

August 28, 2020

Amarjot Sandhu, MPP (Brampton West) and Chair  
Julia Douglas, Clerk  
Ontario Standing Committee on Finance and Economic Affairs  
Room 1405, Whitney Block  
Queen's Park, Toronto ON M7A 1A2

Submitted to: [ola.org/en/apply-committees](https://ola.org/en/apply-committees)

**Re: Building Resilience for Small and Medium Enterprises**

Dear Mr. Sandhu,

Thank you for the hard work you and your government have put into protecting the health of Ontarians, supporting frontline health care workers, and providing immediate relief to people and businesses in response to the COVID-19 pandemic. We welcome the opportunity to share our perspectives as you study recommendations relating to the Economic and Fiscal Update Act, 2020 and the impacts of the COVID-19 crisis on small and medium enterprises (SMEs).

There are over 425,000 SMEs in Ontario, representing more than 99 per cent of Ontario businesses<sup>1</sup> and employing 88 per cent of the private sector workforce.<sup>2</sup> These businesses have been especially hard hit by the impacts of COVID-19. With many on the brink of survival, they will need every advantage available to rebuild quickly and become more resilient to the very real risks and impacts of climate change that businesses can no longer ignore.

For this reason, the hard work of supporting SMEs in recovering from the impacts of COVID-19 should also include support for businesses to become more energy efficient and cut carbon emissions, so they can reduce operating costs and ensure they are competitive in the global shift to a low-carbon economy. The support the Ontario government provides to SMEs in this regard will not only help the province lead economic growth and job creation opportunities, but also meet the goals set out in *Preserving and Protecting our Environment for Future Generations: A Made-in-Ontario Environment Plan*.

Green Economy Canada leads a network of seven Ontario-based Green Economy Hubs that work with over 250 businesses — mostly SMEs — to reduce their environmental impact and maximize the organizational benefits of taking meaningful climate action. We have seen first-hand how reducing energy use through adopting energy retrofits and simple behavioural changes can be a source of competitive advantage for these businesses, creating operational

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<sup>1</sup> Government of Canada, "Key Small Business Statistics - January 2019."  
[https://www.ic.gc.ca/eic/site/061.nsf/eng/h\\_03090.html#point1-1](https://www.ic.gc.ca/eic/site/061.nsf/eng/h_03090.html#point1-1)

<sup>2</sup> Government of Canada, "Key Small Business Statistics - January 2019."  
[https://www.ic.gc.ca/eic/site/061.nsf/eng/h\\_03090.html#point2-1](https://www.ic.gc.ca/eic/site/061.nsf/eng/h_03090.html#point2-1)

efficiencies and keeping more money in their pockets while also taking action on climate change. Take these examples:

- Your Credit Union is a small financial services company in Ottawa. By installing a building automation system, it was able to shave 30 per cent off its annual electricity bill.
- Walker Emulsions is a wax and asphalt emulsions company in Burlington. It was able to save \$43,000 per year by installing a water softener to reduce build-up in process heat exchanges.
- VeriForm is a small steel and metal fabricator in Cambridge that has been investing in energy efficiency upgrades for over a decade. It has been able to save over \$2 million while doubling its facility size and expanding its workforce by 30 per cent. VeriForm has also seen reduced staff turnover and new talent applying for jobs specifically because of its green initiatives.

Permanently lowering operating costs leaves room to reinvest in jobs and growth, and keeps more dollars circulating in local communities. An expanded shop floor with a few more staff, an extra member of the sales team, adding a third shift or increasing wages — individually these actions may be small but cumulatively they result in not just recovery, but growth. That growth is underpinned by stronger, more competitive and resilient SMEs in our communities, and meaningful progress on climate change and the *Made-in-Ontario Environment Plan*.

At the Pembina Institute, we've assessed the opportunities that would result with the development of a deep building retrofit program in Ontario, which would help businesses become more energy efficient. A program to retrofit commercial and institutional buildings would not only result in healthier working spaces for Ontarians but could create as many as 14,000 net new jobs in the province.

Green Economy Canada and the Pembina Institute welcome the opportunity to meet with ministry staff, the advisory panel on climate change, and the Ontario Jobs and Recovery Committee, to share more about how Ontario can leverage energy efficiency and carbon emissions reductions as key pillars of support for SMEs in a strong economic recovery.

Yours sincerely,



Priyanka Lloyd, Executive Director  
Green Economy Canada



Carolyn Kim, Ontario Director  
Pembina Institute

Cc Paul Kovacs, Chair, Ontario's Advisory Panel on Climate Change