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DELIVERED VIA EMAIL (mayorandcouncil@vancouver.ca)

Mayor Gregor Robertson & Council
City of Vancouver
453 West 12th Avenue
Vancouver, BC
V5Y 1V4

Dear Mayor and Council,

Re: Zero Emissions Building Plan

I am writing to express my concern with the proposed Zero Emissions Building Plan policy report currently under your consideration. This policy is impractical and has the potential to increase costs for energy users in the city, and stifle innovation over the long term.

As an integrated energy provider, FortisBC represents the interests of approximately 108,000 direct residential and commercial customers in the City of Vancouver who choose clean-burning natural gas in their homes and businesses.

Reducing energy consumption and carbon emissions associated with buildings is a positive step; however, the City's proposed plan in its current state will remove much needed choice for consumers and likely result in higher energy costs.

Vancouverites want and use natural gas every day. On average, between 1,300 and 1,400 new gas customers in Vancouver connect to FortisBC's natural gas system each year. Between 2014 and 2015, existing consumers in Vancouver such as homeowners, building owners and commercial customers have taken advantage of \$1.8 million in efficiency rebates and upgrades which have reduced local emissions by more than 1,200 tonnes CO₂e and delivered ongoing savings on monthly energy bills.

Consumer choice has driven energy innovation for many years, including the development of offerings such as carbon neutral renewable natural gas. FortisBC has invested \$12.9 million in renewable natural gas infrastructure and has 6,950 customers in B.C. – of which approximately 900 live or do business in the City of Vancouver.

Those customers who choose a 100 per cent blend of renewable natural gas pay about 14 per cent less than BC Hydro's step 1 electricity rate and 42 per cent less than the step 2 rate.

By prescribing energy technologies for the next thirty years, the City will limit access to new and potentially more efficient solutions which may be developed and could help meet the City's climate goals in the future.

Currently, a family of four in Vancouver saves about \$1,500 a year in energy costs by choosing natural gas instead of electricity for space and water heating. Consumers would likely pay a premium if limited to other energy options as a result of being confined to the City's predetermined set of offerings.

According to the plan, by 2050 the City would force all 108,000 natural gas customers in Vancouver to transition to other energy sources. This decision appears to have been made unilaterally; without the benefit of broader consultation of energy consumers or providers. A decision of this magnitude should not be made in such a short period of time and without fully exploring the impacts to costs of living in a city that is widely accepted to be facing an affordability crisis for potential homeowners and businesses.

There has also been insufficient consultation on the plan with key stakeholders including FortisBC's customers who would be most impacted by the steps outlined in the policy report presented to City Council on July 12, 2016. Therefore, FortisBC advocates that the current plan should not be adopted. Given its potential negative impacts, much broader consultation is required with the residents and businesses that would bear this plan's costs.

The City of Vancouver should adequately consult on its plan, including how a transition of this magnitude could take place in a relatively short period of time and the potential impacts to the hundreds of thousands of Vancouverites who rely on natural gas today.

I urge you to engage the broader community on the impacts of this plan, before moving forward.

Sincerely,



Michael Mulcahy
President and CEO

cc: Councillor George Affleck
Councillor Elizabeth Ball
Councillor Adriane Carr
Councillor Melissa De Genova
Councillor Heather Deal
Councillor Kerry Jang
Councillor Raymond Louie
Councillor Geoff Meggs
Councillor Andrea Reimer
Councillor Tim Stevenson
Sadhu Johnston, City Manager
