

Alberta Provincial Carbon Levy Impact Analysis on Housing What we Heard (March 1, 2017)

The Alberta Provincial Carbon Levy Impact Analysis on Housing Discussion Document was widely shared with ASCHA members, stakeholders and government. The intent was to create an opportunity for open and transparent dialogue to learn about initiatives undertaken by the owners and operators of housing to reduce their carbon footprint and greenhouse gas emissions. This discussion document is also being used to understand the realities of actual decisions being made by organizations to offset their increased costs related to the carbon levy.

Feedback was received from ASCHA members, non-members and stakeholders. Although the feedback was less than we expected, it was enough to formulate a current picture of the decisions being made, the risks and opportunities and the unexpected roadblocks the owners and operators are encountering.

The respondents found it very difficult to articulate the known and unknown costs of the carbon levy, and were uncertain of the implications to their budgets. The following is a summary of the collective feedback received, categorized for easier visualization of the current situation.

Operational Opportunities

This is a summary of the energy efficiency/carbon footprint/greenhouse gas emission opportunities currently being explored.

- Replace light bulbs/fixtures with Light Emitting Diode (LED) lighting
- Continue to implement The ASCHA 8760 Energy Program/Reduction Plan
- Utilize combined heat and power systems
- Research traditional & non-traditional renewable energy (e.g. Tree-shaped wind turbines)
- Reduce temperatures at night in common areas, hallways, etc.
- Install temperature-initiated vehicle smart plugs (power on at -15° Celsius)
- Design new building expansions with energy efficiencies to supplement older buildings

Operational Impacts

The following is a summary of the realities of actual decisions being made by the housing industry to offset the increased costs related to the carbon levy.

- Increases to Housing Management Bodies (HMB) budget from Government of Alberta (GoA)
- Increases to HMB municipal requisitions
- Increased natural gas, electricity and water (+\$10.00/resident-tenant/month)
- Utility bill delivery surcharges & administrative costs estimated at 30% (excluded from budgets)
- Food costs increased by 5%
- Reduced food variety/options
- Increased office expenses from suppliers
- Employee layoffs
- Reduce administrative employee hours (from 40 hours/week to 32 hours/week)
Note: A reduction in the number of employees and/or administration hours negatively impacts services to residents
- Increased communication/information connectivity from suppliers
- Defer capital maintenance
- Reduce the number of available units

- LED lights void certification of ballasts by the Canadian Standards Association (CSA) and/or Underwriters Laboratories (UL). The process of recertification by CSA or UL is highly regulated, expensive and onerous.
- Direct costs for gasoline are inestimable
- Unintended costs of the carbon levy implementation are also unknown

Resident/Tenant Service Impacts

The following is a summary of the service impacts to residents and/or tenants are concerning to the housing industry that has little or no resources to cover the additional expenses.

- Rent is to increase on July 1, 2017 by \$5 - \$30/resident-tenant/month
- Electricity charge back increase of \$5.00/resident-tenant/month
- Parking fee increase of \$2.00/resident-tenant/month
- Service package increase of \$100.00/resident/month
- Services will be reduced until July 1, 2017 when rent increases can be implemented (6 months)
- Services to residents will be impacted by the reduction of employees and/or administrative hours

Government of Alberta Opportunities

The following is a summary of opportunities participants suggested could be an avenue for the Government of Alberta to support their efforts to reduce their carbon footprint and greenhouse gas emissions.

- Energy reduction programs/grants/rebates to the housing operators who pay the utility bills (The Housing Act and/or provincially owned buildings are excluded from the Non-Profit Energy Efficiency Transition (NEET) Program)
- Infrastructure maintenance/provision of funding for maintenance
- It has been proposed that Alberta Health Services (AHS) provide addition funding to cover the carbon levy for AHS contracted units
- Provincial government should cover operational deficits
- The provincial governments of Ontario and British Columbia have increased the funding to cover the carbon levy on social/public housing

The feedback received from ASCHA members, non-members and stakeholders has provided clarity to the opportunities and impacts the owners and operators are facing due to the introduction of the carbon levy. The feedback received has also provided opportunities for the Government of Alberta to show their support to the housing industry's efforts in providing for vulnerable Albertans. The housing industry is committed to doing more to reduce the carbon footprint however; a workable solution is required to support them in this endeavor. The struggle is that housing owners and operators are levied, while the rebate goes to the resident. Housing providers are concerned about their ability to continue providing quality housing and supports for vulnerable Albertans. ASCHA will continue to work with its members, non-members and stakeholders to explore other "no-cost" options to reduce their carbon footprint and greenhouse gas emissions. We will continue to invite dialogue and insights through the Alberta Provincial Carbon Levy Impact Analysis on Housing discussion document, and will continue to update the document with the feedback received.

Recommended next steps

1. A session on Key Priorities & Initiatives in Climate Change Energy Efficiency, presented by Michael Fulsom, Director, Public & Stakeholder Engagement, Alberta Climate Change Office will be delivered at the 2017 ASCHA Convention and Tradeshow
2. ASCHA Resolution No. 1: Carbon Levy will be deliberated by the membership at the 2017 Annual General Meeting
3. ASCHA will communicate the results of the feedback to members and ask for positive stories they can share about reducing the environmental impact and carbon footprint, as well as any additional situations that are impacting operations. ASCHA will continue capturing the feedback being received from members and stakeholders