



## CITY COUNCIL REPORT

**TITLE:**

**ENVIRONMENT & CLIMATE CHANGE COMMITTEE RECOMMENDATIONS - ADMINISTRATIVE COMMENTS**

**PRESENTER:**

Renee Sigurdson

**DEPARTMENT:**

Legislative Services

**ATTACHMENTS:**

**DATE:**

8/21/2026

**CLEARANCE / APPROVALS:**

Dave Wardrop      General Manager

Dave Wardrop      City Manager

**RECOMMENDATION(S):**

That Council accept as information the administrative comments to the Environment and Climate Change Committee's recommendations received by Council at the August 17, 2026 regular council meeting.

And further, that Administration provide a comprehensive analysis of the recommendations, including considerations of affordability and both the short-term and long-term financial impacts.

**BACKGROUND:**

At the August 17 regular council meeting, the Environment and Climate Change Committee made the following recommendations to Council for consideration:

*That City Council adopt a minimum Tier 2 energy performance target for new City- owned buildings and major civic renovations, where technically feasible;*

*And further that Council advocate to the Province of Manitoba to adopt a minimum Tier 2 energy performance standard provincially.*

*And that Council direct Administration to assess life-cycle costs, not only upfront capital costs, when evaluating energy performance standards for municipal buildings.*

*And that Council request that provincial costs analysis include a range of housing types and sizes, rather than relying primarily on large detached single-family homes.*

*And further that Council frame higher energy standards as an energy security and affordability measure, recognizing that efficient buildings reduce long-term utility demand and protect residents, businesses, and municipalities from future cost pressures.*

City Council received the recommendations and requested that Administration provide comments at the September 9, 2026 council meeting.

**ANALYSIS:**

City Council has adopted a strategic plan that prioritizes economic growth and development, affordability, and environmental sustainability. These priorities are also reflected in other Council-adopted plans and strategies, including the City Plan, Climate Change Action Plan, City of Brandon Economic Development Strategy, and Housing Strategy.

The Climate Change Strategy recommends that the City advocate for the Province to adopt higher building code tiers for residential construction to improve energy efficiency and reduce environmental impacts. At the same time, the City's recent housing assessment identifies affordability as a growing challenge, with rising costs to both purchase and rent homes. The Strategy supports advocating that the province explore the change to adopt a minimum Tier 2 energy performance standard, and that prior to any adoption of the change that the province have a clear understanding of the financial cost in constructing.

Given that recent increases in the construction price index have exceeded the consumer price index, along with other anticipated cost pressures such as development charges, it is important for the province to understand the financial impacts of any code changes. With both federal and provincial governments focused on housing affordability, adopting a higher energy code tier without first fully assessing the up-front and long-term financial implications appears misaligned.

With the transition to Tier 2 energy performance compliance, projects will likely experience some increase in upfront capital costs. These costs may include additional design and consulting services, such as energy modeling, as well as enhanced building materials and systems required to achieve the higher energy performance standard.

The overall financial impact will vary depending on the size, complexity, and scope of each project, making it difficult to quantify a specific cost increase at this time.

It is important to recognize, however, that buildings constructed to a higher energy performance standard will generally realize lower operating costs over their lifecycle. Reduced energy consumption can result in savings related to heating, cooling, ventilation, and lighting, which may offset a portion of the initial investment over time.

Additionally, projects that exceed the minimum prescribed energy performance tier may be eligible for incentive programs and grants through Efficiency Manitoba, which can help offset some of the additional design and construction costs associated with higher-performing buildings.

From an implementation perspective, the transition to Tier 2 is achievable, although it will require owners, designers, and builders to become increasingly familiar with energy performance requirements and compliance modeling. As industry capacity and experience continue to grow, the impact on project delivery is expected to become more manageable.