



A Federal-Provincial-Territorial Cooperation Framework on Energy Efficiency Standards and Regulations

Regulatory Reconciliation and Cooperation Table

February 2025 UPDATE

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INTRODUCTION

The Steering Committee on Energy Efficiency (SCEE) was tasked with delivering upon the 2021-2022 Regulatory Reconciliation and Cooperation Table (RCT) workplan¹: *“Develop a framework to cooperate when developing or modifying energy efficiency standards or test procedures; and address regulatory differences to reduce significant obstacles, if any, to trade across provincial and territorial border. Cooperation on energy performance of energy using products and products that affect the use of energy is desired to prevent unnecessary differences that could create burden for industry and create internal trade obstacles, but successful efforts at harmonization should not diminish the ability for each jurisdiction to make progress on their energy efficiency objectives.”*

SCEE is a collaborative body comprised of federal, provincial, and territorial energy efficiency representatives that has among its objectives to work towards advancing and coordinating energy efficiency in each jurisdiction and to encourage collaboration on programming to achieve greenhouse gas (GHG) emission reductions in concert with energy savings. Federal, provincial, and territorial governments recognize the importance of cooperating in the development of energy efficiency standards to foster a coherent and consistent approach that bring benefits to Canadians while achieving goals for energy efficiency and climate change mitigation. This framework provides the structure and way forward to achieving greater coordination and harmonization as needed through enhanced cooperation.

This cooperation framework was collaboratively developed by a SCEE working group of energy efficiency representatives from British Columbia, Manitoba, Ontario, Nova Scotia, New Brunswick, and the Office of Energy Efficiency at Natural Resources Canada. It lays out the working group’s vision, the framework’s purpose, and the principles of working together. It identifies four issues the working group wants to help address through enhanced cooperation

¹ 2021–2022 RCT Workplan – Updated, retrieved from the RCT website: <https://rct-tccr.ca/report/>

and three related expected outcomes. Based on the former, it defines four work streams (WS) that provide the scope for the cooperation work. Under each WS, joint priorities for the short-midterm were defined, and under each, an annual action plan established activities with timelines and deliverables. The framework also includes governance guidelines. There are three annexes: the action plan, the timeline and a logic model that provides an overview.

Vision

“A future where federal, provincial, and territorial governments ***effectively engage in coordinated activities on energy efficiency standards to drive actions for reducing energy consumption and GHG emissions and supporting energy transition while avoiding significant obstacles to trade*** across provincial and territorial borders and allowing for each jurisdiction to make progress in their energy efficiency objectives.”

Purpose

To define how federal, provincial, and territorial governments will cooperate when developing and implementing regulations for energy using products and products that affect the use of energy, to ensure that common and better coordinated processes exist among Parties to help support the improvement of energy efficiency in the residential, commercial/institutional and industrial sectors and avoid regulatory divergences that act as barriers to trade, investment and labor mobility within Canada and across country borders. Enhanced cooperation will minimize the administrative burden for enterprises working in multiple provinces and increase energy savings across Canada, therefore, enabling energy efficiency standards facilitating innovation, competition, or growth in emerging industries, technologies, or sectors.

Successful efforts at harmonization should not diminish the ability for each jurisdiction to make progress on their energy efficiency objectives.

PRINCIPLES

The principles to guide how federal, provincial, and territorial governments will work together to create an effective and coordinated regulatory system for products and develop joint priorities for cooperation.

Consistency - Governments will maximize national consistency in energy efficiency and testing standards, while recognizing provincial, territorial, and regional priorities. When balancing these considerations, governments will design regulatory requirements to minimize unnecessary burdens on industry. Consistency will be informed by harmonization activities under the Canada-United States Regulatory Cooperation Council (RCC)².

Coherency - Cooperative government action will be based on common outcomes and informed by joint priorities. To the extent possible, activities will be complementary instead of duplicative, maximizing the levers and tools in each jurisdiction, while recognizing the different enabling authorities, markets and climate conditions that exist across Canada.

Beneficial - Governments will assess the economic and environmental impacts of proposed standards to understand the potential impacts on consumers and businesses and ensure that Canadians benefit from their implementation.

Transparency - Governments will be open and transparent with stakeholders in future planning and will share information regularly among governments. Governments will consult with stakeholders on the development of new policies.

² [Canada-United States Regulatory Cooperation Council \(RCC\) - Canada.ca](https://www.canada.ca/en/canada-usa-regulatory-cooperation-council/rcc.html)

KEY ISSUES AND EXPECTED OUTCOMES

Issue — Unnecessary regulatory divergences across jurisdictions on energy efficiency or testing standards of products can hinder cross-border trade and investment, and ultimately impose a cost on citizens, businesses, and economies. When federal, provincial, and territorial governments are not coordinated, it may lead to duplicative requirements for industry to serve the national market. For example, when conformity procedures differ across jurisdictions, manufacturers may have to test an identical product more than once to sell it across Canada. This can lead to unnecessary costs, reduce the product choices available in the market, and create barriers to internal trade between provinces.

EO 1: Avoided unintended regulatory divergences that could have become barriers to trade, investment and mobility and minimized administrative burden for enterprises working in multiple provinces.

Issue — Numerous provinces and territories have mandated energy or capacity savings targets, providing an opportunity for collaboration.

Many provinces and territories have their own GHG emission reduction targets, reflecting their commitments to climate change mitigation. For example, Ontario has a target of 30% GHG emission reductions in 2030 from 2005 levels³. The Province of British Columbia is committed to GHG reductions of 40% by 2030 from 2007 levels, with a reduction target for the sector of buildings and communities of 59-64%⁴.

Some provincial and territorial regulators and utilities face challenges in maintaining a reliable, uninterrupted supply of electricity. These challenges include the management of peak demand, supply security, and the costs of developing new generation. As the demand for electricity grows, without energy efficiency and conservation measures, consumers may face higher prices and reliability issues during peak demand. Provinces may also lose opportunities for energy exports.

EO 2: Supported provincial and territorial energy and capacity savings targets.

³ Ontario Emissions Scenario as of March 25, 2022, page 1: <https://ero.ontario.ca/notice/019-5316#supporting-materials>

⁴ B.C.'s climate change targets: Climate action and accountability - Province of British Columbia (gov.bc.ca)

Issue — Consumer and commercial energy-using products used in the building sector contribute significantly to Canada’s GHG emissions.

In 2020, the building sector contributed 13% of total Canadian GHG emissions, about a 5% increase from the 2005 levels. Estimated emissions by 2030 are projected to be 22% lower than 2005 levels based on policies and measures in place as of November 2022⁵. Further action is needed to meet the sector reduction target of 37% of emissions from 2005 levels by 2030, which is part of the federal government committed to reducing GHG emissions by 40% below 2005 levels by 2030 and net-zero emissions by 2050⁶.

Issue — Energy efficiency improvements save money on energy bills that households can use for other needs and can increase business competitiveness.

Canadian households spent \$4,305 on average on energy in 2021. Residential expenditures, including for heating/cooling spaces, lighting, and operating appliances, averaged \$2,225. Seventy-eight percent of residential energy consumption is used for space and water heating. Residential energy efficiency improved by 35% between 2000 and 2021, saving 480 PJ of energy and \$10.9 billion in energy costs. Since 2000, energy efficiency in the commercial and institutional sector has improved 10%, saving 96 PJ of energy and \$2.4 billion in energy costs in 2021⁷. For businesses and institutions, an improvement in energy performance translates into energy and operating cost savings and improved environmental performance, which could increase productivity and competitiveness which in turn facilitates innovation, competition, or growth in emerging industries, technologies, or sectors.

EO 3: Reduced energy use and GHG emissions and energy costs for businesses and consumers.

⁵ Data and calculations from the Canada’s 8th National Communication and 5th Biennial Report, 2022: [Canada. National Communication \(NC\). NC 8. Biennial Reports \(BR\). BR 5. | UNFCCC](#)

⁶ 2030 Emissions Reduction Plan: Clean Air, Strong Economy, 2022: <https://www.canada.ca/en/services/environment/weather/climate-exchange/climate-plan/climate-plan-overview/emissions-reduction-2030.html>

⁷ [Energy Fact Book, 2024-2025 | Canadian Centre for Energy Information](#)

WORK STREAMS

The following four work streams (WS) provide the scope for developing short-midterm joint priorities (JP). Based on the JP, the annual action plan's activities, deliverables, and timeline are identified.

WS 1: Regulatory Actions (near term)

To collaborate on product categories and technologies for which federal, provincial, and/or territorial governments are developing new and/or updated standards.

- JP 1.1 Collaborate on products and activities for near term action.
- JP1.2 Working together on developing regulatory requirements for Canadian unique standards

WS 2: Process Improvement

To identify, coordinate and improve regulatory development and implementation, streamline processes, and ameliorate cooperation practices.

- JP 2.1: Engagement on data sharing and analysis to understand the situation and the impact (ex: quantifying benefits) on individual provinces, between provinces, and between provinces and the federal government, including in the case of harmonization.
- JP 2.2 Establishing mechanisms for harmonization of standards.

WS 3: Reconciliation (as needed)

To address any existing regulatory divergencies where different energy efficiency standards across federal, provincial, and territorial governments are causing significant obstacles to trade and where coordinated activities can minimize or eliminate those obstacles.

- JP 3.1 Identifying areas for reconciliation.
- JP 3.2 Administrative.

WS 4: Market Transformation (longer term)

To share information and connect with other provincial and federal programs working on regulated and non-regulated product categories or technologies that need further market preparation to be considered for future regulation, while coordinating with and avoiding duplication of work.

- JP 4.1 Space heating, water heating technologies, given space and water heating represent the largest share of a household's energy operating expenses: grid-enabled products and inter-operability using standardized software protocols to support market transformation as electrification grid loads increase.

Action Plan

The Action Plan includes planned activities among federal, provincial, and territorial governments to be completed by the calendar year. Based on the WS and JP, activities, deliverables, and timeline were identified in the Action Plan (Annex I).

Governments will prioritize their actions in areas where:

- they can more effectively achieve the expected outcomes through joint action than through unilateral action,
- there are unique Canadian circumstances that need a national approach,
- a patchwork of energy efficiency standards exists across Canada that can be harmonized.

GOVERNANCE

The active engagement from federal, provincial, and territorial governments participating in the working group will allow progress towards the expected outcomes.

The working group may invite participation from non-governmental stakeholders. They would be engaged as needed and not as full members as recommended by the Regulatory Cooperation Guidance Documents for Working Groups, page 3 (July 12, 2023, revision).

The working group decides, and updates the elements (e.g., expected outcomes, workstreams, action plan) of the cooperation framework as needed. Urgent items can be added to the action plan at any time. They should inform RCT of any changes via the RCT liaison.

Progress on implementing the framework will be reported to the RCT via the action plans and regular reports to the RCT liaison. Details of the reporting requirement are outlined in the Regulatory Cooperation Guidance Documents for Working Groups, page 3 (July 12, 2023, revision).

The implementation of the annual action plans will be reviewed at the end of each calendar year and a new plan will be drafted for the following calendar year. At this time, the level of satisfaction with the state of the collaboration will be discussed and the framework could also be amended as needed.

ANNEX I: ACTION PLAN 2025

The action plan will be implemented by SCEE members that wish to participate. Natural Resources Canada and the governments of the provinces of British Columbia, Manitoba, Ontario, Quebec, and Nova Scotia are currently participating. The implementation would leverage whenever possible existing federal-provincial monthly meetings for regulators and SCEE meetings.

A FEDERAL-PROVINCIAL-TERRITORIAL ACTION PLAN 2025

This Action Plan only includes planned activities among federal and provincial governments to be implemented in 2025, although some might be completed in 2026. It will be updated every calendar year.

Work Stream (WS) I: Regulatory Actions (near term)		
To collaborate on product categories and technologies for which federal, provincial, and/or territorial governments are developing new and/or updated standards.		
Joint Priority (JP) I.1 Collaborate on products and activities for near term action		
AI.1.1	Sharing plans and updates on products and policies under consideration.	Deliverable 1: Members will share their plans, if any. Timeline: NRCan, January-March, annual, forward regulatory plan planning phase and other jurisdictions when plans are available.
AI.1.2	When developing, adopting or modifying energy efficiency standards or testing standards for a product, each jurisdiction shall give due consideration to adopting those already adopted or promoted by another jurisdiction.	Deliverable 2: Members to share which regulations /standards they considered as part of their regulatory development process and provide updates. Timeline: As needed
AI.1.3	Seek input from each other on each other's products and policies.	Deliverable 3: Members will continue seeking input on products and policies they are considering in ongoing regulatory work. Timeline: As needed.

A1.1.4	Consider the impact of regulatory policies on other jurisdictions.	Deliverable 4: NRCan to share with members planned compliance dates or technical changes/updates (if different from bulletins), planned regulatory text or its impacts (e.g., name change impact on incorporation by reference (IBR), changes in energy efficiency standards and test methodology). Timeline: As early in the process as possible. Deliverable 5 (New): Provinces to share with members any regulatory policies that may have impact on regulatory policies on other jurisdictions. Timeline: As early in the process as possible.
A1.1.5	Identify products for which coordinated action would yield higher impact according to the principles of working together.	Deliverable 6: Members to assess their products of interest and discuss whether coordinated action would be helpful. Timeline: As needed.
A1.1.6 (new)	Track all updates for items under JP 1.1 Priority in a common document for record.	Deliverable 7 (New): Common document with participating Parties input/updates. Timeline: Quarterly
JP 1.2 Working together on developing regulatory requirements for Canadian unique standards		
A1.2.1	Interested jurisdictions will collaborate on proposal for windows and policy analysis coordinating efforts with National Building Code requirements as needed.	Deliverable 8: BC will share updates on significant actions in the Building Codes and NRCan will share any developments in standards. Timeline: As needed.
A1.2.2	Developing a plan on how to advance efficiency standards for certain appliances/equipment to better align with building codes (i.e. equipment standards in future tiers).	Deliverable 9: The plan/findings can be captured for annual reporting. Timeline: October-December

WS 2: Process Improvement

To identify, coordinate and improve regulatory development and implementation, streamline processes, and ameliorate cooperation practices.

JP 2.1: Engagement on data sharing and analysis to understand the situation and the impact (ex: quantifying benefits) on individual provinces, between provinces, and between provinces and the federal government, including in the case of harmonization.

A 2.1.1	Sharing resources and models for calculating impacts.	Deliverable 10: Keep up to date the list of resources and models that members could share with each other. Timeline: As needed. Deliverable 11: NRCan will share the latest update of the market study template and incorporate provincial data requests. Timeline: At members' request
A2.1.2	Sharing updates, practices, and documents on GBAPlus and Indigenous engagement to learn from each other.	Deliverable 12: Members to share what they are currently doing, including analysis tools, data collection, and challenges. Discuss collaboration opportunities. Timeline: As needed.
A2.1.3	Ensure shared materials/documentation is accessible to all members.	Deliverable 13: Members to explore SharePoint like tool where all documentation is stored and accessible or sharing by e-mails on a regular basis (when available). Timeline: As soon as possible

JP 2.2 Establishing mechanisms for harmonization of standards.

A 2.2.1

Develop mutual understanding of jurisdictions' authorities including their processes for regulatory amendments.

Deliverable 14: Members to develop jurisdictions' authority comparison analysis by providing information on their own tools available or used for their efficiency standards regulation and initiate discussion for potential guideline/process chart for harmonization of standards moving forward.

Timeline: July - September

WS 3: Reconciliation (as needed)

To address any existing regulatory differences where differing energy efficiency standards across federal, provincial, and territorial governments are causing significant obstacles to trade and where coordinated activities can minimize or eliminate those obstacles.

JP 3.1: Identifying areas for reconciliation.**A 3.1.1**

Determine where there are differences.

Deliverable 15: NRCan to share the analysis for the Report to Parliament that compares energy efficiency requirements for federally regulated products with those of other jurisdictions.

Timeline: April-June

Deliverable 16 (New): This analysis is to be expanded to include provinces/territories-only products with members' support.

Timeline: April - June

Deliverable 17: Members define meaning and scope of "significant obstacles" and determine where there are reconciliation opportunities (i.e., testing standards). Note: "significant" should involve extent of burden in cost. (1 pager).

Timeline: April - June

JP 3.2: Administrative.

A3.2.1

Develop guidelines for deviation from harmonization.

Deliverable 18: Members to draft guidelines for deviation from harmonization.**Timeline:** April - June**WS 4: Market Transformation (longer term)**

To share information and connect with other provincial and federal programs working on regulated and non-regulated product categories or technologies that need further market preparation to be considered for future regulation, while coordinating with and avoiding duplication of work.

JP 4.1: Space heating, water heating technologies.

A 4.1.1

Defining cooperation process and practices for supporting key energy efficiency related policies/initiatives to advance energy efficiency standards, such as the Canada Green Buildings Strategy (CGBS)

Deliverable 19: Determine the role of this group and potential contribution.**Timeline:** October - December

ANNEX 2: TIMELINE

Does not include the 11 deliverables that do not require a timeline.

April-June	July-September	October-December
Deliverable 1: NRCan to share FRP. Deliverable 7 (New): Sharing a common document with participating Parties input/updates (quarterly). Deliverable 15: NRCan to share the analysis for the Report to Parliament. Deliverable 16: This analysis (Deliverable 15) is to be expanded to include provinces/territories-only products with members' support. Deliverable 17: Members define meaning and scope of "significant obstacles" and determine where there are reconciliation opportunities. Deliverable 18: Members to draft guidelines for deviation from harmonization.	Deliverable 7: Common document shared. Deliverable 14: Members to develop jurisdictions' authority comparison analysis by providing information on their own tools available or used for their efficiency standards regulation and initiate discussion for potential guideline/process chart for harmonization of standards moving forward.	Deliverable 7: Common document shared. Deliverable 9: Develop a plan on how to advance efficiency standards for certain appliances/equipment to better align with building codes. Deliverable 19: Determine the role of this group and potential contribution for supporting key energy efficiency related policies/initiatives to advance energy efficiency standards, such as the Canada Green Buildings Strategy (CGBS).

EXPECTED OUTCOMES

1

Avoided unintended regulatory divergences that could have become barriers to trade, investment and mobility and minimized administrative burden for enterprises working in multiple provinces.

2

Supported provincial and territorial energy and capacity savings targets.

3

Reduced energy use and GHG emissions and energy costs for businesses and consumers.

VISION

“A future where federal, provincial, and territorial governments engage in coordinated activities on energy efficiency standards to drive actions for reducing energy consumption and GHG emissions and supporting energy transition while avoiding significant obstacles to trade across provincial and territorial borders.”

