

TO: MAYOR & COUNCIL
FROM: GENERAL MANAGER PLANNING AND DEVELOPMENT AND
GENERAL MANAGER LANDS AND FACILITIES
SUBJECT: **BURNABY DISTRICT ENERGY (DE) POLICY**
PURPOSE: To seek Council adoption for the Burnaby District Energy Policy.

RECOMMENDATION

THAT the “Burnaby District Energy (DE) Policy”, as outlined in *Attachment 1* of the report titled “Burnaby DE Policy” dated September 11, 2023, effective January 1, 2024, be approved;

THAT staff continue to advance work on the implementation of the Burnaby District Energy Policy, as outlined in the report titled “Burnaby DE Policy” dated September 11, 2023;

THAT a copy of the report titled “Burnaby DE Policy” dated September 11, 2023, be shared with the other partner agencies participating in the regional district energy project - Metro Vancouver, the City of Vancouver, and River District Energy; and

THAT a copy of the report titled “Burnaby DE Policy” dated September 11, 2023, be shared with interested parties: BC Association of Community Organizations for Reform Now (ACORN), BC Co-op Association (BCCA), Burnaby Board of Trade (BBOT), Burnaby Schools – School District 41, Condominium Home Owner Association (CHOA), Landlords BC, and the Urban Development Institute (UDI).

CHIEF ADMINISTRATIVE OFFICER’S COMMENTS

I concur with the recommendations of the General Manager Planning and Development and the General Manager Lands and Facilities.

EXECUTIVE SUMMARY

This report summarizes the communications and engagement undertaken for the Draft Burnaby DE Policy, seeks adoption of the policy and outlines the recommended next steps for implementing the policy. The City is developing the Burnaby District Energy Utility (DEU) to take climate action to complement the City’s Green Building Policy to reduce citywide emissions from buildings and help Burnaby reach its greenhouse gas (GHG) emission reduction targets. Approval of the DE Policy will provide the City with

the policy framework to secure building requirements for future DE system readiness and system connections for both existing and new buildings in south Burnaby.

1.0 POLICY SECTION

The proposed Burnaby DEU aligns with the following City plans and policies:

- Climate Action Framework (2020),
- Corporate Strategic Plan (2022),
- Green Building Policy (2018),
- Environmental Sustainability Strategy (2016),
- Community Energy and Emissions Plan (2016),
- Metrotown District Energy Prefeasibility Study (2013), and
- Economic Development Strategy (2007).

As outlined in Section 3 of the Burnaby DE Policy (see *Attachment 1*), the requirements contained within the policy are based on authority provided by the Province of British Columbia to the local governments, like the City of Burnaby, by acts of provincial legislation including the Community Charter, Land Title Act, and BC Building Code.

2.0 BACKGROUND

The City of Burnaby is committed to climate action and is currently developing a district energy utility (DEU) to serve space heating¹ and domestic hot water needs of buildings in south Burnaby. Burnaby's DEU is a City-led project that will help meet Burnaby's greenhouse gas (GHG) emissions reduction targets and will integrate with the City's Green Building Policy for reducing building emissions.

On July 29, 2019 Council endorsed a series of six guiding principles for the district energy system (DES), and authorized staff to work with Metro Vancouver on the business case and ownership model using heat from Metro Vancouver's Waste to Energy Facility (WTEF) for the DES based on the guiding principles.

City staff have continued to advance work on a proposed Burnaby DEU that would connect to Metro Vancouver's WTEF DES project. As part of this work, the DE Policy was brought forward to support the proposed future implementation of a Burnaby DEU and to ensure that future buildings being reviewed through the rezoning process will be designed and built to be compatible with a Burnaby DEU and will be able to connect to a Burnaby DEU in future.

On March 27, 2023, Council adopted the Draft Burnaby DE Policy and authorized staff to continue advancing this policy including undertaking communications and engagement for the Draft Burnaby DE Policy.

The public engagement period for the Draft DE Policy took place between March 27, 2023 and July 31, 2023.

¹ The City is investigating cooling, but cooling is not currently part of the DEU service concept.

The purpose of this report is to report back on what we heard, to seek Council approval of the Burnaby District Energy (DE) Policy and approval to continue staff work on policy implementation.

3.0 GENERAL INFORMATION

3.1 Burnaby DE Policy

The DE Policy outlines building requirements for future DE system readiness and connections in south Burnaby. Although it is anticipated that most of the heat from the Burnaby DEU will be supplied to new buildings, the DE Policy outlines both future opportunities for existing buildings to connect to the Burnaby DEU, and future requirements for new buildings to connect to the Burnaby DEU.

Key aspects of the DE Policy include:

- a policy framework that will serve as a key implementation tool and establish qualifying buildings based on service areas, land use zone, and building size;
- DEU compatibility requirements, which will be sought through the rezoning process, with building design based on DEU service availability; and
- process and procedures for connecting existing buildings and new buildings.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

The purpose of the “What We Heard Report” contained within *Attachment 2* is to provide a summary of public input collected following the release of the Draft DE Policy for public engagement from March to July 2023. It provides information on the purpose, key highlights (some are repeated below), background, approach, methods, input, and a copy of the website content.

4.1 Key Highlights

Some of the key highlights from the “What We Heard Report” are:

- The communications and engagement approach used for the Draft DE Policy provided community-facing information in combination with follow-up meetings with interested parties.
- The public engagement for the Draft DE Policy was a little over 4 months long running from March 27, 2023 to July 31, 2023.
- There was exposure to well over 16,700 potential points of contact with the public.
- There were also more than 60 points of direct contact and over 3,000 points of potential indirect contact with interested parties.
- Over 50 people sought information on the project.
- Public comment was minimal with only three members of the public reaching out to the project team with questions and concerns.

- Input from interested parties was stronger, but modest. The exception was the Urban Development Institute (UDI) who expressed considerable interest and participated in three meetings on the District Energy Utility (DEU).
- During the course of the dialogue with UDI many questions were answered directly. However some critical issues identified by UDI remain that are still being considered and addressed. The City has committed to continue to work with UDI on these remaining outstanding issues, which generally relate to communications, lead time for policy implementation, and clarity on policy and program elements.
- Some 80 questions and comments were received, primarily relating to the overall District Energy Utility project, rather than the Draft DE Policy itself.

5.0 NEXT STEPS

5.1 Effective Date

Based on feedback received during the engagement period, the recommended effective date for the Burnaby DE Policy is January 1, 2024.

Any rezoning applications that have not yet reached second reading at the effective date would be subject to the DE Policy.²

5.2 Implementation

The next steps for the ongoing implementation and refinement of the DE Policy are proposed to include:

System Creation

- Staff continuing to work with Metro Vancouver to increase the effectiveness of the use of the heat from the WTEF by three times by using it as the primary heat source for the Burnaby DEU.
- Staff continuing to work with interested parties, including UDI, to resolve outstanding issues during the creation of the DEU and its related implementation tools.

Business Plan

- Staff continuing to work with Metro Vancouver to achieve cost competitive rates that facilitate the use of the heat from the WTEF as the primary heat source for the Burnaby DEU.
- Staff reporting back on the feasibility of using the DES to provide cooling and the assessment of its potential addition to the DEU service concept.

² As of July 2023, there were about 47 major projects in the rezoning process south of the Trans Canada Highway that have yet to reach second reading – 13 in Metrotown (service area A1 – core/mandatory connection), nine in Edmonds (service area A2 – core/mandatory connection), nine in Royal Oak (service area B2 – expansion/DE Ready) and 16 in other locations (service area C – optional or opt in).

- Staff reviewing the options and strategy for temporary pre-DEU connection heat source(s).
- Staff developing a rate structure and connection fees for the DEU.

Approach to the Energy Step Code and Zero Carbon Step Code

- Staff developing a consistent and coordinated approach and practices to assigning greenhouse gas intensity (GHGI) for all Metro Vancouver's regional DES, the River District Energy system, and the Burnaby DEU based on the actual emissions factors for the existing WTEF, the DES and Burnaby DEU as outlined in Section 3.3 of the DE Policy (see *Attachment 1*).
- Staff working to develop and adopt an emissions factor for the system that takes the long-term view of system performance, as opposed to adopting a higher emissions factor for the system in the early days of operation to reflect the increased interim natural gas use as the system is built out.
- Staff updating the Green Building Policy to ensure compliance with Zero Carbon Step Code for the whole city (both DE service areas and non-DE service areas).

Integration of DE System and Step Code Approach

- In addition to participating in the regional local government peer network cohort interested in advancing Zero Carbon Step Code more broadly, creating a sub-group with other local governments with DE systems to see how they are approaching Zero Carbon Step Code in the context of their DE Service Areas (e.g., Surrey, Richmond, City of North Vancouver).

Development Approvals

- Staff continuing to work with the City of Vancouver to harmonize their respective District Energy policies and activities along both sides of Boundary Road.
- Staff developing a district energy application form.
- Staff working with developers on individual rezoning bylaw requirements and associated covenants.

The successful implementation of the Burnaby DEU project will also require coordinated work on a series of policies, bylaws, and other implementation tools. *Attachment 3* summarizes the proposed sequence of the policy, bylaw, program and guideline work to come and how this anticipated work will be advanced for Council's consideration as either a Committee or a Council report.

6.0 FINANCIAL CONSIDERATIONS

The application and use of the Burnaby DE Policy will be part of the City's development approvals process and as such there are no anticipated implications to the City's operating budget.

Respectively submitted,

E.W. Kozak, General Manager Planning and Development and James Lota, General Manager Lands and Facilities

ATTACHMENTS

Attachment 1 - Burnaby DE Policy

Attachment 2 - Burnaby District Energy – What We Heard Report – March to July 2023

Attachment 3 - Burnaby DEU Related Implementation Tools

REPORT CONTRIBUTORS

This report was reviewed by Richard Mester, Manager Business Process and Reporting, and May Leung, City Solicitor, and Mark Sloat, Environmental Planner, and Erica Lay, Manager Climate Action and Energy, and Karin Hung, Director Strategic Initiatives, and Lee-Ann Garnett, Deputy General Manager Planning and Development.