

Hot Water at Home: changes are coming in 2027.

You have questions. We have answers.

Q Why is the City changing the regulations for hot water tank replacement?

A To align with provincial CleanBC regulations, reduce greenhouse gas emissions while maintaining fuel choice, support climate action, and ensure residents benefit from modern, efficient technologies. Public engagement shows strong support for these actions.

Q Does this regulation apply to all homes in Vancouver?

A The regulation applies to 1 to 3 storey single family homes and duplexes. Townhouses, multiplex homes, and apartment / condominiums are exempt.

Q Will I be required to replace my hot water tank before 2027?

A No, the new requirements apply only when your hot water tank needs to be replaced after January 1, 2027. For major home renovations over \$153,000 the requirement started February 28, 2025.

Q What types of hot water tanks will be allowed under the new regulations?

A Electric heat pump, electric resistance water heaters, gas heat pumps, hybrid (dual-fuel) heat pumps that meet highest efficiency standards.

Q What does “highest efficiency” mean?

A Generally, “highest efficiency” means for every unit of energy used by the hot water system, at least one unit of heat energy is generated.

Electric resistance technologies like baseboard and electric water heaters are 100% efficient: they convert all the energy they use into heat. But heat pump technologies exceed 100% efficiency by capturing and moving ambient heat, without having to produce it.

In this by-law, “highest efficiency” means equipment that is at least 100% efficient or has a uniform energy factor of 1.0 or greater, which includes electric heat pump, electric resistance water heaters, gas heat pumps, hybrid (dual-fuel) heat pumps. It does not include typical gas tank water heaters, condensing or on-demand gas water heaters, as these are all less than 100% efficient.

Q Will this ban natural gas hot water tanks?

A The regulations do not ban natural gas since gas heat pump, or hybrid (or dual-fuel) heat pumps can meet the new standards. Most conventional gas water tanks will not qualify as they are less than 100% efficient.

Q What if my home doesn't have enough electrical capacity for a heat pump?

A Exceptions are available for homes with electrical or space constraints. The City will provide guidance and support for affected households. No electrical service upgrades will be required due to this regulation.

Q What does this actually cost? Have estimated costs been verified?

A A pilot project with BC Hydro and the Zero Emissions Innovation Centre studied ten hot water heater replacements in Vancouver. Here are the results:

- All replaced gas water heaters with electric or heat pump models.
- None were more than \$5,000 (excluding rebates).
- The average for electric water heaters was \$2,650; for heat pump water heaters, \$4,240.
- Heat pumps are eligible for provincial rebates through utility rebate programs and CleanBC Better Homes.

Q Will these changes increase costs for homeowners?

A The cost of higher efficiency equipment is comparable to existing options, and homeowners may save money through reduced energy bills. Incentives from BC Hydro and Fortis BC are available for upgrades to electric heat pump water heaters.

Q Where will the electricity come from? Will there be enough electricity to support the additional load?

A The impact of this requirement on electrical load will be gradual and anticipated peak load increases are minimal. BC Hydro is investing in long-term supply and resilience and uses demand-response programs, like Peak Rewards, to help manage peak loads. The requirement is not limiting residents to electrical water heaters—gas heat pumps and hybrid (dual-fuel) gas/electric heat pumps are also options.

Q How will the City support residents and contractors during the transition?

A The City will work with contractors, industry and utilities to provide training, tools, and support for same-day replacements and smooth permitting. Guidance will be available for homeowners facing challenges.

Q How will operating costs affect renters?

A It's rare for owners to pass small capital costs to tenants due to provincial rules. Most homes have a single hot water system; operating cost increases are minimal (less than \$10/month for a family of four when converting from gas to electric). Heat pumps typically save money due to lower electricity use.

Q Why act now if the Province may regulate in 2030?

A Vancouver's market is ready. Acting now provides benefits to homeowners sooner, such as cleaner air, lower emissions and modern equipment, while contributing to provincial and City's 2030 targets.

Q Why regulate if voluntary adoption is happening?

A Voluntary programs are slow and unpredictable; regulations provide a more predictable landscape to industry and suppliers. Acting now and when equipment is replaced helps contractors, suppliers and manufacturers prepare gradually rather than all at once. The regulation sends clear market signals that can help stabilize supply chains for highest-efficiency equipment, ahead of when the Province brings in its own rules.