



The Year In Review 2019

President's Message



Sandy Macleod

Welcome to 2020 - Happy New Year!

Thank you for a great year! Member satisfaction is up, our communications efforts are receiving higher marks and, best of all, membership continues to grow. By June of 2020, we expect membership to have grown by 10% over a two-year period.

For me personally, 2019 was my first full year as President and CEO. These are exciting times for the HVACR industry; while the challenges facing our industry continue to grow, business remains strong. As climate change impacts all aspects of life in Canada, our industry continues to be affected as codes and standards evolve, regulations tighten, and new programs and policies aim to shift buying patterns. The refrigerants landscape is facing significant changes as well, and governments at all levels have their eyes on the environment in one way or another.

HRAI works hard to stay in touch with you through regular member surveys, chapter meetings, roundtable events, conferences and old-fashioned one-on-one calls and meetings. In the past year, we connected directly with close to 60% of member companies.

Through surveys and communication touch points, you continue to indicate that government relations and advocacy are your top priorities for HRAI. We are listening, and over the past year we have allocated more resources than ever towards our advocacy efforts. HRAI has supplemented its Government Relations team by investing in new personnel to service key strategic areas for the association: Dorothy McCabe was added as HRAI's new GR specialist for Ontario; Victoria Cross and Carlos Godoy were secured via an arrangement with Impact Public Affairs to serve HRAI's needs in B.C. and Quebec respectively; and arrangements will be announced early in 2020 about a new GR specialist, who – in partnership with AHRI in the US -- will serve the unique cross-border needs of manufacturer members serving the Canadian marketplace.

These investments are made possible by a growing membership, the result of more activity on the advocacy front. It's a perfect growth combination.

Let me quickly touch on a number of key activities of the last year:

Flammable Refrigerants

HRAI's Task Force on Flammable Refrigerants continues to address the pending introduction of flammable refrigerants in Canada. Besides having obvious implications for installer safety, the new refrigerants may require changes in training, regulations, codes and standards, life cycle management and public awareness.

We are currently in active discussions with association and training partners in Europe and America, to source appropriate refrigerants training for the Canadian industry. This is an active file, watch for updates over the coming months.

This year, Refrigerant Management Canada (RMC) will celebrate its 20-year anniversary of successfully providing an essential service to the industry. RMC is an HRAI subsidiary that remains the only program of

its kind in North America. Since its inception, **RMC has prevented roughly 9 million tons of CO₂e emissions.** Safe disposal eliminates harmful chemicals that contribute to global warming. Thanks to industry partners like you, RMC is helping to safeguard the planet. And it works! This program is not funded nor directed by government; it is 100% underwritten by industry through the environmental levy collected on refrigerants sold into the HVACR industry in Canada. It's a leading Canadian example of an industry-managed sustainability program that serves the interest of Canadians and the environment.

Reductions generated by the RMC program are equivalent to:



Education

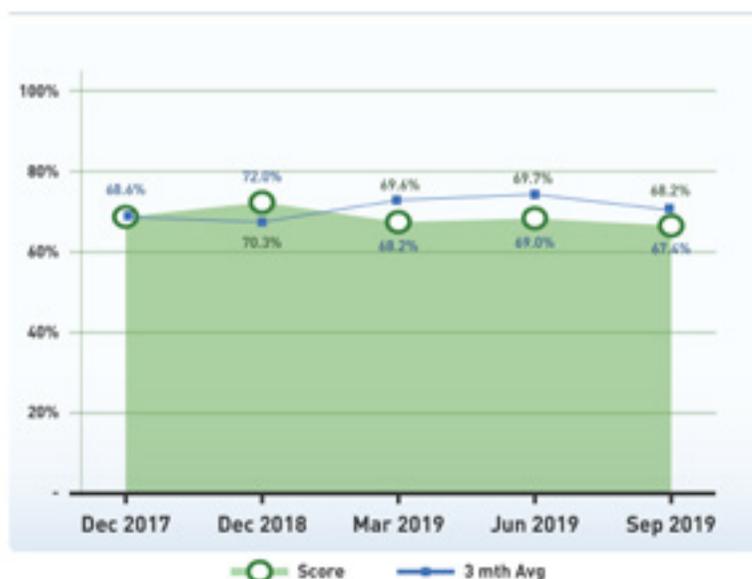
Education remains a key element of the services HRAI offers to the industry, and 2019 was a banner year. The association took a new approach through outreach that helped increase training uptake. HRAI built better partnership relationships with member wholesalers and, through their promotion efforts, the association saw significant growth in the number of running training courses, especially outside Ontario.

Last fall, we introduced a new training guarantee: There will no longer be a mandatory minimum number of attendees to run a course. Whether one person or 21 people are registered for any course in central, eastern or western Canada -- the course will run, guaranteed.

We are also actively digitizing our curriculum, which began with the revision of the Ventilation curriculum and the introduction of our first online learning module, "Basic Principles of Residential Ventilation." It can be used as a stand-alone introductory training module and is also a prerequisite for our four recently revised in-class Ventilation modules. We are diligently working on an LMS Strategy to guide us over the next 5+ years to ensure we provide more options to better meet the needs of our members.

Member Satisfaction

Listening to members and improving overall membership satisfaction remains a high priority for HRAI. Based on recent data, we are pleased to report growing satisfaction among members.



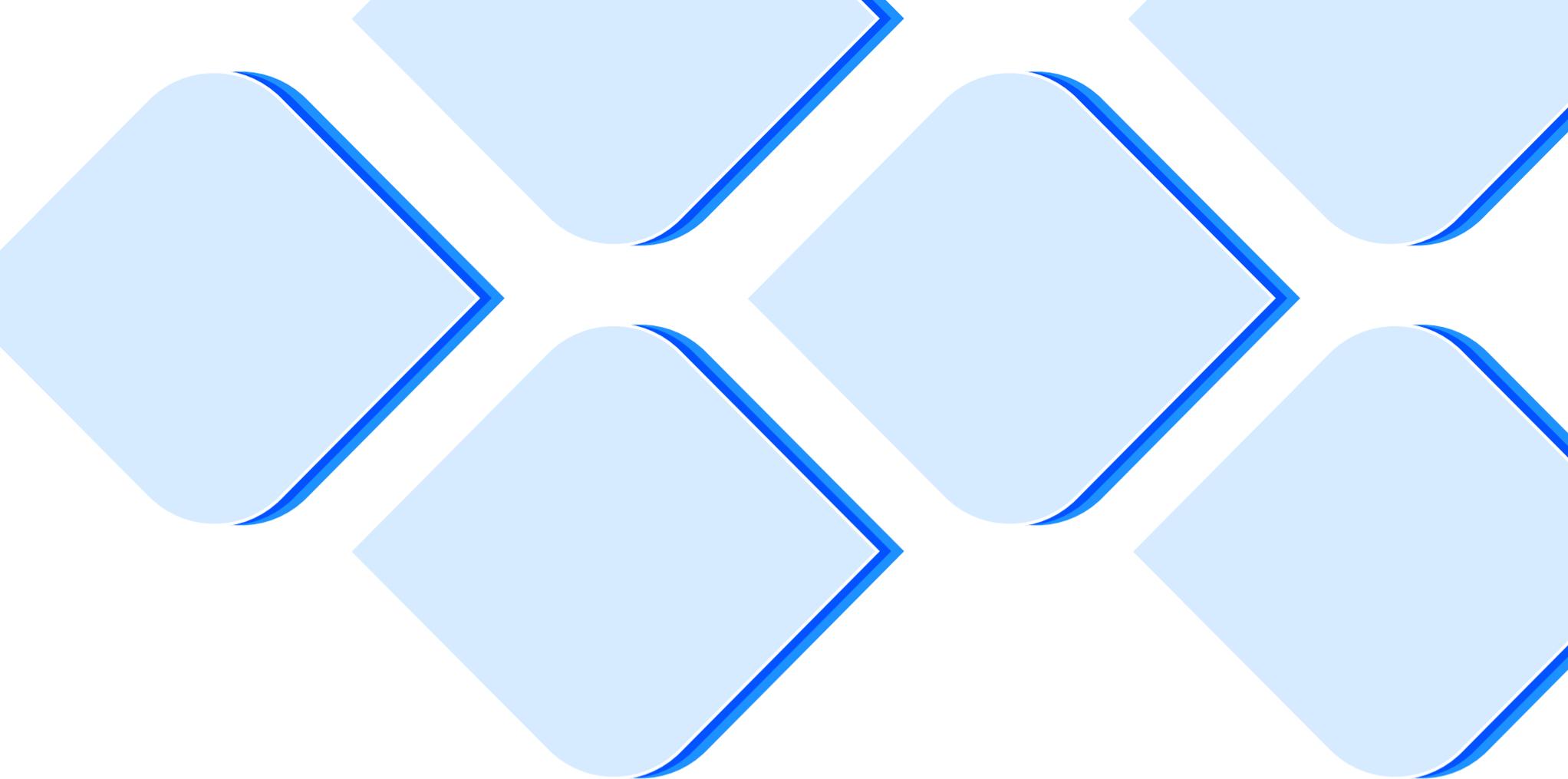
In addition to the improvement in satisfaction levels, here are just a few examples of comments we have received from you in the past year:

Positive feedback

1. Thanks HRAI for doing a great job representing our industry. You have made great strides with influencing government policy, strengthening government relationships at all levels with our industry.
2. I see more of a national presence with all sectors of HRAI's membership, again keep this trend heading in the right direction.
3. I think this survey is a great way to explore and prod our members for their priorities.
4. The effort to make HRAI a truly national organization is a laudable goal which will increase its credibility in speaking to its regulatory audiences.
5. Keep doing what you are doing.

Areas for improvement

- HRAI should have reps travel around the country to inform the industry and share information on training and what's new in the industry.
- It would be good to know who is doing what/taking care of at HRAI, so maybe an email once in a while "who is doing what" would be beneficial.
- Very little communication regarding local HRAI chapter meetings. I would like to attend but never receive any information or invitation for an upcoming HRAI meeting.
- I find the content is very much focused on residential business. I would enjoy more commercial content.
- I do believe more lobbying on behalf of the core and special interest groups is necessary to make HRAI more relevant in today's marketplace.



Communication

With our communications, we continue to encourage and nurture a culture where staff, volunteers, members and the Board of Directors work collaboratively in building plans and solutions for the association. We aim to broadly and transparently communicate key issues to members.

This year, we collected more data on member wants and needs. By compiling this information, we are in a better position to gauge the association's successes and learn when where we need to improve. We are also able to better identify members who are willing and able to be key ambassadors of the association. The data also allows us to better understand which regions of the country, and even which individual members, need extra attention to be more engaged with HRAI.

One area of attention over this past year has been chapter meetings. The number of meetings have more than doubled in a year, with more attention and support planned for the HRAI chapters in 2020.

We also continue to build stronger relationships with other like-minded associations across Canada. I am pleased to report that HRAI and the Ontario Refrigeration & Air Conditioning Contractors Association (ORAC) have signed a Memorandum of Understanding (MOU) to strengthen the co-operative relationship between the two organizations. Under the

agreement, the two groups will join forces to increase their impact and efficiency in areas of mutual interest, with a focus on a combined voice with the Ontario Government. Similar discussions are underway in other regions of the country.

Financials

It pleases me to report that the financial state of the Association remains strong. As of the end of 2019, we were running slightly ahead of budget and expect to post a small surplus for the year. Maintaining the financial strength of the association is paramount to our long-term viability and continues to be a primary focus for the Leadership Team.

We continue to focus on building member value, growing and diversifying revenues and ensuring effective spending. Our strong financial position gives us the flexibility to invest and grow as opportunities present themselves.

Finally, if you would like to participate on an industry task team, have your voice heard at an industry round table or simply want to talk, I am always pleased to hear from members on any topic. Feel free to reach out me at smacleod@hrai.ca.

2020 will be a great year for HRAI and the industry. Happy New Year!

Annual Conference 2020

*Delta Hotels Victoria Ocean Pointe Resort, Victoria, BC
Sunday, August 23rd - Tuesday, August 25th*



Vice President's Message



Martin Luymes

Report on HRAI Advocacy Efforts

HRAI's recognition and credibility as a voice for the HVACR industry continue to build across Canada, not just in Ottawa but also at the provincial and even municipal levels. As noted in the President's message, HRAI is strategically building its team of government relations professionals to take on the many challenging issues facing the industry. More than ever, a strong voice will be needed in Ottawa and in all the regions where HRAI members are active.

HRAI has been very active in Ottawa over the past year with movement on a number of fronts. Among these accomplishments:

- In partnership with Natural Resources Canada, HRAI initiated the roll-out of the federal-provincial Market transformation road map for energy efficient equipment in the building sector, Canada's plan for easing the transition to a low-carbon economy.

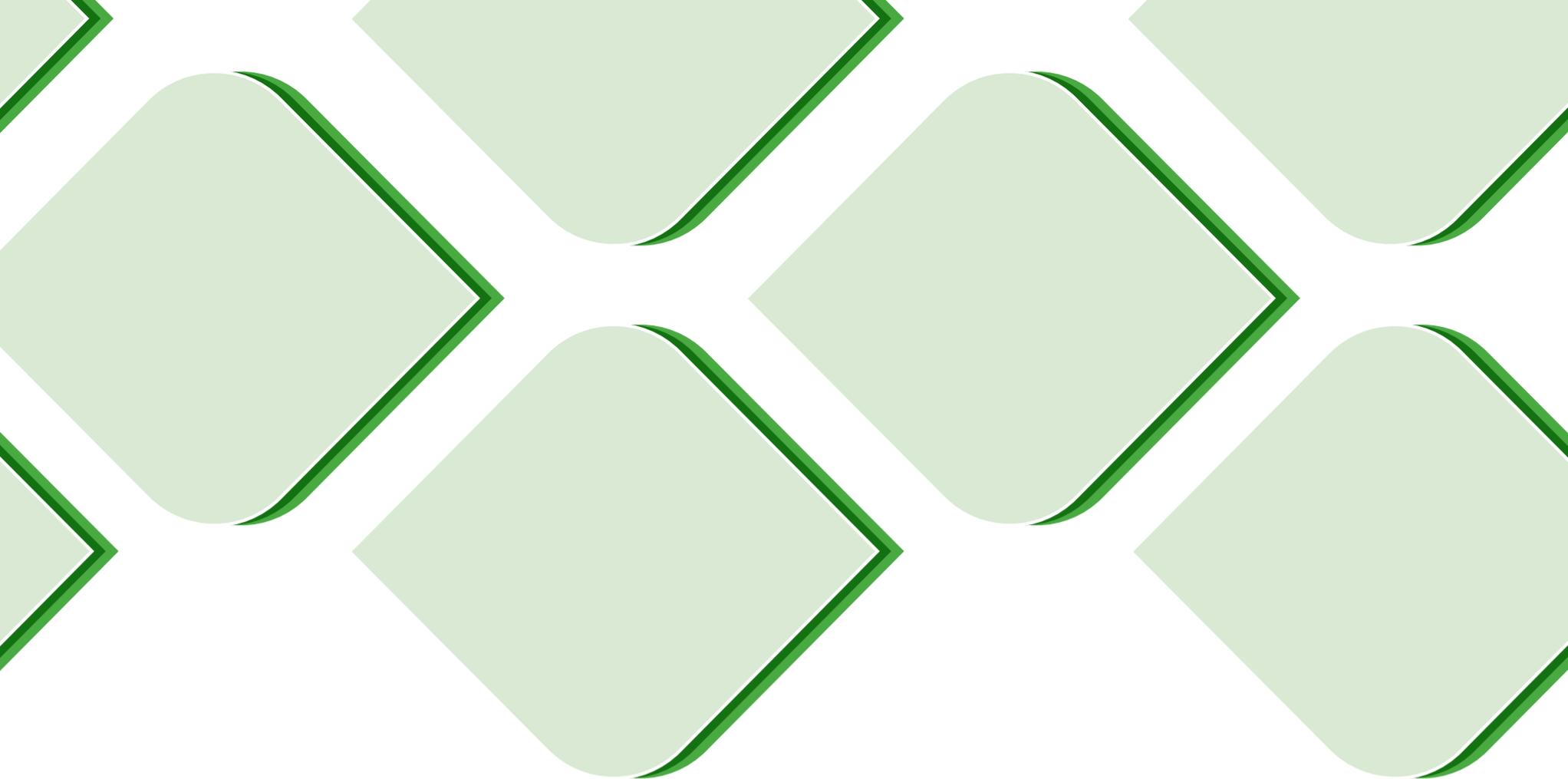
- HRAI advised Environment and Climate Change Canada in the development and roll-out of its Climate Action Investment Fund (CAIF), aimed at supporting technologies conducive to reducing GHG emissions.
- The association worked with Natural Resources Canada and other stakeholders to reflect industry perspective in the introduction of Amendments 15 and 16 to the federal Energy Efficiency Regulation, which amended the minimum energy performance standards (MEPS) for a wide range of products in the HVACR sector.
- During the federal election campaign, HRAI introduced an innovative “grassroots candidate engagement program,” which allowed members across the country to connect with local candidates from all parties, enabling members to discuss in an informed way the key strategic issues HRAI has been working on at the federal level.
- Met with federal officials from the three largest political parties to discuss their national election platforms, ensuring HVACR industry issues and priorities were appreciated and understood.
- Under the Canada Free Trade Agreement, HRAI participated in the Regulatory Cooperation Table (RCT) process. This led to an agreement to

eliminate duplication between provinces in the CRN registration system for pressure vessel equipment design, by removing redundant and expensive reviews for participating jurisdictions.

- Building on the CRN harmonization success, HRAI represented the industry in a new RCT project to achieve harmonized gas technician certification requirements by the end of 2020.
- After a successful pre-budget submission that influenced the 2019 federal budget, HRAI made another submission focused on key priorities that HRAI has been working on at the federal level.
- Engaged with the Federation of Canadian Municipalities (FCM) in discussions about how to deploy the \$1.01 billion allocated by the federal government to the Green Municipal Fund to support home energy retrofits, with a rollout targeted for April, 2020.

And on the provincial front:

- HRAI engaged with key stakeholders in BC – including the Home Performance Stakeholder Council (HPSC), BC hydro, FortisBC, and key municipal and provincial government departments



– on the development of plans to increase efficiency and reduce carbon emissions in space heating, with a focus on ensuring proper training on heat pump installation for residential sector.

- Consulted with members in Nova Scotia about their views on the prospect of a utility equipment rental program for heat pumps and advised Nova Scotia Power on industry-preferred approaches to stimulate the market for high-efficiency heat pumps.
- Initiated discussions with the Atlantic Provinces' Directors of Apprenticeship on the introduction of a red seal trade for the residential HVAC sector.
- Engaged with Ontario's Ministry of Training Colleges and Universities on its plans for industry consultation to develop a new model for trades training and apprenticeship administration in the province (to replace the Ontario College of Trades).
- Advised the Ontario Ministry of Government and Business Services on amendments to Consumer Protection Act as it applies to HVACR contractors.
- Acted on industry concerns about proposed amendments to Halocarbon phase-out regulations in the Province of Quebec.

- Engaged very constructively with the Technical Standards and Safety Authority (TSSA) in Ontario to improve their approach to regulating the industry, including on BPV regulations, contractor audits, risk-based approaches, contractor fees and more.

In 2020, HRAI will continue to work on these important files and will seek to engage members more actively in its discussions with key government departments and agencies to ensure the industry's voice is heard and heeded.

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Any great ideas or want to talk

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