

CLIMATE SOLUTIONS PORTFOLIO

#10: The Merton Rule

Proposed Measure

It is estimated that up to a third of the buildings that will be in use in BC in 2030 have not yet been built. Local governments are ideally placed to promote low carbon buildings and distributed renewable heat and power.

The BC Government should encourage local governments to enact bylaws requiring that new developments above 10,000 ft² or 10 residential units must reduce expected energy consumption by 10% through the incorporation of renewable energy equipment. This policy, known as the “Merton Rule,” was introduced in the UK by the London Borough of Merton in 2003, and has since become national UK policy, creating a market for renewable energy estimated at \$3bn annually. The policy promotes energy efficiency as well as renewables because more efficient buildings will need a smaller renewable energy installation to meet the 10% requirement¹.

The additional upfront costs of the renewable energy technologies (the experience in the UK is that the cost increment is 2-3%) are passed on to the building occupier, who benefits from the reduced energy bills.

Benefits

- Strong growth and job creation in clean power and heat sector
- Provides incentive for both energy efficiency and renewable energy
- Upfront cost of renewable energy technologies wrapped up in mortgage
- Promotes innovation and least-cost low carbon technologies
- Contributes to a resilient distributed heat and power system

Execution Plan

Actions by staff (Building Policy Branch):

Study options for creating a BC Merton Rule and prepare recommendations for cabinet.

Areas for Cabinet approval:

Approve need for greater local government powers to promote renewable energy and low carbon buildings.

¹ The discussion from a recent workshop considering the Merton rule in BC can be viewed here:
<http://www.communityenergy.bc.ca/resources-introduction/empowering-community-workshop-april-2007>