



Vancouver Mayor and Council

Sent to: mayorandcouncil@vancouver.ca

November 15, 2024

RE: REVERSING THE BAN ON NATURAL GAS IN VANCOUVER NEW BUILDS

Dear Mayor Sim and Councillors,

On behalf of the Independent Contractors and Businesses Association (ICBA), I am writing to express our strong opposition to the City of Vancouver banning natural gas in new buildings. At a time when the rising cost of living and of operating a business are the most significant concern for families and entrepreneurs alike, banning natural gas will drive up heating costs, limit consumer choice, and add an unnecessary burden to an already challenging economic environment.

As British Columbia's leading voice for more than 4,500 construction and trades businesses and the largest construction association in Canada, ICBA believes that affordable and dependable sources of energy are essential for a strong economy. For many families and businesses, natural gas offers a more cost-effective and reliable option, especially during periods of high electricity demand. Banning it now will only serve to undermine Vancouver's affordability and further strain the budgets of residents and small businesses already struggling with rising costs.

Natural gas is a resource British Columbia has in abundance, with a supply equal to 200 years of current usage. For generations, our province has promoted natural gas both home and abroad as an affordable, clean alternative to other energy sources. That has not changed, and natural gas is a major source of badly needed high paying family supporting jobs and investment in B.C. No country, no province and no city in the world, similarly blessed with an abundance of cheap cleaner burning fuel, would decide to simply leave it in the ground. Using B.C. natural gas is a win all-round: for jobs, for the environment, and for families trying to find some relief from the rising cost of living in B.C.

B.C. is currently facing its second consecutive year of drought, which has forced BC Hydro to spend over \$500 million on electricity imports in 2023. With river and snowpack levels at their lowest since 1970, we can expect these costs to continue climbing. BC Hydro's reliance on imported electricity during drought years highlights the need for a diverse and flexible energy mix. Further, during a cold snap earlier this year, BC Hydro found itself again relying on imported electricity to meet our power needs.

On January 10, 2024, the North American Electric Reliability Corporation stated that by 2026, B.C. is at risk of not being able to consistently generate enough power. Eliminating natural gas is short-sighted, ill-conceived and frankly irresponsible. Pursuing this course will lead to greater electricity demand, further stressing our infrastructure and making us more dependent on costly imports. We simply don't have enough electricity available, or the ability to generate it in the short to medium term, to absorb thousands of new homes and customers.

Premier David Eby has indicated that he would support the elimination of the consumer carbon tax if federal legislation requiring it is rescinded, as is expected by 2025. This would reduce the cost of natural gas by roughly 25%, making it an even more affordable option for British Columbians. In contrast, electricity rates in B.C. are set to rise significantly with the completion of the Site C dam and additional power procurement, both of which will add billions to BC Hydro's costs and, ultimately, to consumers' electricity bills.

We urge you to reject this approach and give residents and businesses in Vancouver access to greater sources of energy at cheaper prices. Transitioning to sustainable energy should be done thoughtfully and inclusively, without imposing unneeded financial hardship. Vancouver's residents and businesses deserve the flexibility to make informed choices that best suit their needs and budgets, without being forced into an expensive one-size-fits-all approach.

Thank you for considering our concerns and for working with us to promote affordable and responsible energy policies that support Vancouver's residents, businesses, and a strong economy.

Sincerely,



Chris Gardner
President and CEO
Independent Contractors and Businesses Association

CC:

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