



INTERNATIONAL ASSOCIATION OF
HEAT AND FROST INSULATORS
AND ALLIED WORKERS

WRITTEN SUBMISSION FOR THE PRE-BUDGET CONSULTATIONS IN ADVANCE
OF THE 2021 BUDGET

By: International Association of Heat and Frost Insulators and Allied Workers

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Recommendation 1: That the Government of Canada immediately support an expansion of existing provincial energy efficiency programs through funding mechanisms such as the low-carbon fund, with a specific emphasis on deep energy retrofits, incentives for the industrial sector, and zero-carbon heating and cooling systems.

Recommendation 2: That the Government of Canada incentivize deep energy retrofits for commercial, industrial and large residential buildings by providing grants or tax incentives that facilitate free energy audits.

Recommendation 3: That the Government of Canada build on the success of the Union Training and Innovation Program (UTIP) by expanding UTIP to have a specific stream targeting union-led energy efficiency training.

Recommendation 4: That the Government of Canada implement a Skilled Trades Workforce Mobility (STWM) program, to ensure it is economically feasible for construction workers to travel to areas where work is occurring and labour demand outstrips supply.

Executive Summary

As the Government of Canada moves into the COVID-19 pandemic recovery phase, investments in infrastructure should prioritize energy efficiency to stimulate this growing sector and advance Canada's emission reduction targets. Buildings are estimated to account for approximately 17% of Canada's total greenhouse gas emissions (GHGs).¹ The Government of Canada has invested in improving the energy efficiency of buildings to reduce their environmental footprint. These investments have been complemented by a commitment to support training and equipment for the skilled trades, particularly those that are working to innovate within the burgeoning green economy.

Supporting heat and frost insulators goes hand in hand with existing commitments to reduce emissions while putting Canadians to work in the skilled trades of the green economy. By investing in training in building trades like mechanical insulation, the federal government can improve the productivity and competitiveness of the Canadian economy, and contribute to environmental objectives, including reducing GHGs.

By expanding investments in union-led training, with a focus on energy efficiency trades, the Government of Canada can help build a skilled workforce ready to compete in tomorrow's economy. This will help grow the middle class and train the future workforce while improving the productivity and competitiveness of Canadian industry.

As Canada pivots to the social and economic recovery from the COVID-19 pandemic, now is the time to maximize investment in energy efficiency, training and improved labour mobility to facilitate an effective and sustained recovery. This will improve the productivity, competitiveness and resilience of the Canadian economy and labour force.

Recommendation 1: That the Government of Canada immediately support an expansion of existing provincial energy efficiency programs through funding mechanisms such as the low-carbon fund, with a specific emphasis on deep energy retrofits, incentives for the industrial sector, and zero-carbon heating and cooling systems.

The Government of Canada has an opportunity to invest in the expansion of provincial energy efficiency programs and to help rapidly expand the growing energy efficiency sector, while making Canadian industry more competitive.

Upgrading Canadian buildings, commercial and industrial facilities to be more energy efficient will create new jobs, while increasing economy-wide productivity and setting a long-term direction for economic growth. The multiple benefits of energy efficiency can help Canada manage the economic shocks resulting from COVID-19 while improving the operational efficiency of our buildings and commercial and industrial facilities. Energy waste is found in every region in

¹ *Reducing Greenhouse Gas Emissions from Canada's Built Environment* - The Senate Committee on Energy, the Environment and Natural Resources 2018 Report.

Canada, making efficiency an economic stimulus to sustain job creation throughout the country and unite Canadians. Energy efficiency can help Canada build back better.

Canada's heavy industry – including the extraction (mining, oil and gas), chemical and forestry sectors – present the greatest opportunity to realize energy and emissions reductions, while helping some of Canada's largest employers become more competitive. The job creation and productivity gains from deep energy efficiency retrofits would be of particular importance to Alberta, which was already facing devastating economic hardship before the COVID-19 pandemic hit. Bitumen upgraders, refineries and chemical plants are some of the heaviest emitters that can reduce their carbon footprints if incentivized to conduct energy audits and retrofits, including mechanical insulation.

Targeting both the public and industrial sectors will help the Government of Canada save costs, improve the competitiveness of industry and meet our international climate change targets.

Recommendation 2: That the Government of Canada incentivize deep energy retrofits for commercial, industrial and large residential buildings by providing grants or tax incentives that facilitate free energy audits.

The federal government should also fund retrofit projects for industrial, commercial and residential buildings that integrate leading-edge deep energy efficiency measures. The introduction of grants, rebates and/or tax credits for companies and organizations that pursue the installation of mechanical insulation and other tactics involved in deep retrofit in new or existing commercial or industrial facilities would provide substantial energy cost savings and reduce GHG emissions. This will help further the government's climate change goals, while injecting economic stimulus and job creation to sustain Canada's pandemic recovery.

Existing ministerial mandate letters include priorities such as free energy audits (for residential buildings), competitions to encourage commercial building retrofits, grants, and financing. The recommendations in this submission build on these priorities to maximize the impact of deep energy retrofit incentives and support a sustained economic recovery following the COVID-19 lock-down.

Mechanical insulators have been advocating for the promotion of energy efficiency audits in public and private sector buildings, with the goal of finding energy and cost saving opportunities for government and industry. Specifically, the government should seek to incentivize the commercial and industrial sectors to work with independent Certified Insulation Energy Appraisers to conduct free energy audits. An Insulation energy appraisal evaluates the thermal performance of insulated versus uninsulated processes in a facility. This process not only puts actual dollar costs to heat losses, but also calculates the greenhouse gas emissions.

Recommendation 3: That the Government of Canada build on the success of the Union Training and Innovation Program (UTIP) by expanding UTIP to have a specific stream targeting union-led energy efficiency training.

Training initiatives can start right now, with many organizations and building trades having successfully converted to online platforms. Expanding on the success of the Government of Canada's UTIP by increasing funding for training and education in key energy efficiency skills will build capacity of the Canadian workforce in the growing energy efficiency sector, while helping to reskill tradespeople laid off from other sectors. Targeted and effective public policy and training programs can encourage those that have lost their jobs to build new careers in energy efficiency, through training in areas such as energy auditing and expanding trades like mechanical insulation.

We support building on existing UTIP strategies to expand opportunities for women, youth, indigenous and other underrepresented groups. With effective and targeted government training policies, the energy efficiency sector can provide a lifeline for those who may have lost their jobs in low-wage service sectors.

We support the Canada Green Building Council's call to allocate \$500 million (\$1000 per employee) to access existing training programs, and the proposal from Efficiency Canada to make a further investment of \$1 billion to attract and train new people to create energy efficient and green building careers. Canada's mechanical insulators recommend that these investments in training build on the success of the government's existing program, with a new focus on the skilled trades in the energy efficiency sector.

Recommendation 4: That the Government of Canada implement a Skilled Trades Workforce Mobility (STWM) program, to ensure it is economically feasible for construction workers to travel to areas where work is occurring and labour demand outstrips supply.

Salespeople and other professionals in the construction and maintenance industries can receive a tax deduction for the cost of their travel, meals, and accommodations, while the same option is denied to skilled workers. This is an inequitable tax policy.

A Skilled Trades Workforce Mobility program (STWM) would increase the standard of living for many Canadians, addressing skill shortages and putting Canadians to work. It would increase job opportunities for skilled trades workers by supporting their ability to temporarily relocate to regions where jobs exist without creating financial hardships. This would also increase contractor and employer confidence through greater certainty in workforce supply without having to seek out temporary international labour.

A STWM program would allow apprentices to receive critical on-the-job training to complete their apprenticeship and become certified. It would also provide the government financial support by increasing longer-term revenue through income tax and reducing dependency on social programs. This program will benefit all construction workers and would be made available to workers who do not have their accommodations and travel paid for by an employer, a condition usually laid out in current collective agreements and/or project labour agreements.

Canada's heat and frost insulators join the Canada Building Trades Union (CBTU) in urging the Government of Canada to implement a STWM program and level the playing field for Canada's skilled trades workers.

About the Heat and Frost Insulators

Heat and Frost Insulators, or mechanical insulators, are experts in the installation and maintenance of mechanical insulation systems. They are industry leaders in health and safety, through hazardous waste removal (such as asbestos) and fire prevention. There are approximately 7,000 qualified, certified mechanical insulators across Canada. The mechanical insulation industry also includes the mining & manufacturing sector. Fibres used in modern insulation are made from raw materials mined in Canada. Mechanical insulation is a made-in-Canada solution that puts skilled tradespeople to work. It is an important component of the country's manufacturing, construction and energy efficiency sectors.

What is Mechanical Insulation?

Mechanical insulation is a practical, cost-effective solution to improving energy efficiency in new and existing buildings. Mechanical insulation reduces GHG emissions, saves money, improves business competitiveness and puts skilled tradespeople to work. Mechanical Insulation restricts heat loss or gain for mechanical systems, ultimately increasing the efficiency of heating and cooling systems. Mechanical systems that require insulation are primarily pipes, ducts, and equipment such as boilers, pumps and fans.

Industrial mechanical insulation is primarily used in manufacturing, oil refining and chemical plants that use steam and other high temperature applications. Commercial mechanical insulation is commonly used for a buildings' functional heating and cooling systems. Mechanical insulation is an engineered system that requires inspection, maintenance, and repairs. Way too often, mechanical insulation is installed without the consideration of routine inspection and maintenance. Properly maintaining mechanical insulation systems is key to energy sustainability.

Mechanical Insulation's Benefits

- **GHG Reduction:** Properly installed and maintained, mechanical insulation can reduce a building's GHG emissions by as much as 30%.
- **Reduced Energy Consumption:** Mechanical insulation systems are more cost effective than virtually any other effort designed to reduce energy use and operating costs.
- **Return on Investment (ROI):** Upon installation, cost recovery can be achieved in as little as 6 months and typically less than 2 years based on the ratio of the financial value of energy saved and the installed cost of the insulation.
- **Supports Canadian Manufacturers:** Canada's insulation manufacturing industry ships \$600M worth of product annually, 80% of which is domestic. Insulation manufactured in Canada directly supports \$1.4B in economic activity (through installation and construction), and the indirect impacts of economic activity generated by the fiberglass and rock and slag wool industry is over \$3B each year.