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May 29, 2024

BC Restaurant and Foodservices Association and BC Coalition for Affordable Dependable Energy release study finding costs of \$800,000 per restaurant to convert from natural gas to electricity; BCRFA and BC CADE call for municipalities to drop early implementation of natural gas bans in new buildings

VANCOUVER – It would cost an average restaurant \$800,000 to convert from renewable natural gas and natural gas to electricity in construction and equipment costs and lost business, says a new study released today by the BC Restaurant and Foodservices Association and the BC Coalition for Affordable Dependable Energy.

The study shows that municipalities should drop early implementation of natural gas bans in new buildings, the two groups say, because the negative economic impact is huge.

The detailed study by consulting firm Pacific Solutions Contracting, looked at the feasibility and financial impact of converting an existing restaurant in Vancouver from primarily natural gas-operated equipment to all electrically-operated equipment, including required removal of existing cooktops, stoves, piping and valves and patio heaters, renovations and purchase and installation of electric equipment. It also calculated the business interruption costs.

The construction, renovation and new equipment costs for a 3,500 square foot restaurant were \$450,810 and the business interruption costs for a month-long conversion closure would be \$340,000 for a total of \$790,810 – including the restaurant’s lost business, ongoing insurance, maintenance, phone, internet and other costs, the food inventory wasted and the expense of retraining staff on new electrical equipment, says BCFRSA President and CEO Ian Tostenson.

“Restaurants in BC just can’t possibly afford an \$800,000 bill simply to remove perfectly functioning natural gas and renewable natural gas equipment and replace it all with electrical equipment – it’s far too expensive at any time and especially when restaurants are under enormous financial pressure after Covid and with high inflation deterring customers,” Tostenson said. “We all want a cleaner environment and are doing all we can, but this would instantly put many of our members right out of business.”

BC Coalition for Affordable Dependable Energy Director Bill Tieleman says the study shows that municipalities that are implementing natural gas and renewable natural gas bans in new buildings - far ahead of provincial legislation - need to strongly reconsider the impact their bans will have on small and medium sized businesses like restaurants.

“The BC Coalition for Affordable Dependable Energy believes that municipalities which are imposing natural gas and renewable natural gas bans years ahead of the provincial 2030 plan are going to cause serious negative economic impacts and job losses on restaurants but also on other small and medium-sized businesses – without any significant reduction in carbon emissions or any improvement in air quality,” Tieleman says. “These natural gas bans on new buildings will also be very costly, with the price of electricity going up as BC imports more power from outside the province - \$500 million last year – and some of it from fossil fuel power plants that create greenhouse gas emissions that completely undercut the zero carbon goals.”

Tostenson said the study also raises other troubling questions, including whether existing BC Hydro electrical grids can handle the significant increase in power required per restaurant, especially in areas where multiple restaurants are located, with each needing more electrical capacity.

“It’s fine to say: ‘let’s go electric’ until you take a serious look at exactly how that would work and how expensive it would be – and that’s why we had this study done, with very concerning results,” Tostenson says. “We can’t just impose regulations like some municipalities are now doing without considering the economic impact on restaurants or the feasibility of multiple restaurants in a municipality having to convert to electricity.”

BC CADE Director Tieleman says several municipalities are adopting Zero Carbon Step Code regulations - scheduled by the province to come into effect in 2030 – several years before required and without any serious consideration of the impact.

“What happens not only to restaurants but to the craft brewing industry, homebuilders, gas stove and barbeque and patio heater manufacturers and a host of other businesses if municipalities rush to implement regulations that they haven’t even researched the enormous negative impact of?” Tieleman asked. “The Coalition is calling on municipalities like Vancouver, Victoria, Nanaimo, Richmond and others to reconsider the hasty steps they have already taken and for other cities and towns to not make the same mistake.”

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BACKGROUND

The BC Restaurant and Foodservices Association is the respected voice for thousands of BC restaurants across the province, representing their interests to governments and providing industry insights and proprietary resources to its thousands of members.

The BC Coalition for Affordable Dependable Energy [BC CADE] is a new coalition bringing together businesses, business organizations, labour unions and others to support choice on

affordable, dependable energy. Members of the Coalition for Affordable Dependable Energy include: the BC Restaurant and Foodservices Association; Restaurants Canada; the International Union of Electrical Workers Local 213; the Surrey Board of Trade; the Greater Vancouver Board of Trade; the Hearth, Patio and Barbecue Association of Canada; UA Local 170; the Canadian Federation of Independent Business – BC Branch; Valor Radiant Gas Fireplaces; Pioneer Fireplace; the Limona Group; the South Asian Business Association; Northwest Stoves; AlignWest Homes; the Alliance of Beverage Licensees BC; the BC Building Trades; Concorde Distributing; Jackson Grills; MaxQuip; Continental Fireplaces & HVAC; and Napoleon Grills.