



**STEP
UP!** 

**Net Zero Footprint
Climate Action**



The meandering path to greener commercial buildings

Energy conservation has been explored, piloted, and pursued for 30+ years. It has proven cost effective and sound as an operational and business strategy, including commercial building retrofits and new builds, to maximize asset values.

Climate change, driven largely by fossil fuel greenhouse gas (GHG) emissions, as been studied, debated, undermined, lobbied against by powerful interests over the past 30+ years, and yet persists and now demonstrates the potential - and incontrovertible evidence - of negatively impacting our environment and society without urgent action. In 2018, the Intergovernmental Panel on Climate Change said we have less than a decade to cut emissions by 50% if we are to remain with the target of 1.5° C of global warming.

Despite the confluence of these two developments and their mutually reinforcing nature, energy conservation and fuel-switching remain fringe strategies in commercial building retrofits and new builds. With perhaps the exception of LED lighting, window glazing and building automation few building owners invest in retrofits or choose to space heat with other than natural gas (NG) simply because the paybacks are too long. Yet as recently reported by the new Institute for Sustainable Finance at Queen's University the building sector, representing 11% of emissions, is "Canada's lowest-hanging fruit when it comes to low-cost GHG reductions...the only sector where, in certain scenarios, reducing carbon emissions is less expensive than maintaining them".



The climate tragedy of the commons

This is a classic case of the ‘tragedy of the commons’, where a relatively small minority (commercial real-estate owners, and to some extent the lessees) are contributing to higher GHG emissions (by not taking prudent actions due to both conditions in the marketplace and how taking action may impact their direct financial benefit (lower the reward – but still be positive)), to the detriment of many, who are suffering the negative impacts of climate change.

To-date, the interests of the individual, supported through our legal structures and economic markets, have had the dominant position when it comes to decision making – both in our corporate world and in politics. If we want to address the challenge of climate change, we need to address the inherent imbalance of power in systems that impact and control the world around us, in our day-to-day activities, in our organizations, and in our political, legal and economic systems, and ensure the interests of the collective are fully and fairly represented, and not subjugated to the interests of the individual.

RSI is on a mission to respond to these challenges and support the widespread adoption of new opportunities by progressive and forward-thinking leaders in the commercial building sector. This project is tackling the systemic business culture, organizational, market-based and political / legislative barriers that have consistently led to either failure or half hearted attempts to implement energy conservation measures (ECMs) in the commercial building sector over the past 30+ years and that now need dramatic acceleration.



NOW is the time to realize a near-zero footprint for buildings

There are many examples of positive ROI projects in the commercial sector that are only taken up in the most limited and marginal ways. How is it that projects that have a sound business case and positive environmental and climate change impact can repeatedly be turned aside, or worse, not even considered in the first place?

And there are many more initiatives that have significant energy conservation and greenhouse gas reduction benefits but are not being implemented, due largely to fiscal impediments that result from three marketplace factors:

- Very low NG fuel prices predominantly used for space heating
- An imbalance in investment risk / reward sharing or split incentives between commercial real-estate owners and the building lessees
- And the virtual lack of any penalty or sanction for GHG emissions (no meaningful price on carbon).

At present, the business cases cited as compelling and sound tend to be in the municipal, universities, schools and hospital (MUSH) sector. This must be expanded to the entire commercial building sector where, according the Queens report, up to half the \$100 Billion needed in the building sector could come from private sources. This project will explore how further development of public-private partnerships using existing financial engineering tools can provide the 'behavioural nudge has the potential to unlock large environmental and economic benefits'.



STEP UP to Near-Zero Footprint Commercial Buildings

The Deliverable

The Climate Change Triad is proposing the preparation of a Whitepaper that will: (i) discuss the types of energy efficiency technologies/building retrofits that are available, their costs, and the resulting GHG reductions; (ii) analyze the barriers to adoption of such climate change mitigation technologies; and (iii) recommend strategies to remove current barriers to adoption of such technologies in the commercial building sector. Following the completion of the Whitepaper, RSI would work with leaders in the private sector to implement the recommended technologies at targeted sites, and to publicize the Whitepaper and the implementation of the recommended technologies with the hope of encouraging widespread adoption in commercial buildings.

How this will be Achieved

This six months to one-year project will be developed and delivered by a multi-disciplined team of industry-recognized thought and practice leaders within the building, energy, and sustainability space in Canada.

As a starting point, RSI's Climate Change Triad is looking for corporate leaders to fund, or contribute to the funding, of the Whitepaper. RSI would also welcome discussing partnership and other arrangements with corporate leaders to determine the best, mutually beneficial manner to work towards removing existing barriers to the adoption of energy efficiency measures in commercial buildings and thereby make a meaningful impact towards climate change mitigation in Canada.

Why work with us

RSI is a not-for-profit group of diverse, committed, well-experienced professionals covering a wide range of areas of expertise. We engage and partner with thought-leaders, innovators, and organizations to advance the sustainability and resiliency of businesses, institutions, and communities to thrive into the future. Our



exchange, through formal and informal discussions, action-learning accelerators, publications, online and in print, provides access to progressive leaders and actionable insights for Canadians and our global partners. If we can not directly provide the resources necessary to a task, then we know who can. We have a track record of delivering research and reimagined solutions while preserving profitable growth of businesses.

Who would benefit the most from partnering with RSI on bringing this project to life?

Companies with ties to strong economic social responsibility and commercial links in downtown including:

- Banks
- Building owners
- Commercial Real estate investors and portfolio managers
- Pension Plans

Project Scope

- Six months to one year
- \$150,000 to \$250,000



Sponsor levels

BENEFITS	Strategic Partner \$50,000	Collaborator \$25,000	Ally \$5,000	Supporter <\$1,000
Be a strategic partner with the Step Up Net Zero Buildings Climate Action team in all communication and marketing channels and deliverables, and at the table as a contributing voice	✓			
Contribute to the project design, development and execution	✓	✓		
Presence in all digital marketing, PR and communication, events, thought leadership publications, etc.	✓	✓	✓	
Your company or organization's logo featured in all StepUp Net Zero Buildings Climate Action team communications	✓	✓	✓	✓

Development and Delivery Team

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Plus, a few external experts



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