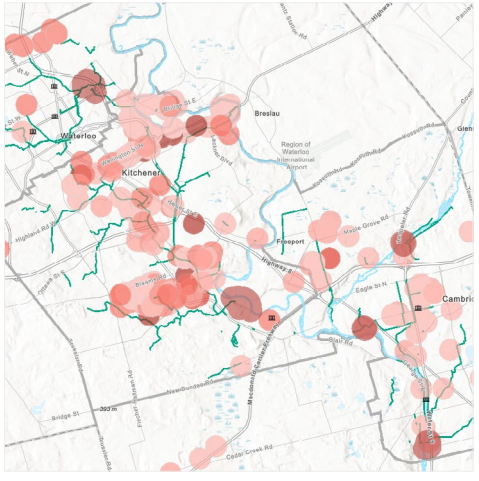
WR COMMUNITY ENERGY

Advancing our Energy Strategy

Community Energy Investment Strategy
Term 3 Priorities (2027 -2030)

PUBLISHED NOVEMBER 2026









Four Initiatives for the Next Four Years

TERM 3 PRIORITIES

Energy decisions affect how Waterloo region grows, moves, builds, and invests. The choices made today will influence affordability, competitiveness, resilience, and quality of life for generations.

This report looks at what is changing, what we've learned since 2019, and where better-connected decisions can create greater local benefit.

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Territorial Acknowledgement

WR Community Energy serves an area within the traditional territories of the Anishinaabe, Chonnonton, and Haudenosaunee peoples. This territory is united by the Dish with One Spoon wampum and lies within the Haldimand Treaty of 1784, a formally ratified agreement acknowledging six miles on either side of the Grand River as treaty territory of Six Nations of the Grand River.

As we continue our work to build a sustainable future, we acknowledge the enduring connection Indigenous Peoples have with the land. We honour their stewardship of this land for thousands of years, and we commit to learn from and collaborate with them to create a future that respects the land, honours Indigenous rights, and promotes environmental sustainability.



Message from the Advisory Committee

The energy choices we make today will shape Waterloo region for decades.

Energy is part of almost everything that makes our community work. It heats and cools our homes and workplaces, powers businesses and institutions, moves people and goods, and supports the infrastructure on which our economy and quality of life depend. Its cost, source, and reliability affect households, businesses, and public finances across Waterloo region.

Those systems are changing. So are the opportunities available to us.

The Community Energy Investment Strategy, approved by councils in 2018, gave Waterloo region a long-term purpose: to improve and sustain our economic competitiveness and quality of life through coordinated energy investment. That purpose still holds. What years of implementation have given us is a clearer understanding of how local collaboration can make the greatest difference.

The next step is to connect our decisions more deliberately.

No single organization controls our energy future. Municipalities, utilities, businesses, institutions, developers, and residents all influence different parts of it. Progress depends increasingly on understanding how those decisions interact and working together when an opportunity crosses organizational boundaries.

This report sets out that opportunity. It identifies four areas for coordinated work over the next four years: high-performance development, region-wide low-carbon heat planning, clean transportation, and organized community energy leadership. Together, these priorities will help maintain the economic competitiveness and quality of life in Waterloo region.

Our ambition is straightforward: **make better energy decisions today so Waterloo region has more options tomorrow**.

A cleaner, more local, equitable, and resilient energy system will not be created by one project or program. It will be built through the accumulation of good decisions, connected by a shared understanding of where we want to go.

– Rod Regier
Chair, WR Community Energy Advisory Committee

PART ONE

Our energy economy is changing

IN THIS SECTION

1.1 Energy shapes Waterloo region

1.2 Where our energy dollars go

1.3 Affordability startes before the bill arrives

1.4 The system behind the bill is changing

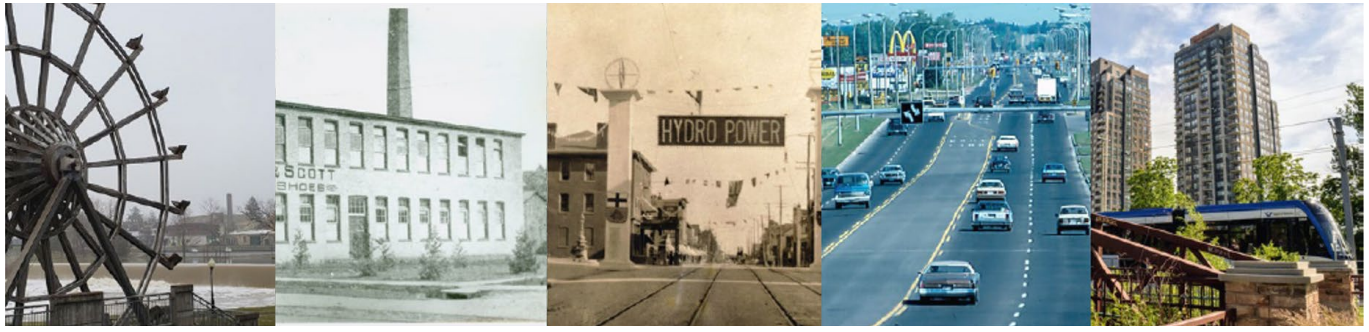


Energy shapes Waterloo region

Energy is easy to overlook because it is embedded in everything we do.

It heats and cools our homes. It powers industry, hospitals, schools, and businesses. It moves people and goods, supports water and digital infrastructure, and influences how and where our community grows. The cost, source, and reliability of that energy affects household affordability, business competitiveness, public finances, and our ability to adapt to change.

That's why the energy transition is about much more than replacing one fuel or technology with another. **It is about the kind of community we build and whether today's decisions create benefits or liabilities for the future.**



Our community plans influence energy demand, infrastructure requirements, operating costs, and environmental impact. They also influence what choices will be available as technologies, markets, and energy systems continue to change.

This is the idea behind **community energy**: bringing energy considerations into the decisions that shape buildings, neighbourhoods, transportation, and infrastructure so that changes to our energy system improve quality of life and create lasting community benefit.

Consider how our community has responded to past energy transitions, when it switched from local energy sources (such as watermills) to imported energy (such as coal and gasoline). The same transition is underway now.

Every building, neighbourhood, transportation system, and piece of infrastructure is also an energy decision.

Energy is also an economic flow

Every year, households, businesses, and institutions in Waterloo region spend an estimated $2.4 billion on energy. That energy heats and cools buildings, moves people and goods, powers manufacturing, and keeps our community running.

Only about 14% of those energy dollars stay in the local economy. About 86% leave the community. Imported fossil fuels, especially gasoline, provide some of the least local benefit. But there are alternatives.

Many choices that keep more energy value local also make our energy system cleaner and more resilient. A dollar spent on electricity provides 2.5 times the local economic benefit as a dollar spent on gasoline - another reason to encourage electric vehicles. Heating offers similar opportunities. Waterloo region has significant local resources which, if developed, can reduce reliance on imported fuels and support local infrastructure, services, and investment.

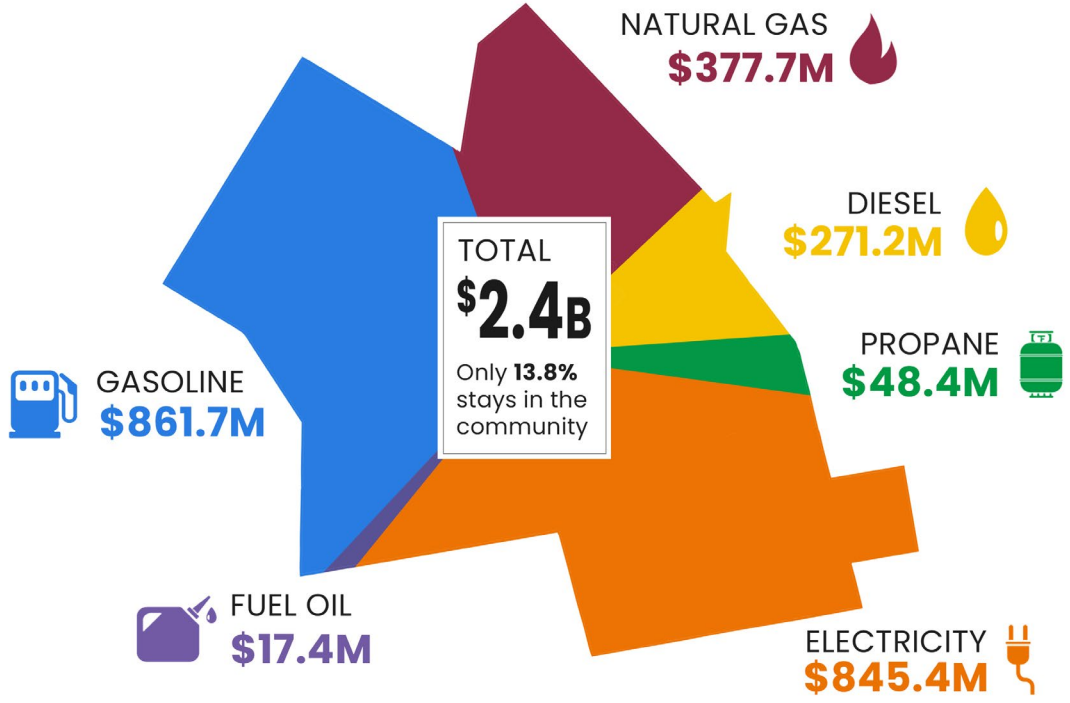
Price is only part of affordability. What customers pays depends on how much, what type, and when energy is needed. Efficient buildings, modern grids, local energy sources, updated policies, and coordinated energy and community planning can all reduce costs and preserve future options. Pursuing these opportunities together unlocks a path towards energy affordability and economic growth.

Where Waterloo Region's Energy Dollars Go (2024)

$2.4 Billion
spent on energy

$ 333 Million (13.8%)
stays in our community

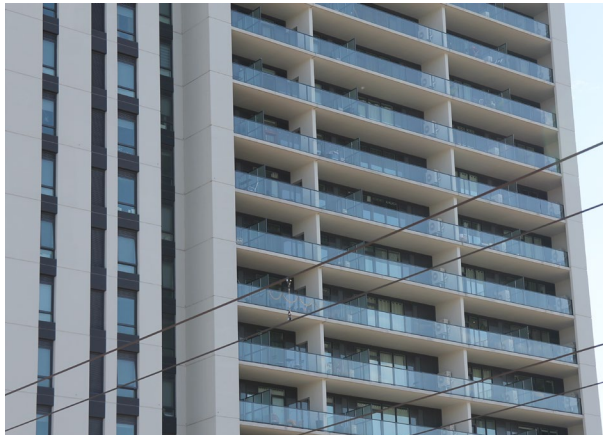
$ 2.1 Billion (85.2%)
leaves our community



Affordability starts before the bill arrives

Many of the decisions that affect future energy costs happen long before customers receive a bill.

They happen when a neighbourhood is planned, when infrastructure is built, and when a building is designed. Growth decisions made today can lock in energy demand, infrastructure requirements, and operating costs for decades.



That makes strategic energy investment part of a longer-term affordability strategy. The goal is not to predict exactly what future technologies or energy prices will be. In fact, experience implementing the Community Energy Investment Strategy (CEIS) has shown how quickly technologies, markets, incentives, utility programs, and institutional responsibilities can change. The better question is how to ensure Waterloo region is ready to take advantage of these changes.

Our future energy costs are not predetermined. The choices we make today will help shape how much energy we need, where it comes from, and what options we have tomorrow.



The system behind the bill is changing

The energy system is changing, and the decisions shaping it are becoming more interconnected.

How we build affects future energy demand and the infrastructure needed to serve it. How we move increasingly connects with electricity, charging, public transit, active transportation, and land use, not just gasoline. How we heat increasingly connects with electricity, water, wastewater, geothermal, industrial and landfill heat, and shared thermal networks, not just natural gas.

Technologies and markets will keep evolving. Electric-vehicle charging, incentives, and utility programs have already shown how quickly solutions and institutional responsibilities can shift.

The best strategy is the one that gives Waterloo region the ability to adapt and benefit as conditions change. That means seeing energy decisions as connected decisions.

A new development can affect future electricity demand, transportation needs, and local energy resources. A transportation decision can interact with electricity infrastructure and land use. An economic development decision can shape how waste from our landfill and green bin program is used as a local energy source. Each of these opportunities benefits from simpler, enabling policy, and each needs infrastructure, financing, and a viable business model before it becomes a real investment.

A good energy decision depends on other good decisions being made around it. Because our energy systems are changing together, we should make the decisions shaping them together.



PART TWO

The opportunity in the seams

IN THIS SECTION

2.1 No one builds the energy system alone

2.2 Experience changed how we see the opportunities

2.3 Working in the seams

2.4 Energy planning and action



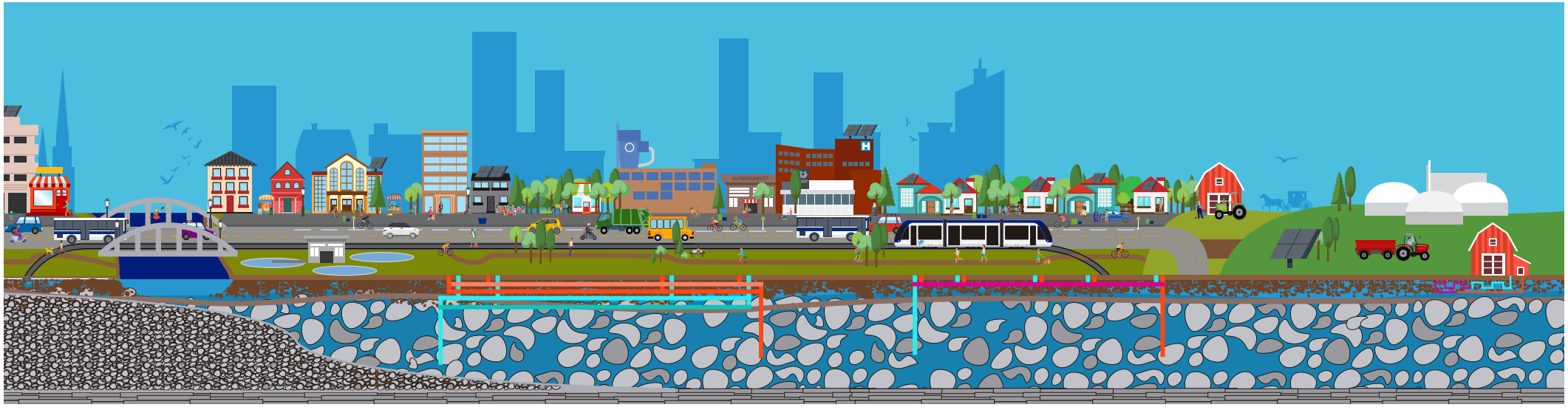
No one builds the energy system alone

Waterloo region's energy system is shaped by many decisions made by many individuals and organizations and because energy decisions are interconnected, our response must connect them too.

Municipalities shape land use, transportation, and public infrastructure. Utilities plan and operate energy systems. Developers, businesses, institutions, and residents make investments and choices around energy consumption. No single sector controls the energy transition.

Most of the time, that division of responsibility makes sense. The challenge comes when an opportunity, such as an emerging technology, crosses those boundaries and does not fit neatly within one organization's mandate.

Many of our greatest energy opportunities sit in the seams between responsibilities.



Experience changed how we see the opportunities

The Community Energy Investment Strategy was adopted in 2018. Since then, implementation has produced policies, programs, relationships, research, and new institutional capacity. It has also shown that some approaches are more durable than others. Over the first two terms, we've learned a few things about progress:

Advancing our Energy Strategy requires us to plan differently: to create the conditions that allow solutions to emerge, connect, and scale.

01 CONNECT PROJECTS TO SYSTEMS

Experience with district energy, geothermal, wastewater heat, and industrial waste heat showed that technical studies alone do not enable implementation. Opportunities must be coupled with policy, infrastructure, financing, governance, and viable business models.

02 COLLABORATE WHERE IT ADDS VALUE

Some decisions properly belong to municipalities, utilities, developers, or other organizations. Collaborative effort is most useful when an important barrier or opportunity crosses those responsibilities and when benefits are otherwise hard to capture.

03 EXPECT CONDITIONS TO CHANGE

Technology, markets, incentives, programs, and institutional responsibilities evolve. A durable strategy needs a clear destination without trying to predict every future project.

04 BUILD PLATFORMS, NOT ISOLATED PROJECTS

Working groups of informed professionals are a proven tool for action. The High-Performance Development Standards (HPDS) Working Group, for example, is a sustained way to integrate energy into land-use and development best practices. It has also helped us navigate a changing policy environment, keeping the work moving as political priorities shifted.

Working in the seams



WRCE helps get big ideas started
then hands them to the right owner.

WR Community Energy (WRCE) was established to oversee and advance the CEIS. Experience has since clarified its role as a **place-based energy intermediary**: working where opportunities and barriers span organizations and coordinated attention can unlock greater community value.

Municipalities, utilities, businesses, institutions, and other organizations retain their own responsibilities and authority. WRCE helps identify shared barriers, bring together the organizations capable of addressing them, translate evidence into practical opportunities, and help solutions reach an accountable owner.

HOW WRCE WORKS:

01 **Spot opportunities early**
Translate energy trends to a local context and work to understand barriers, opportunities, and outcomes.

02 **Bring the right people together**
Convene organizations with different responsibilities around a shared opportunity.

03 **Develop the idea**
Build evidence, test the approach, and do the early work no single organization is positioned to do.

04 **Hand it off**
Support delivery by the organization (or collaborative) best placed to act.

Energy planning and action

Planning energy well is essential, but a good plan does not always lead to a built project. Different organizations plan energy at different levels, and each level asks a different but related question. The gaps between those answers are where good projects are left undeveloped. To build at the scale the transition requires, the rules must enable it, the infrastructure must support it, and someone must be ready to invest. The levels of energy planning shown here help us see where to look.

Utility energy planning: Local electricity and gas utilities

How do we reliably serve customers and meet future energy needs?

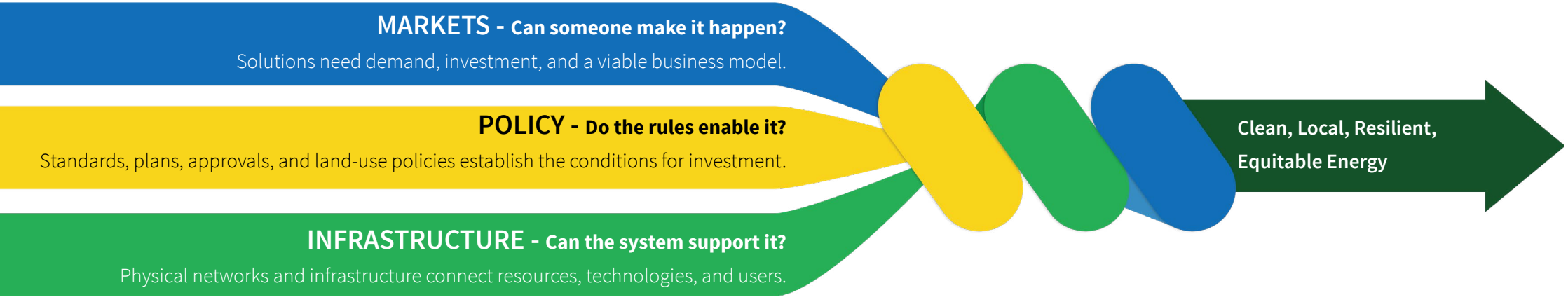
Market-led energy development: Energy developers, investors, technology providers, customers

What energy solutions are viable to develop and invest in?

Community energy planning: Municipalities, utilities, institutions, businesses and community partners

How can policy, infrastructure, and markets work together so that the best local energy opportunities get built?

Community energy planning connects what we call the three pillars of the energy transition:



PART THREE

Connect the decisions

IN THIS SECTION

3.1 Four places to connect decisions

3.2 Build better from the start

3.3 Make heat a local resource

3.4 Coordinate the transportation transition

3.5 An energy voice for Waterloo region

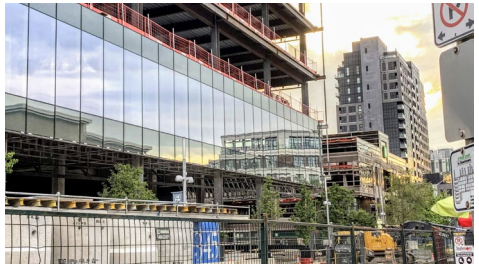
3.6 From a shared opportunity to accountable action



Four places to connect decisions

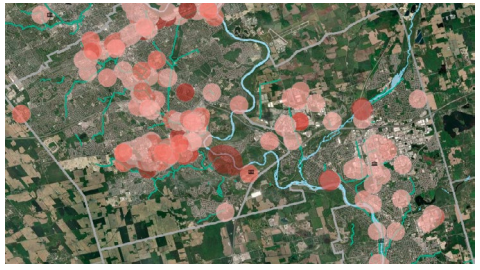
The energy transition touches almost every part of the community, but not every issue needs a regional initiative. Over the next four years, WRCE will focus on one collaborative initiative for each CEIS goal. Each will identify and remove barriers and help turn shared opportunities into action: High-Performance Development Standards, Heat Planning, Clean Transportation, and Energy Leadership.

Four initiatives where connected decisions can unlock better outcomes.



Buildings: improve energy performance, affordability, and resilience in new and existing buildings.

Focus on building better from the start



Local energy: increase local energy generation, integration, resilience, and control over energy sources and uses.

Focus on local thermal energy resources



Transportation: increase clean energy use, active transportation, and public transit within an integrated and accessible network.

Coordinate a clean transportation working group



Innovation and investment: integrate energy into policy, infrastructure planning, markets, and land development while building local leadership, a voice in provincial and federal consultations, and the capacity to implement.

Continue work on cross-sectoral Energy Leadership Collaborative

Build better from the start

Waterloo Region
HIGH-PERFORMANCE
DEVELOPMENT STANDARDS



A building can last for generations. The energy decisions made before it is built can last just as long.

As Waterloo region grows, new development will affect future energy use, infrastructure requirements, and operating costs. The voluntary **High-Performance Development Standards** (HPDS) create a collaborative platform for considering energy performance, resilience, transportation, grid readiness, and thermal opportunities earlier in planning and development for the benefit of our community in the long-term.

Planning decisions belong to municipalities. Utilities are responsible for their systems. Developers and builders respond to regulation, market conditions, and customer needs.

The HPDS Pilot Program creates a place for those perspectives to meet before important choices are locked in from a fuel, technology, or process perspective.

Over the next four years, the work will focus on implementation and feedback of pilot standards, stronger municipal-utility-development relationships, integration with infrastructure planning and grid readiness, market readiness, and links to thermal energy, transportation, and resilience.

The cheapest energy problem to solve is the one we avoid creating.



Make heat a local resource

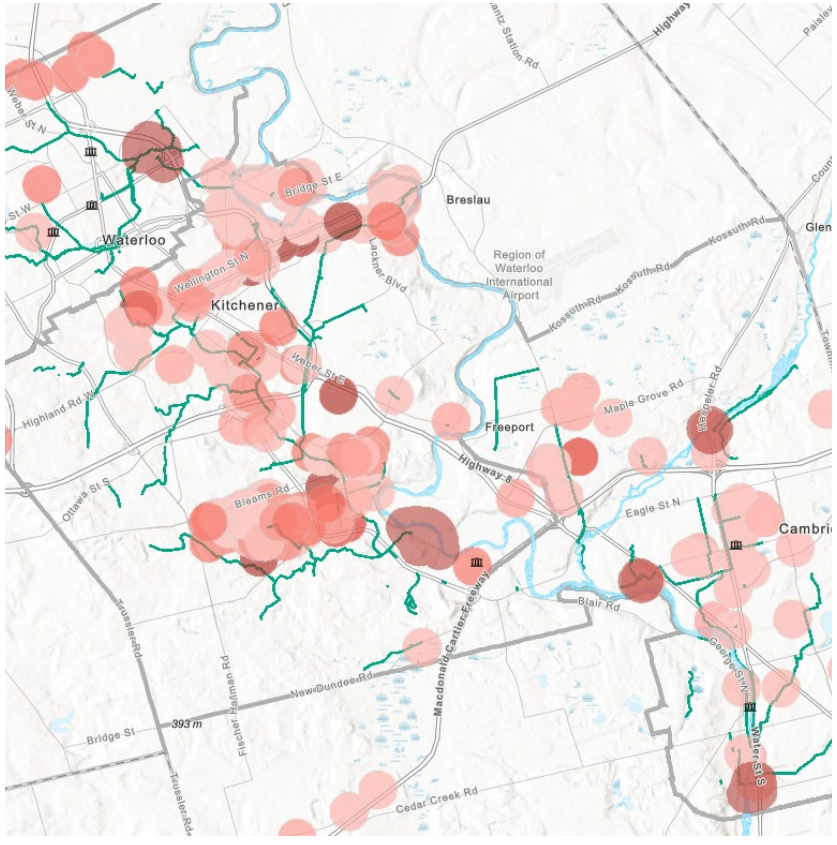
Waterloo region is a thermal energy gold mine, sitting on resources like geothermal, wastewater energy, industrial waste heat, local renewable natural gas, and district energy.

A source of heat in one place is only useful if it can become part of a viable energy system. The key step is connecting those opportunities to growth, policy, infrastructure, governance, investment, and workable business models.



Our heat planning initiative will build on previous work including our Thermal Strategy Assessment from 2024

That means understanding where resources and demand are located, how infrastructure could connect them, what policies enable development, how projects can be financed, and who is ultimately positioned to own and operate them. The Term 3 direction moves toward a regional heat-planning framework, thermal-utility and business-model work, enabling policy, improved resource mapping and data sharing, and support for priority opportunities where coordination can unlock progress. In this, Germany offers a precedent. Its Heat Planning Act has municipalities map local heat demand and resources and identify where heat networks make the most sense, giving utilities, developers, and investors increased certainty to plan and finance projects.



Estimated Recoverable Wastewater, Sanitary, and Industrial Waste Heat in Waterloo, Kitchener, and Cambridge

Coordinate the transportation transition

Clean transportation

Transportation has changed considerably since the original CEIS was adopted. Electric vehicles and chargers are increasingly shaped by consumers, technologies, and private investments while municipalities invest in public transit, active transportation, land-use integration, and other local mobility decisions.

A focused Clean Transportation Working Group will bring municipalities together to identify the issues they share and where common analysis or policy input would help.

This direction reflects ongoing community-level discussions which have broadened the issue beyond EVs to clean transportation and micromobility while emphasizing the need not to step into responsibilities already held elsewhere.





An energy voice for Waterloo region



Waterloo region has the assets, expertise, and ambition to lead in energy the way we lead in technology, but they are scattered across organizations, with no single table where they come together.

Meanwhile, many of the decisions that shape what is possible locally are made beyond any one organization's control: provincial regulation, utility planning, investment models, infrastructure funding, and government programs. Municipalities, utilities, institutions, and businesses meet these decisions separately, through their own mandates. As a result, the region is often not heard early, not heard as a whole, or not ready when funding and partnership opportunities arrive.

The Energy Leadership Collaborative would bring utilities, governments and regulators, researchers, large energy users, developers, and non-profits to one table. Together, they can plan, pilot, and speak with one voice where it makes sense.

It is designed to complement existing tables and to focus on what the region can do together: build a shared picture of regional growth and energy needs, support a small number of well-scoped early projects, and prepare the evidence for joint funding applications and regional advocacy.

Waterloo region cannot control every energy decision, but we can become better prepared to influence the ones that matter.

The Collaborative will help turn shared direction into action and coordinated representation, without replacing the authority of any participating organization. Potential areas of work include engaging with regulators, programs, and research, and supporting connections between energy and economic development, housing, infrastructure, and major investment decisions.

From a shared opportunity to accountable action

These four initiatives are platforms for action, not substitutes for it.

They give Waterloo region a durable way to understand emerging issues, identify barriers, and connect the people and organizations needed to address them. But once an opportunity becomes concrete, accountability needs to become concrete too. Actions that emerge from the initiatives must have a fixed commitment with a responsible organization, timeframe, and deliverable.

The goal is coordination that leads to better decisions and accountable actions.

ACTION EXAMPLE

Retrofit Affordable Housing WR

An affordable-housing retrofit is more than installing energy efficient technologies or securing financing. They also sit at the intersection of vulnerable populations, housing, capacity, and program delivery.

Retrofit Affordable Housing WR is an emerging pilot project to demonstrate how an intermediary approach bring those pieces together. The project is a partnership between WR Community Energy, Scaled Purpose, Kitchener Waterloo Community Foundation, the City of Kitchener, and the City of Waterloo. The outcome will be a business case that explores the opportunity for a long-term program.



Kitchener Housing Inc. recently installed 115 Air Source Heat Pumps at their affordable townhouse community on Oprington Dr.

PART FOUR

What success looks like

IN THIS SECTION

4.1 Community energy systems

4.2 What we're working toward



Community energy systems

How will Waterloo region know it is succeeding? No one organization can deliver the energy transition, so success has to be shared, and we will look for three signs: energy is becoming a visible decision criterion, we are steadily identifying and removing barriers, and we continue to advance and learn from projects and programs.

01. SYSTEM CHANGE

Is energy becoming a visible decision criterion?

Over time, we will look for changes in the regional energy economy and in the conditions that shape investment:

- Energy use, spending, and the share of energy dollars retained locally;
- Affordability, resilience, and competitiveness being considered in major decisions;
- Better alignment between policy, infrastructure, and market conditions;
- Greater local capacity to develop, finance, and implement energy solutions; and
- Stronger participation and influence in energy decisions made outside the region.

02. INITIATIVE PROGRESS

Are we removing barriers?

A good initiative is shaped by many voices. Municipalities, utilities, developers, businesses, institutions, and residents each see different barriers and hold different pieces of the solution, so their direction should guide the work from the start.

Progress often comes well before a major project is built. Barriers are clarified, options developed, policies influenced, owners identified, resources secured, and decisions reached. These are the intermediate changes that turn a seam into a pathway for action, and they last longer when the people who must act on them helped shape them.

03. ACTION DELIVERY

Are we keeping our commitments and learning from them?

Once an action has an owner, our commitments become specific. Each action will be measured against its timeframe and deliverable and reported on in WR Community Energy's annual reports.

Keeping commitments also means learning from them. Being open about what worked and what did not shortens the learning curve, so each project starts further ahead than the last. Not every effort will succeed, but every effort will teach us something.

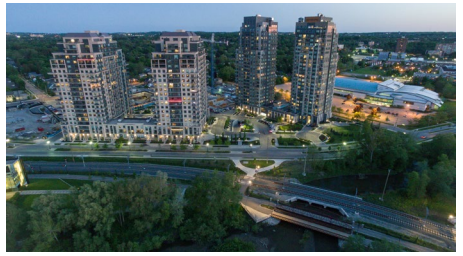
What we're working toward

We're working towards a region that considers energy earlier in development and infrastructure decisions. A region that can connect its local energy resources to viable delivery models. A region where transportation decisions are informed by a shared understanding of energy, infrastructure, and mobility. A region whose leaders can work together when important decisions cross institutional boundaries.

And ultimately, we're working towards a region that can make better-connected energy decisions, attract beneficial investment, retain more local value, and adapt effectively as conditions change.

Waterloo region's energy future will be shaped by many decisions made by many organizations. Over the next four years, WR Community Energy and its partners will work where those decisions meet: building better from the start, making heat a local energy resource, supporting a clean transportation collaboration, and strengthening the region's energy voice.

The goal is connected decisions and accountable action that leave Waterloo region with a clean, local, equitable, and resilient energy system, and more options for tomorrow.



Clean

Lower-emission buildings, transportation, and energy systems.



Local

More local energy resources and investment connected to local infrastructure keeping our energy dollars local.



Equitable

More opportunity for people and communities to participate in and benefit from the energy transition.



Resilient

An energy system able to respond to climate, economic, geopolitical, and technological change.

WRCE Term 3 Priorities: Advancing the Community Energy Investment Strategy				
PURPOSE	To improve and sustain Waterloo Region's economic competitiveness and quality of life through the coordination of targeted energy investments			
DRIVERS	Clean, Local, Equitable and Resilient Energy			
THEORY OF CHANGE	Integration of Policy, Infrastructure, and Market Solutions			
GOALS	1. Improve the energy performance, affordability, and resilience of buildings.	2. Enhance local energy generation, integration, and resilience.	3. Transition to a low-carbon, integrated, and accessible local transportation network.	4. Cultivate a supportive and innovative environment for energy investments
OBJECTIVES	Increase the energy performance and energy self-sufficiency of new buildings.	Increase generation of local energy resources.	Increase use of active transportation and public transit.	Integrate energy considerations into policy, infrastructure planning, market solutions, and land development.
	Increase the energy efficiency, affordability and resilience of existing buildings.	Increase local control over energy sources and uses.	Increase use of clean energy for transportation.	Increase local leadership and capacity to develop, finance and implement community energy solutions.
INITIATIVES	High-Performance Development Standards	Heat Planning	Clean Transportation Working Group	Energy Leadership Collaborative

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