market preparedness for the implementation and compliance of the highest feasible tiered energy codes, and for operational and embodied emissions planned for the 2025 and 2030 codes.
 - Marketing & Communications initiatives to strengthen the Net Zero Home Labelling Program brand, build awareness and understanding of the value of CHBA Net Zero Homes, and stimulate market demand.
 - Educational initiatives to bridge the knowledge gap, support cost-optimization, and accelerate the industry's capacity to capitalize on Net Zero, such as training (which utilize the CHBA manuals), webinars, and the Net Zero Leadership Summit.
 - Financing solutions using program information/data to inform the development of innovative and effective financing mechanisms by key industry players to address the initial cost, helping accelerate voluntary adoption of Net Zero/Ready Homes.

NZC Key Priorities

2. Applied Research, Development, and Demonstration (RD&D) initiatives (including LEEP field trials) working with industry leaders to identify and prioritize barriers and seek innovative solutions for cost-effective Net Zero levels of performance focused on both energy efficiency and emissions reductions for all housing forms, including multi-family and renovations, and for neighbourhoods. Initiatives support energy efficient construction by enabling builders and renovators to reduce their time and risk identifying, exploring, and adopting innovations in the residential construction industry. Efforts contribute to and leverage CHBA RD&D work in Climate Change Mitigation, Adaptation and Resilience guidelines and standards.



NET-ZERO EMISSIONS BY 2050 - GLOBAL EFFORTS

To keep global warming to no more than 1.5°C – as called for in the Paris Agreement – **emissions need to be reduced by 45% by 2030 and reach net zero by 2050.**

https://www.un.org/en/climatechange/net-zero-coalition

GOALS INFLUENCED BY:

NET-ZERO EMISSIONS BY 2050 - CANADA'S COMMITTMENT

To avert the worst impacts of climate change, the Government of Canada is committed to achieving **net-zero emissions by 2050**.

https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/net-zero-emissions-2050.html

NBC

NBC 2020: Tiered Energy Code NBC 2025: Operational Emissions NBC 2030: Embodied Emissions & Resilience





Canada





United

Canadian Builders' ssociation

NZC 3HAG:

3 Year Highly Achievable Goal (to end of 2026)

Expand the labelling program to include an option for <mark>operational and embodied emissions</mark> reductions.

- Develop a Net Zero Operational Emissions option by 2025.
- Develop a Net Zero Embodied Emissions option by 2028.

RENOS: A Net Zero Reno Roadmap including ROPs (Renovator Option Packages).

NZC BHAG:

10 Year Big Hairy Audacious Goal (to end of 2033)

Qualified Net Zero Builders can build Net Zero/Ready for zero additional total cost of ownership compared to a Tier 1 2023 home.

RENOS: A network of Qualified Net Zero Renovators that are renovating homes to Net Zero/Ready levels of performance across the country.



WAITING FOR MINISTERIAL ANNOUNCEMENT TO COMMUNICATE PROJECT

Capacity Building & Training

- Net Zero Ready "Builder Option Packages" (exploring how to include opGHGs & emGHGs)
- Develop training on Section 9.36 for builders
- Offer Net Zero Home Labelling Program training courses at a discounted fee

Emissions & Resilience Working Group (ERWG)

- To assess the feasibility of integrating emissions and resilience aspects into the CHBA Net Zero Home Labelling Program:
 - Develop a Net Zero Operational Emissions option by Dec 31/24
 - Develop a Net Zero Embodied Emissions option by Dec 31/26
 - Develop Resilience Best Practice Guidelines by Dec 31/26

Looking Ahead

- Net Zero Ready Case Study Houses in NB
- PCF 2004: Performance Requirements
- What about solar?





Typical NZr Home in NB

SPECIFICATIONS

Climate Zone: 6 (Fredericton, NB) Heated Floor Area: 3,000 ft² Heating & Cooling: ASHP + Gas Furnace Water Heating: Gas Instantaneous Envelope: 51% better than ref. house.

- R61 Ceiling
- R27 Above Grade Walls
- R25 Foundation (ICF)
- 0.78 ACH@50





CHBA NZr: NBC Comparison

New Brunswick Edition

NBC 2020: Energy Performance Tiers

NBC 2025: GHG Emissions Performance Levels - PCF 2004





Levels

GHG Performance

GHG Emissions Performance Levels

PCF 2004 Review: New Brunswick Edition



Electric Furnace

HPWH

ASHP

HPWH

Gas Furnace

- ASHP
- **Gas Furnace**
- **Gas Tankless**

GHG Emissions Performance Levels

PCF 2004 Review: Provincial Edition



GHG Emissions Performance Levels PCF 2004 Comment Review: 5kW Solar PV Offset





Andy Oding, Vice President, Building Knowledge Canada

THE HOME THAT SCIENCE BUILT

NBC 2025 & 2030 Operational Emissions & Embodied Emissions Looking for the sweet spot (with a complex grid and a challenging future)

2024 CHBA Net Zero Summit



Andrew Oding MEA, NZQEA, LEED AP, BSSO Vice President



Since 1986, helping the Canadian home building industry, through building science, to design and construct homes that people LOVE to live in.



Building Energy Performance Evaluation & Consulting Services

- Building Science Consulting and Engineering (Design and Forensics)
- Building Science Training: Course Development and Delivery
- HVAC Design, consulting and Forensics
- Professional IDP/Design Charette Facilitation Services: Residential
- Energy Modeling Ontario Building Code SB12 and National Building Code NBC 9.36
- EnerGuide Rating System Evaluation Services
- ENERGY STAR[®] Evaluation & Compliance
- Net Zero Hometm Evaluation & Compliance
- Net Zero Renovation Evaluation and Compliance
- R-2000 Evaluation Services
- LEED[®] for Homes Project Management
- Industry Incentives Program Compliance
- Existing Home Energy Evaluation
- Air Tightness / Blower Door Testing & Building Diagnostic Services
- Large Building Air tightness testing
- Building Science Training & Facilitating
- Advanced Residential Quality Control Services
- Manufacturer & Utility Client Services





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NBC 9.36 – Low Rise Residential, 3 story's >



WHERE are the energy codes?



NECB 3/10 large buildings, commercial

THE 2020 TIERED ENERGY CODE PART 9.36 **OBSERVATIONS FROM A HOMEBUILDERS PERSPECTIVE** Tiered Performance Path 9.36.6

Table [9.36.6.2.]

Energy Performance Tiers for *Buildings* or Houses

Forming Part of Sentence 9.36.6.2.(1)

			Applicable Energy Performance Tier						
Volume V _T	Target Metrics		1	2	3	4	5		
> 300 m ³ and where volume is not determined	Per Re	cent Heat Loss duction (1)	n/a	≥ 5%	≥10%	≥ 20%	≥40%	ENVELOPE TARGET	
	or	Percent Improvement (2)	≥0%	≥ 10%	≥ 20%	$\geq 40\%$	≥ 70%	TOTAL ENERGY TARGET	
		Percent House Energy Target (3)	≤ 100%	$\leq 90\%$	$\leq 80\%$	$\leq 60\%$	≤ 30%		
$\leq 300 \text{ m}^3$	Per Re	cent Heat Loss duction (1)	n/a	$\geq 0\%$	≥ 5%	≥ 15%	≥25%		
	or	Percent Improvement (2)	$\geq 0\%$	$\geq 0\%$	≥ 10%	≥ 30%	≥ 60%		
		Percent House Energy Target (3)	≤ 100%	$\leq 100\%$	$\leq 90\%$	$\leq 70\%$	$\leq 40\%$		



WHERE ARE CANADIAN BUILDING CODES GOING IN THE FUTURE





US Codes - IECC International Energy Conservation Code



HOME LABELING PROGRAMS LEANING INTO CARBON









•	Natural Canada Proje	Resources	Ressources Canada	naturelles missio	Canme ns Resu	tENER	200 Proje Home	-100	Autorial Carbon es Ing to achier	46 20 20 20 20 20 20 20 20 20 20 20 20 20 20 20 20 20 20 20 2	300 South	trance	Hon Materia tonnes CO 34	Project: Evaluator: Location: de description: Building Size: Il Emissions te leg CO2e / m2 146	Vorked Exam Doug Ontario 2-storeg, singl 233.5 m2 Operati	e-detached, one-car, ional Emissions ore t core / 30 yr 36
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			М	arterial C	arbon Emis	sions, kę	PRO	JEC	T EMIS	SIONS	TIMEL	INE				
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	TOP 10	MOST	МРАСТЕ	UL MAT	ERIALS								Years			
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Footings & Slabs

Floors

Garage

Garage

Cladding



Natural Resources Ressources naturelles Canada Canada

PROJECT SUMMARY



Energy Gauge Existing . 1007 Existing . Decings (204) Destrictly Report for 82 Farlerance Farlerance 100 87 80. Party and Pres 104 Ħ On Sile Page Arrend Reality like 1 Destroy (1994) 50 Rational Cast States LPD-Igenv Fuer Drigers dealing Proper Address Annual Statistics 1.24 1.01 DOD (Renated) 500 illust 1.10 104 Min thesi 1.74 Supplements: Party and Party land THE PARTY OF ADDRESS

1 62



Carbon Benchmarking, Reporting & Reduction Embodied Carbon + Operational Carbon



Daniels love where you live"











CARBON EMISSIONS. THE NEW CODE TARGET



Approximately **27% of**

Canada's GHG emissions are

due to buildings and so addressing GHG emissions in the Codes is an important step to enable action towards climate goals.

BUILDING EANADA ING. November 2022_CBHCC adopted the direction set by Canadian Commission on Building and Fire Codes, including:

- developing objective(s) to address GHG emissions for inclusion in the 2025 National Model Codes;
- developing proposed technical requirements related to operational GHG emissions for inclusion in the 2025 National Model Codes;
- developing proposed technical requirements related to embodied GHG emissions for inclusion in the 2030 National Model Codes; and
- undertaking policy work, and objective and technical development in parallel.

Proposed NBC 2025 Tiered Operational Carbon Emissions Reduction

Canadian National targets:

- Emissions reduction target of 40 percent below 2005 levels by 2030
- Zero or near zero operational GHG emissions across provinces and territories by 2050



Canada's GHG Emissions



Proposed NBC 2025 Tiered Operational Carbon Emissions Reduction

Key 2025 NBC Proposed Changes

- PCF 2004
- PCF 2026
- Electric utilities are shifting away from coal power generation, while gas utilities are experimenting with new technologies to lower emissions through use of hydrogen and renewable biogas sources
- Some provincial utilities expect to reduce electric emissions by 60% or more by 2030.
- The proposed emission requirements/targets are based on the best available future looking forecasts for utility emissions, averaged for the years 2031-2035
- Natural gas utilities: Such projections are expected in future years, and could be incorporated into the code at a later date

2020 GHG Emissions in the Residential and Building Sectors Source: CBHCC



NBC 2025 PCF 2004 Provides Operational Carbon Emission Reduction Tiers

- Canadian National targets: emissions reduction target of 40 percent below 2005 levels by 2030
- Zero or near zero operational GHG emissions across provinces and territories by 2050

GHG Emission Performance Level	% Building GHG Emissions Target	% Improvement
А	0%	≥ 100%
В	≤ 10%	≥ 90%
С	≤ 25%	≥ 75%
D	≤ 50%	≥ 50%
E	≤ 75%	≥ 25%
F	≤ 90%	≥ 10%
G	≤ 100%	≥ 0%



OPERATIONAL + EMBODIED EMISSIONS

BALANCING ACT & MYTH BUSTING

7 Critical Lessons Learned



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Point #1: OC + UEC – We Need To Address Both

UPFRONT EMBODIED CARBON BECOMES MORE IMPORTANT WITH TIME (BUT OPERATIONAL STILL MATTERS)



Figure 1. Growing importance of embodied carbon as building operational energy decarbonizes





Point #2: We Know Enough To Start Making A BIG Difference



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Point #2: We Know Enough To Start Making A BIG Difference

Carbon Emission Estimate Tools: For Low Rise Residential Construction




Point #3: Focus Efforts Where It Matters

Emissions Scope 1,2,3 – Know Your Impact As a Homebuilder

Figure [5.2] Overview of GHG Protocol scopes and emissions across the value chain







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Point #3: Focus Efforts Where It Matters

	Business Operations		
Scope 1 - 🕤	Scope 1	Natural Gas	
Direct Control		Fleet Fuel	
Scope 2 - 🕤	Scope 2	Electricity	
Indirect Control		Steam (66 Wellington ONLY)	
	Scope 3a	Air Travel	
		Hotels	
		Car Rentals	
		Employee Commute	
		Supply Chain	
Scope 3 -	Scope 3b	Purchased Goods & Services	
All Other Emissions		Energy Related Activities	
		Transportation & Distribution	
		Waste & Recycling	
		Home Operations	
mattamyhomes	Scope 3c	Natural Gas – Heating	
		Electricity – Heating/ Cooling/ Plug Loads	

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Estimate for FY22 based on FY20 results and estimates for Supply Chain and Home Operations



Information provided courtesy of Mattamy Asset Management

Archetype 1:

36' Single Detached

Cladding

GTA: 95% Brick, 2% Fiber Cement, 2% Aluminum Panel OTT: 84% Vinyl, 8% Fiber Cement, 8% Brick ALB: 60% Vinyl, 20% Fiber Cement, 20% Brick





Information provided courtesy of Mattamy Asset Management





When it comes to Operational Grid Emissions...

Point #4: The Emissions (and peaks) of Tomorrows Grid Matters Today.

...Can't stop thinking about tomorrow !



Ottawa – 36' Single Detached – Todays Grid Emissions...



120



Calgary – 36' Single Detached Todays Grid Emissions.....







Grid Electricity GHG Emission Factors by Province



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NBC 2025 PCF 2026 GHG Emissions in the Residential and Building Sectors

 Provides projected electrical grid emission rates for Prov/Terri 2030-35

Classification of provincial/territorial electric grids

- High: Emission factor more than or equal to 100 g CO₂e/kWh
- Moderate: Emission factor more than 25 g CO₂e/kWh and less than 100 g CO₂e/kWh
- Low: Emission factor less than or equal to 25 g CO₂e/kWh

Source: CBHCC _PCF 2026



Province/Territory	Grid GHG Emissions	2030 <grid ghg<br="">Emissions Factor (g CO₂e/kWh)</grid>	Current Grid GHG Emissions Factor (gCO2e/kWh)
Alberta	High	181.86	800<
British Columbia	Low	1.32	10<
Manitoba	Low	0.00	3<
New Brunswick	Moderate	77.88	250<
Newfoundland and Labrador	Low	11.08	
Nova Scotia	High	161.64	700<
Northwestern Territory	Low	6.82	
Nunavut	High	465.16	
Ontario	Moderate	57.90	30>
Prince Edward Island	Moderate	80.42	
Quebec	Low	0.38	2>
Saskatchewan	High	146.60	700<
Yukon Territory	Low	25.00	

NBC 2025

proposed

Point #5: Embodied Carbon; It's all about the BIG HITTERS

Ottawa – 36' Single Detached

TOP 10 MOST IMPACTFUL MATERIALS

Rank	to	onnes CO2e	Section	Material
1		7.568	Foundation Walls	Concrete / 0-25 MPa
2		2.349	Windows	Window / Double Pane / Vinyl Frame
3		2.246	Footings & Slabs	Concrete / 0-25 MPa
4		1.882	Floors	Carpet / Average
5		1.730	Footings & Slabs	Concrete / 0-25 MPa
6		1.681	Garage	Concrete / 0-25 MPa
7		1.291	Cladding	Vinyl Siding / Vinyl Siding Institute
8		1.248	Garage	Concrete / 26-30 MPa
9		1.202	Cladding	Brick / US - Canada Industry Average
10		0.983	Structural Elements	Steel Post / Generic



Point #5: Embodied Carbon; It's all about the BIG HITTERS Calgary – 36' Single Detached

TOP 10 MOST IMPACTFUL MATERIALS

Rank	ton	nes CO2e	Section	Material
1		8.199	Foundation Walls	Concrete / 31-35 Mpa / 30-40% Fly Ash
2		3.007	Cladding	Brick / US - Canada Industry Average
3		2.349	Windows	Window / Double Pane / Vinyl Frame
4		2.133	Footings & Slabs	Concrete / 0-25 Mpa / 15-29% Fly Ash
5		1.874	Footings & Slabs	Concrete / 31-35 Mpa / 30-40% Fly Ash
6		1.578	Garage	Concrete / 26-30 Mpa / 30-40% Fly Ash
7		1.568	Floors	Carpet / Average
8		1.226	Ext. Walls	OSB Sheathing / Canadian Wood Council
9		1.211	Floors	Spray Polyurethane Foam / Closed Cell (HFC)
10		1.158	Garage	Concrete / 26-30 Mpa / 15-29% Fly Ash



Point #5: Embodied Carbon; It's all about the BIG HITTERS





https://www.buildersforclimateaction.org/report---embarc-report.html



Point #6: Know The Optimal Solution On Your Horizon: Draw-Down Homes



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- BUILDINGS CAN BE PART OF THE ANSWER
- "DRAW-DOWN" HOMES AND BUILDINGS
- NEW BIO-BASED PRODUCTS ARE BEING DEVELOPED



Point #6: Know Myth From Science. Do The Math SAMPLE HOUSE + WINDOW UPGRADE w/ TRIPANE



- Moderate Emission Grid factor more than 25 g CO2e/kWh and less than 100 g CO2e/kWh
- Climate Zone 5

A 2 year "return" on carbon investment

Glazing	MMBTUs/yr	Operational CO ₂ e Tonnes/yr	Embodied CO ₂ e Tonnes
Double, Low E, Argon	108.1	7.82	71.2
Triple, 2 Coats Low E, Argon	103.9	7.55	71.7
Change		- 0.27 Tonnes/yr	+0.5 Tonnes

30 year carbon reduction potential: 8.1 Tonnes C02E

Point #6: Know Myth From Science. Do The Math SAMPLE HOUSE + EXTERIOR INSULATION/LOW GWP XPS



- Moderate Emission Grid factor more than 25 g CO2e/kWh and less than 100 g CO2e/kWh
- Climate Zone 5

A 6 year "return" on carbon investment

Insulated	MMBTHe /vr	Operational	Embodied
Sheathing		CO₂e Tonnes/yr	CO ₂ e Tonnes
None	108.1	7.82	71.2
R5	103.5	7.57	72.4
R10	100.5	7.41	73.6
Change		-0.41 Tonnes /yr	+2.4 Tonnes

30+ year carbon reduction potential: -12.3 Tonnes C02E

Point #6: Know Myth From Science. Do The Math AIR TIGHTNESS / AIR TIGHTNESS IMPROVEMENT



- Moderate Emission Grid factor more than 25 g CO2e/kWh and less than 100 g CO2e/kWh
- Climate Zone 5

Less than 1 year "return" on carbon investment

Tightness ACH50	MMBTUs/yr	Operational CO₂e Tonnes/yr	Embodied CO2e Tonnes
3.0	108.1	7.82	71.2
2.0	103.2	7.56	Neglible
1.5	100.9	7.44	Neglible
Change		-0.38 Tonnes/yr	Neglible

30 year carbon reduction potential: -11.4 Tonnes C02E







THANK YOU



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Leigh St. Hilaire, Executive Director, Volta Research

Operational Emissions: Current and Future



Volta Research *A Brief History*



OUR IMPACT

- Founded as a not-for-profit in 2018
 with a mission to reduce energy use and emissions in Canada
- Small team that supports and utilizes recent graduates and new entrepreneurs
- Stakeholder-driven with aim of building capacity to talk about and reduce energy use and emissions

- Research, development, analysis, and technical consulting on energy and emissions reduction processes, practices, and tools
- Focus on demographic, economic, and wider societal relationships with energy usage and emissions in Canada

Operational Emissions *An Introduction*

What are Operational Emissions?

- Emissions that result from the operation of the building (HVAC, DHW, lighting, loads, etc.)
- Now in the 2025 NBC & NEBC
- The emissions values per energy unit that we use for each energy type (electricity, gaseous fuel, liquid fuel, etc.) are standardized



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Operational Emissions An Introduction

Current Provincial Values:

 National Inventory Report: Greenhouse Gas Sources and Sinks in Canada

Future Provincial Values:

 Proposed Change 2004 - Operational GHG Emissions: Tiered Performance Requirements in the NBC and Tiered Prescriptive Requirements in the NBC



Operational Emissions *Current and Future Values*

GHG Emissions Factor by Energy Source, g CO ₂ e/kWh				
	E	lectricity	Utility Gas	
Province or Territory	2022	2030 (PCF)	2022	2030 (PCF)
British Columbia	15	1.32	190	190
Alberta	490	181.86	190	189
Saskatchewan	670	146.6	185	185
Manitoba	1.4	0	185	185
Ontario	38	57.9	186	185
Quebec	1.7	0.38	186	186
New Brunswick	350	77.88	185	185
Nova Scotia	700	161.64	185	190
Prince Edward Island	350	80.42	185	185
Newfoundland and Labrador	18	11.08	185	185
Northwest Territories	70	25	190	190
Yukon	190	6.82	190	185
Nunavut	820	465.16	190	190

Classification of provincial/ territorial electric grids:

- <u>High:</u> Emission factor more than or equal to 100 g CO₂e/kWh
- Moderate: Emission factor more than 25 g CO₂e /kWh and less than 100 g CO₂e /kWh
- Low: Emission factor less than or equal to 25 g CO₂e /kWh

Operational Emissions

The Grid Getting Clean



volta



Emissions Compared Between

- Tier 2 NBC (ON OBC)
- Tier 1 NBC
- Tier 4 NBC (NZ Ready)

Information provided courtesy of Mattamy Asset Management





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PCF 2004 - Operational Emissions Performance Level

City	NBC Tier 1	NBC Tier 2	NBC Tier 4
Calgary	F (4.0%)	F (8.7%)	D (46.2%)
Markham	E (19.4%)	E (24.7%)	C (68.3%)
Moncton	E (16.2%)	E (20.9%)	C (62.5%)
Vancouver	D (32.3%)	D (39.2%)	B (84.5%)



Operational Emissions *What's Next*

- Start to work with your consulting energy advisor on operational emissions optimization alongside compliance work
 - Tools coming (Volta SNAP) to help consultants more easily provide this to builders
- Providing energy diversity now (e.g. fuel switching) will help within the lifetime of current equipment



volta

Operational Emissions *What's Next*

There is more to emissions than just those from building operations:

- Addressing the emissions that come from the materials and equipment in the building, *embodied emissions*, can be much more impactful
- Important to reach a "sweet spot" that balances embodied and operational emissions to make the largest impact for dollars invested



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SESSION 2 - FINDING THE EMISSIONS SWEET SPOT

How interested are the majority (>50%) of your perspective home buyers in installing an electric ASHP for space heating and cooling?



SESSION 2 - FINDING THE EMISSIONS SWEET SPOT

What additional information/tools do you need to help convince clients of the advantages of electric ASHPs?



SESSION 2 - FINDING THE EMISSIONS SWEET SPOT

What is the "other" info/tool that would help you to convince clients of the advantages of electric ASHPs?

24 responses





Laureen Chung, Senior Manager, Low Carbon Homes Task Force,

NRCan

THE VALUE PROPOSITION OF ELECTRIC HEAT PUMPS IN CANADIAN HOMES

Presentation to CHBA Net Zero Home Leadership Summit June 11, 2024

Homes and Communities Division Office of Energy Efficiency, Natural Resources Canada



70

Canada



KEY STATISTICS: EXISTING HOMES (CEUD, 2021)

Current space heating stock in Canada's homes

		23Mt	3Mt	2Mt
5.7 M	0.9M	7.7 M	1.1 M	0.9 M
resistance	pumps	& propane	oil	Wood
Electric	Heat	Natural gas	Heating	
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WHAT ABOUT NEW HOMES?

5.8 million: new homes needed between now and 2030 to alleviate housing crisis.

Potential for significant additional emissions *if* those new homes are built following current trends, where ~50% use natural gas.

~16M dwellings*

37Mt from space (28Mt) and water heating (9Mt) annually 99% of homes' emissions are from space and water heating ~5% of Canada's total GHGs

*includes single detached, semi-detached, row, low-rise and high-rise.



KEY TAKE AWAY:

Decarbonization of home heating is ESSENTIAL to achieve net zero in the buildings sector, and to meet Canada's emission reductions targets

A FEW NOTES ON OUR METHODOLOGY

Capital cost assumptions, includes: retail, materials, labour, electric upgrade for all-electric HP systems (\$500 in new homes / \$3,000 in existing), AC for non-HP systems: Natural gas furnace w/ AC: ~\$10,000 Hybrid, ASHP / Gas: ~\$14,500 Hybrid, ASHP / Gas: ~\$14,500 Hybrid, ASHP / Electric: ~\$8,500 / ~\$11,000 ccASHP / Electric: ~\$17,500 / ~\$20,000 GSHP / Electric: ~\$35,500 / ~\$38,000 Electric resistance w/ AC: ~\$5,500

Energy use

- HOT2000 software
- single-detached 2,200 ft² archetype
- by selected vintage
- across 10 Canadian cities

Total ownership cost analysis:

- 20-year outlook includes capital and operating costs
- Net Present Value (NPV), using 3% discount rate.
- ASHPs and ccASHPs assumed to have 15-year working life (re-capitalize after 15 years.)
- GSHPs assumed to have a 25-year working life (capital cost discounted)
- Energy price projections:
 - <u>Natural gas</u> from Canada Energy Regulator's (CER) Energy Futures Outlook 2023 Report
 - <u>Electricity</u> from Canadian Climate Institute, factors in CER, StatsCan and other models
- 2023 base year (\$2023), rounded to nearest \$100
- **Does not** include grants/incentives for heat pumps
- Does not discount gas connection cost for all-electric systems
FINDINGS: TOTAL 20 YEAR OWNERSHIP COST, <u>NEW HOMES</u>, STARTING IN 2024



FINDINGS: TOTAL 20 YEAR OWNERSHIP COST, EXISTING HOMES, STARTING IN 2024



REASONS WHY A HEAT PUMP – NATURAL GAS FURNACE HYBRID MAY BE A GOOD CHOICE



Affordability Cost-resilience in the face of unpredictable gas and electricity cost fluctuations



Grid readiness Help mitigate peak demand on the electricity grid before it builds out capacity



Stepping stone Existing homes may have ducting size constraints for full heat pump conversion



Emissions impact Offset emissions before furnaces come to end of life



Access to cooling Access to cooling while also offsetting some natural gas use for heating

KEY MESSAGES FOR BUILDERS AND THEIR CLIENTS

A WIN-WIN-WIN FOR THE HOMEOWNER

In most places in Canada, some form of heat pump system is at **Affordability** — least on par with the cost of a natural gas furnace with AC system, over the 20-year equipment life. **Decarbonisation** — Deployment of heat pumps is our best pathway to decarbonise the biggest source of emissions in homes. Climate resilience — Every home with a heat pump has cooling, an essential service in Canada's increasingly hot summers.

For the 16M existing homes, complementary retrofit measures can further reduce costs and emissions in existing homes

- Measures like improving insulation and air sealing can reduce peak demand by as much as 25% in older homes.
- Deep energy retrofits, where a home is gutted or insulation is added on the exterior face, can reduce peak load demands by **50%** or more. 76

KEY MESSAGES FOR BUILDERS AND THEIR CLIENTS



"I am interested in installing a heat pump in my home in the future"

4%	5%	7%		33%		2	9%	13%	9%	
Strongly Disagree			Disagree	Somewhat Disagree	Neither Agree or Disagree		Somewhat Agree	Agree	Strongly Agree	

Heat pumps



For NRCan's Heat Pump Videos and Pamphlets: www.canada.ca/heatpumps

Questions?

Laureen.chung@nrcan-rncan.gc.ca Manager, Homes and Communities Division Office of Energy Efficiency, Natural Resources Canada



Jay Wilson, Director, Net Zero and Electrification, Electricity Canada

Electricity Canada Our energy future

How will the grid help us get to Net Zero?

CHBA Net Zero Leadership Summit June 2024





Grid Basics



Affordable

Reliable



Canada's 2024 National Inventory Report

Change in GHG Emissions from 2005 Level (Mt CO₂ eq)



Two Targets, Two Different Challenges



Net Zero Electricity Grid: Canada's goal of having the electricity sector achieve no emissions of greenhouse gases (GHG) by 2035, or emissions that are offset by other actions that remove carbon from the atmosphere. This includes direct emissions and does not include lifecycle or upstream emissions.



Net Zero Economy: Canada's stated goal of having the Canadian economy achieve either no emissions of greenhouse gases (GHG) by 2050, or that all emissions are completely compensated for by removing carbon from the atmosphere (negative emissions) through other actions.

According to Government estimates, Canada will need to produce up to 2-3x as much clean power as it does now to meet our Net Zero by 2050 commitments.



Electricity 101: Electricity Industry Overview

Canada's Generation Fleet Today



Canada's Generation Fleet in 2050

Total Generation (Projected): 1 292 TWh

Net Zero GHG emissions



Connecting new generation to load

More transmission within and between provinces

Modernizing Distribution

- Demand Side Management
- Distributed Energy Resources
- Smart Grids
- Electrification



The Affordability Challenge

It's clear from our research that electricity bills will go up.

We need to mitigate the impact.

What do we need?



Consistency

Questions? Contact us at:

Electricity Canada 275 Slater Street, Suite 1500 Ottawa, Ontario, K1P 5H9 613.230.9263 info@electricity.ca



