

Ministry of Municipal Affairs and Housing
Building and Development Branch
12th Flr, 777 Bay St,
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August 14, 2026

Re: Consultation on Reducing Regulatory Burden in Ontario's Building Code – [ERO 026-0744](#)

The Atmospheric Fund (TAF) welcomes the opportunity to comment on the consultation on reducing regulatory burden in Ontario's Building Code (OBC). TAF is a regional climate agency serving the Greater Toronto and Hamilton Area (GTHA), working closely with public and private partners to advance practical urban climate solutions that support affordability, equity, and resilience.

Ontario has declared a housing crisis, driven by a severe lack of supply, and the province is focusing on OBC modernization to speed up homebuilding. Toronto alone has a housing target of [285,000 new homes by 2031](#) as part of Ontario's broader goal of building at least 1.5 million homes over the same period. As the province's largest city, Toronto is expected to deliver roughly one in five of those homes. With municipalities across Ontario planning for similar levels of growth and the government already moving to [cut red tape to build more homes](#), the Ontario Building Code must be updated to match the scale and urgency of the province's housing targets.

The most impactful way to streamline and simplify regulatory requirements within the OBC is through further harmonization with the National Model Codes. This would result in shorter project timelines and lower costs for builders, municipalities, and homebuyers. The OBC should be modernized to reflect today's building industry, streamline requirements, and reduce unnecessary regulatory burden while maintaining health, safety, and performance outcomes.

TAF recommends the Advisory Body:

- **Further harmonize the Ontario Building Code with the National Model Codes of Canada by removing Ontario-specific amendments that lack a clear and compelling rationale. This will create clear, predictable requirements that help build industry capacity, ease labour mobility, and reduce interprovincial trade barriers.**
- **Modernize and streamline energy-efficiency requirements by removing supplementary standards SB-10 Energy Efficiency Requirements and SB-12 Energy Efficiency for Housing and adopting the tiered energy efficiency requirements specified in the National Model Codes.**

- Adopt Energy Efficiency Tier 2 of the National Energy Code for Buildings and Tier 4 of the National Building Code.

Usability, complexity, and modernization

1. Where do Building Code requirements create unnecessary complexity, uncertainty, or difficulty in practice without improving outcomes?

To reduce unnecessary burden, TAF recommends **allowing the use of absolute performance targets**, as well as **harmonizing with the NECB 2025 performance tiers for Part 3 buildings and the National Building Code (NBC) 9.36 -tiered energy requirements for houses and small buildings**. This approach would simplify compliance, reduce consulting effort, and support more compact, efficient building forms that lower construction and operating costs while still meeting clear performance thresholds.

The current requirements increase costs and delays, particularly for smaller applicants, without generating reliable or consistent improvements in energy performance. Many of the Ontario Building Code's current SB-10 compliance pathways rely heavily on a reference-building approach, adapted from old provisions from the National Energy Code of Canada for Buildings (NECB) and American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE). This requires modellers to construct and simulate two energy models: the proposed building and a hypothetical code reference building. The requirement is triggered at the permit stage to demonstrate code compliance, after most design and zoning decisions are already locked in.

Since compliance is assessed against a reference building rather than a fixed target, a design can satisfy the Code by outperforming a hypothetical comparison building while still using more energy in absolute terms than a fixed standard would allow. This is not a hypothetical concern: asking different engineers to model the energy-use for the same code-reference building can produce answers [varying by as much as 30%](#), since the reference-building target is a matter of professional interpretation rather than specific performance targets. [Efficiency Canada and TAF's analysis](#) of tiered energy codes highlights that clear, absolute metrics and common modelling parameters are needed so compliance is transparent and comparable across projects.

The reference building approach also shapes how modelling effort is used. Because compliance is expressed as a percentage of improvement over a modelled baseline rather than as meeting a specific performance target, it can lead energy modellers to spend more time defining and testing the baseline model than identifying practical opportunities to improve the proposed building's performance. In practice, compliance efforts can become focused on optimizing the difference between the modeled reference and proposed building, rather than on evaluating cost-effective measures to improve the proposed design itself.

Emerging analysis by EQ Building Performance Inc. and TAF, based on more than 1,000 energy models for GTHA buildings, found that buildings designed to meet relative, reference-building targets did not reliably achieve lower total energy consumption. Compliance under this approach depended only on outperforming a code-compliant comparison building, rather than on any specific performance target. Buildings designed to meet absolute performance targets, by contrast, demonstrated better real-world outcomes.

2. Are there specific areas where requirements could be simplified, clarified, consolidated, or applied more flexibly while maintaining health, safety, accessibility, durability, performance, and enforceability outcomes?

Across Canada, energy codes are shifting toward performance-based paths built around whole-building metrics such as Greenhouse Gas Intensity (GHGI) and Energy Use Intensity (EUI) outlined in national codes. These approaches let designers demonstrate compliance by meeting specified performance tiers, rather than the current requirement to model a separate reference building for comparison against the proposed design. This shift also makes the requirement easier to work with on the data side. GHGI and EUI are absolute, standardized figures, so they can be benchmarked across buildings, tracked over time, and checked against a project's actual utility bills after occupancy. None of that is possible with a reference-building comparison, since the "reference" building is a hypothetical construct unique to each project.

An absolute-metric approach would streamline compliance by reducing duplicative modelling requirements. Authorities having jurisdiction would review one energy model against a published threshold, rather than two full models (reference and published). This simplifies the technical review, reduces administrative burden, and limits the need for subjective interpretation about how the reference building is defined, while still preserving rigorous performance checks on the proposed design.

3. Are there parts of the Building Code that appear outdated, overly prescriptive, duplicative, or are no longer the clearest or most practical way to achieve their intended purpose?

Ontario's 2024 Building Code layers roughly 800 pages of Ontario-specific amendments on top of NBC documentation, published separately as "Ontario Amendments to the National Building Code of Canada 2020." In many cases, these amendments are no longer the clearest or most practical way to achieve their intended purpose. TAF recommends that Ontario continue harmonization by systematically **reviewing and removing Ontario specific amendments that are outdated, duplicative, or no longer justified**, with a particular focus on **removing the outdated SB-10 and SB-12 and aligning with the national energy performance framework**.

Many of these Ontario-specific amendments add design, review, and compliance cost without a corresponding improvement in health, durability, safety, performance, or enforceability outcomes. Energy performance requirements are a clear example of this pattern.

Supplementary standards SB-10 and SB-12 continue to reference the 2015 NECB (two editions out of date), SB-10 includes compliance paths based on ASHRAE 90.1 2013 (four editions out of date), and ASHRAE 189.1 2014 (three editions out of date). While the 2024 OBC made welcome progress by eliminating a large number of technical differences between Ontario's requirements and the National Model Codes, significant province-specific exceptions remain, particularly in these energy efficiency supplements. They do not fully reflect today's technologies, construction practices, or national tiered performance frameworks.

Ontario-specific requirements and national alignment

6. Where does alignment - or lack of alignment - with national codes create unnecessary burden? Are there areas where Ontario-specific requirements remain justified?

Harmonized codes are a form of market readiness. The OBC's continued divergence does the opposite, leaving the sector with ambiguity about which requirements will apply and when, raising costs for anyone building or practicing across multiple jurisdictions.

A [federal review of code adoption](#) found that harmonized, timely adoption reduces costs across the infrastructure sector, but inconsistent adoption timelines force businesses to spend time and money navigating different requirements across jurisdictions. Ontario is not alone in facing housing affordability and supply pressures, and other provinces facing similar challenges have made progress thanks to harmonization. On the NECB specifically, the [Canadian Board for Harmonized Construction Codes' adoption tracker](#) shows Ontario is behind British Columbia, Alberta and Quebec - Canada's three other most populous provinces - in code harmonization.

Ontario's lengthy province-specific amendments undermine the stated goal of simplification and create unnecessary burden for building professionals, the development sector, and local authorities having jurisdiction. Every additional layer of provincial variation requires time from designers, builders, reviewers, and regulators. That time is ultimately diverted away from improving building quality and housing delivery, and adds unnecessary costs. When professionals work across multiple jurisdictions, this inconsistency is a barrier to investment, long-term planning, and Ontario's ability to remain competitive with other jurisdictions. It also leaves building owners and residents with poorer-performing assets that cost more to operate. The current OBC requires professionals to work across what is, in effect, two codes; increasing harmonization with the National Model Codes would remove this unnecessary burden.

Harmonization would also give Ontario builders and designers access to the compliance flexibility already built into the National Model Codes, such as the tiered energy performance framework and its compliance method. NECB 2025 provides multiple compliance pathways, including a prescriptive path, a performance path, tiered energy performance compliance, an EUI path, and an operational carbon performance path. These options allow designers and builders to select the approach best suited to a project while offering clearer and potentially simpler routes to compliance than the current SB-10/SB-12 framework.

A clear, harmonized code functions as a roadmap: publishing requirements that align nationally years in advance gives developers, building professionals, manufacturers and trades time to build the workforce capacity and knowledge needed to meet them, rather than scrambling to accommodate a province-specific standard.

Innovation and More Efficient Building Practices

7. Are there barriers in the current system to innovation, alternative solutions, new materials, new methods of construction, digital tools, or more efficient building practices? If so, where do those barriers arise, and what change might help address them?

The [Ontario Chamber of Commerce's](#) research found that unique provincial standards isolate Canadian businesses, constrain growth, and impose compliance costs that fall hardest on small and medium-sized enterprises. That fragmentation limits the scalability of modular and factory-built housing, one of the more promising, cost-effective responses to the housing supply crisis. These are the kinds of efficiency gains Ontario's Building Code should enable: reducing unnecessary costs and delays, accelerating housing delivery, and addressing regulatory shortcomings without compromising safety and durability.

Interprovincial fragmentation is one barrier to adopting more efficient and practical construction methods. A second lies within the OBC's own energy compliance framework. **Ontario should adopt tiered, performance-based energy requirements in place of SB-10 and SB-12** so that compliance is tied to clear performance targets rather than a single prescriptive path. Adopting this approach also gives builders the flexibility to choose whatever construction method most cost-effectively meets a given target, rather than having to demonstrate compliance separately for each method. That flexibility is particularly important for industrialized construction approaches, which perform best when standardized designs can be repeated across projects and jurisdictions.

A [University of Toronto review](#) finds that industrialized approaches to construction, including greater standardization of components, processes, and manufacturing, can cut project delivery costs by 30% and shorten timelines by up to 40%. Ontario does not need a new technical framework to realize similar gains. Harmonization to performance-based energy

tiers, as recommended above, creates the flexibility needed for innovative construction approaches. Rather than prescribing how a building must be constructed, the National Model Codes focus on outcomes, allowing builders to adopt prefabricated, modular, and other industrialized methods that can reduce costs and shorten delivery time.

8. Are there specific issues related to energy efficiency requirements that should be explored? Are there barriers to meeting current requirements? Should consideration be given to either enhancing or simplifying the current requirements? If so, to what degree should Ontario consider the current National Code's approach in utilizing a Tiered Energy Performance Framework and compliance paths?

TAF recommends that Ontario align with the National Model Codes' tiered energy performance framework and adopt, at minimum, Tier 2 of the NECB and Tier 4 of the NBC. Ontario should also enable the higher performance levels of the NBC and NECB and the new operational greenhouse gas emissions framework for municipalities to adopt locally.

On energy efficiency policy specifically, Ontario has been losing ground. [Efficiency Canada's national scorecard](#) ranked Ontario 3rd among provinces' policies and programs in 2019, falling to 6th by 2024. Outdated energy efficiency requirements lock Ontarians into long-term higher utility bills, a cost that falls on both homeowners and renters after the developer has moved onto the next project.

Code harmonization is one lever available to improve energy efficiency and support better building performance outcomes. The current National Model Codes introduce a tiered energy performance framework with clear energy-intensity targets and multiple compliance paths. Harmonizing with these national tiered frameworks would give Ontario projects clear targets from the outset and provide developers and the building industry with greater certainty about where code requirements are heading. This predictability gives industry the confidence to prepare ahead of code changes.

Adopting Tier 2 of the NECB and Tier 4 of the NBC represents practical next steps to improving energy efficiency. NECB Tier 2 targets approximately 25% greater energy performance than the Tier 1 baseline. NBC Tier 4 requires roughly 20% better building envelope performance than Tier 3, which is broadly comparable to Ontario's SB-12 requirements. Both are achievable using well-established technologies and construction practices, such as improved windows, better insulated and more airtight building envelopes, and higher-efficiency equipment.

Beyond the energy tiers already established under the National Model Codes, the 2025 editions introduce a separate, code-compliant pathway based on operational greenhouse gas emissions limits. The longer Ontario remains outside this framework, the greater the

opportunity cost, both for industry working to a national baseline and for homeowners who remain locked into higher-emission, higher-cost building stock.

Modernizing how energy modelling is done to include energy performance metrics, as listed above, is important. Poor energy efficiency requirements impact both construction costs and the ongoing costs to operate a home. This is a rare case where a single policy change can lower costs for homeowners, developers, and grid operators alike. Modernization will also help speed up development timelines, simplify submissions, and protect the development pipeline from externalities such as grid constraints, as demonstrated in the [Independent Electricity System Operator's \(IESO\) 2026 planning outlook](#).

[IESO forecasting](#) shows Toronto's existing transmission capacity will be exhausted by the early 2030s, before the city's planned third transmission line is complete, impacting the long-term viability of development in the region. Without meaningful updates to the OBC's energy requirements, development in large urban centres and elsewhere risks being constrained by electricity supply issues. Alignment with national codes would help ensure long-term electricity supply availability for future development because it gives utilities and municipalities more predictable information about future load profiles and building performance. **Ontario must align with the NECB Tier 2 and NBC Tier 4 to ensure local electricity infrastructure capacity does not create a bottleneck delaying housing construction.**

Local grids are becoming increasingly constrained throughout Ontario, and unplanned electricity infrastructure upgrades are becoming a barrier for development. Local Distribution Companies (LDCs) charge proponents for system upgrades when new developments exceed available grid capacity. In TAF's experience working with developers on infill projects, these electricity infrastructure upgrades can add six-figure costs to projects and significant revisions to business plans.

While the Ontario Energy Board is examining this issue, electrical capacity constraints are expected to remain a long-term challenge. Harmonizing with the stronger energy-efficiency requirements in the National Model Codes can help mitigate these pressures by reducing future electricity demand and providing LDCs, developers, and municipalities with greater certainty when planning growth. Modernizing Ontario's energy requirements would therefore help reduce infrastructure-related delays and costs, support housing delivery, and improve long-term affordability for Ontarians.

Conclusion

The Atmospheric Fund recommends that Ontario continue to accelerate harmonization with the National Model Codes by removing Ontario-specific amendments that no longer serve demonstrable purpose, modernizing energy-efficiency requirements through the national

tiered framework, and adopting at least Energy Efficiency Tier 2 of the NECB and Tier 4 of the NBC as the provincial baseline. Together, these changes would simplify compliance, reduce regulatory burden, and provide industry with a clearer and more predictable framework for delivering housing.

Energy efficiency requirements should be a priority because they reduce long-term energy costs for Ontarians. Continued improvements in building technologies, products, and construction practices are making strong energy performance easier and more cost-effective to achieve. While Ontario has made meaningful progress harmonizing with the National Model Codes, SB-10 and SB-12 remain tied to an outdated framework that no longer reflects current technologies, building practices, or national performance-based approaches.

Ontario's housing, affordability, and infrastructure challenges all point in the same direction. A more harmonized and modern Ontario Building Code would reduce unnecessary costs and delays, allow industry and regulators to focus on delivering better buildings rather than administering duplicative requirements, and ensure that the homes being built today remain affordable and viable over the long term.