



March 4, 2022

Honourable Selina Robinson
Minister of Finance,
Parliament Buildings,
Victoria, British Columbia V8V 1X4

Sent via electronic mail to: FIN.Minister@gov.bc.ca

Re: Provincial Sales Tax on Fossil Fuel Combustion Systems and Heat Pumps

Minister Robinson,

On behalf of the Heating, Refrigeration and Air Conditioning Institute of Canada (HRAI) and our members in British Columbia, we are writing you to express our serious concerns about the recently announced changes to the Provincial Sales Tax on some of the core products of our industry – fuel burning appliances and heat pumps.

HRAI represents more than 1,250 companies in the heating, ventilation, air conditioning, and refrigeration (HVACR) industry. Our members include manufacturers, wholesalers, and contractors who provide essential goods and services, employ more than 50,000 people in Canada and deliver more than \$12B annually to the Canadian economy.

HRAI has been actively engaged with the key BC ministries responsible for the CleanBC climate action plan since the plan's inception in 2018. HRAI members understand fully the vital role our industry can play in de-carbonizing homes and buildings as we collectively strive to meet British Columbia's climate change mitigation targets and those of the entire country. Our industry has been supportive and we have provided constructive inputs on appropriate tactics for achieving these goals – tactics that ensure better results through industry buy-in. We believe government and industry collaboration is – and will continue to be – essential to meeting the formidable challenges facing the Province as it strives to tackle climate change.

It is very disappointing therefore, that the Province would introduce tax measures that affect our sector so directly and so significantly without providing any opportunity for consultation and input. The new measures raise many questions for industry members and will pose some real challenges to implement, especially in the extremely tight timeframe provided. HVAC contractors in the province, almost all of whom sell both fossil-fuel-based systems and electric (heat pump) alternatives, will face significant challenges sorting

through and enacting the required adjustments to their business systems. Indeed, the hasty introduction of these tax measures risks alienating the very sector that is in a position to act as a constructive partner for the government on its path to a low carbon future.

HRAI respectfully requests that the Government of British Columbia consider delaying the implementation of these tax changes by six months to allow the industry to prepare and adapt. We would also welcome the opportunity, in partnership with our allied associations in the province, to discuss how the industry can play a more meaningful role in designing appropriate, effective measures and communicating these measures to the people of British Columbia.

Yours sincerely,



Sandy MacLeod
President & CEO

cc Hon. John Horgan, Premier
Hon. George Heyman, Minister of Environment and Climate Change Strategy
Hon. Bruce Ralston, Minister of Energy, Mines and Low Carbon Action Plans
HRAI manufacturers
HRAI members in BC
Thermal Environmental Comfort Association (TECA)
Canadian Institute of Plumbing and Heating (CIPH)
Martin Luymes, HRAI
Victoria Cross, HRAI