

# Built Green Canada and the Built Green™ Program

Briefing Note on Current Status and Developments

October, 2010

Canadian  
Home Builders'  
Association





## Contents

1.0 Purpose and Scope of this Briefing Note	1
2.0 Background on the Built Green Program	2
3.0 Summary of Recent Developments Related to Built Green	3
4.0 Current Status of Built Green Labeling Initiatives	4
5.0 Governance	6
6.0 Roles and Responsibilities within Built Green	7
7.0 Built Green Canada Committees	8
8.0 The Built Green Product Catalogue	9

---

### 1.0 Purpose and Scope of this Briefing Note

The Executive Board of the CHBA has requested updated information on the Built Green™ Program, to provide them with a better understanding of the initiative's current status and future directions.

Over the last year, Built Green has undergone considerable change in many areas, including in its ownership, governance structure and administration.

As the CHBA has always supported builder-led, voluntary, market-driven "green" home labeling initiatives, including Built Green, the Executive wished to understand the scope and significance of the developments that have taken place, and which are anticipated, with regard to Built Green.

The briefing note includes some limited history of Built Green, in order to provide context. It is focused primarily on developments that have occurred over the last year, and those that are anticipated to take place in the near future.

The briefing note was developed based on review of Built Green Canada Board of Directors minutes, bylaws, and other documents provided to the CHBA by Built Green Canada. In addition, CHBA staff consulted with Ms. Ann Ralph, Executive Director of Built Green Canada, and Mr. Bard Golightly, its incoming President. A draft version of this briefing note was provided to Built Green Canada for their review prior to completion, to ensure that all details presented are accurate and in appropriate context. Comments received as a result of this review have been incorporated in the note.

## 2.0 Background on the Built Green Initiative

In June 2002, as President of the Canadian Home Builders' Association – Calgary Region (CHBA-CR), Jay Westman committed to the development and launch of a “green” program.

SAIT Polytechnic was hired to conduct a feasibility study for the CHBA-CR. After reviewing the study, the CHBA-CR Board of Directors decided to fund the development of a program and asked that it would be available only through the Home Builders' Association and be voluntary, flexible and verifiable. In January 2003, the CHBA-CR formed a committee including representation from builders, manufacturers, suppliers, developers, trades, government, educational institutes, and provincial program delivery agents.

The committee obtained input from a wide range of government and industry sources, and also reviewed a number of existing Canadian and U.S. new home “green” label initiatives, including Built Green Colorado. All of the programs reviewed made use of a checklist and energy rating system. Most also had random testing or auditing of homes to verify compliance.

The committee determined that a third-party testing and rating system was required and subsequently decided to adopt the EnerGuide Rating System (ERS) as the energy efficiency component of the program. As part of this, every home would be tested for air tightness. The committee also felt that mandatory education for builders was needed and selected NRCan's R-2000 builder training as the mandatory education component.

It was decided to have three performance levels in the program<sup>1</sup>, each requiring a higher level of energy efficiency and including a product selection checklist specific to each level. On October 8th, 2003, the Built Green program was launched to the CHBA-CR members and the media.

The committee soon found they needed to make changes to the way the program was managed and also sought to have the program expand to beyond the Calgary region. As a result, the Built Green Society of Canada was incorporated in October 2004, and took over ownership and management of the program from the CHBA-CR. In August 2005, the administration of the program moved from the CHBA – CR to EnerVision, which was (and is) wholly owned by the CHBA - Alberta. (EnerVision is also licensed to deliver NRCan's R-2000 and EnerGuide for Houses initiatives).

In the following years, Built Green expanded, initially to become a pan-Alberta initiative through the network of local Home Builders' Associations in Alberta, and then to British Columbia through the involvement of the CHBA – British Columbia.

In the latter stages of 2008, as the Alberta new home market encountered a significant downturn, EnerVision was experiencing internal difficulties and staff changes. In the following months, the majority of the service organization's staff were terminated, and by March 2009, only three of the previous seventeen staff remained. This resulted in a loss of adequate administrative and program

---

<sup>1</sup> **Note:** When Built Green was launched, it offered only three levels of certification – bronze, silver and gold. The platinum level was added some years later in response to a growing number of Built Green homes that significantly exceeded the energy performance requirements for gold certification.

support for Built Green, and the contract between EnerVision and Built Green was not renewed. From March 2009 to September 2009, Built Green focused largely on the labeling process for home builders, and restructuring the governance and operations of the Society.

Today, Built Green is owned and managed by a new entity, Built Green Canada, which is a federally chartered non-share, non-profit corporation governed by a Board of Directors. The Built Green Society, chartered in Alberta, will be wound-up, and its assets transferred to Built Green Canada.

Membership in Built Green Canada is currently open to builders and renovators who are members of "a professional industry association" such as the CHBA, as well as to Delivery Agents operating under a licensing agreement with Built Green Canada, and to supporting members, which can include product and material suppliers, community developers and municipalities.

### **3.0 Summary of Recent Built Green Developments**

In its 2010 work plan, the Built Green Society of Canada noted that, "Through 2009, the Built Green Society has been an organization in transition".

This transition has involved a number of significant changes in terms of organizational structure, governance and operations.

- In September 2009, the Society hired its first full-time Executive Director, Ann Ralph, who is accountable to the Built Green Canada Board of Directors.
- The Built Green Canada Board of Directors is moving towards adoption of a policy governance model.
- Also in September 2009, the Built Green Board established an independent office for the organization, and now governs and manages the organization independent from external parties. Built Green Canada is not owned or controlled by any Home Builders' Association, and operates at arms length from the Association.
- In overall terms, the operating structure of Built Green Canada is moving towards one more typical of other public and private green home labeling initiatives:
  - Built Green Canada is the proprietor, and will set all policy and requirements for the initiative, and membership criteria for new home builders and renovators.
  - Delivery Agents will be licensed by Built Green Canada to deliver the initiative to new home builders and renovators within a prescribed region or area.
  - Other entities may join Built Green Canada as "supporters". This can include product and material suppliers, community developers and municipalities. Note that membership by a supplier or manufacturer is no longer a prerequisite for product listing in the Built Green Catalogue.
- As part of Built Green Canada's administrative process, a new licensing agreement for Built Green Delivery Agents has been approved by the Board of Directors. This agreement sets out

clear roles and responsibilities for both Built Green Canada (as the label proprietor) and Delivery Agents (as the entities licensed to deliver the initiative to builders and renovators). The Licensing Agreement does not confer automatically any territorial exclusivity to Delivery Agents, as Built Green Canada *“reserves the right to choose single or multiple delivery agents in a given region or area”*.

Currently, the only formal agreement for delivery of the Program is with Mindscape Innovations, for Built Green delivery in Ontario. At this time, there are no licensing agreements in place between Built Green Canada and either EnerVision in Alberta, or CHBA – British Columbia. Both of these organizations continue to deliver Built Green under informal circumstances, as their previous agreements with the Built Green Society expired in the spring of 2009. New licensing agreements have not yet been offered to them by Built Green Canada, pending additional Board discussion. Currently, Built Green Canada pays EnerVision a monthly fee to maintain the Built Green database.

- Under its federal incorporation, Built Green Canada can operate anywhere in Canada. The organization has set a goal of becoming a national initiative, active across the country. The first Built Green home in Ontario was recently completed and opened. It is anticipated that a Built Green home will soon be completed in New Brunswick, and the Board has indicated its desire to see the initiative expand to at least one additional province in the short-term.
- As noted, new home builder and renovator membership in Built Green Canada is now open to firms that are members of any recognized professional industry association, not only the CHBA. This change reflects the Board’s direction that the initiative should be “inclusive”, as well as the evolution of Built Green as an entity that is distinct and independent from the CHBA.

#### **4.0 Current Built Green Labeling Initiatives**

Built Green Canada currently operates three home labeling initiatives:

##### 1) Built Green for New Homes

The Built Green program for new homes operates in Alberta and B.C. and is being introduced in Ontario and the Atlantic region. This label continues in much the same form as when introduced, with four “levels” of recognition/certification: bronze, silver, gold and platinum. Each higher level requires a higher minimum ERS rating, as well as higher numbers of items from the Built Green checklist. Built Green requirements are the same in all localities where the program operates. Current ERS minimums and checklist requirements for Built Green homes are presented in Chart One, on the following page.

**Table One: Current Built Green Category Requirements<sup>2</sup>**

Checklist Categories			Bronze	Silver	Gold	Platinum
Energuide for New Houses Rating - 2010			72	75	77	82
I.	Operational Systems	Min. 10/93	81 points	90 points	100 points	120 points
II	Building Materials	Min. 15/91				
III.	Ext. & Int. Finished	Min 10/66				
IV.	Indoor Air Quality	Min. 15/53				
V.	Ventilation	Min. 6/21				
VI.	Waste Management	Min. 7/32				
VII.	Water Conservation	Min. 7/48				
VIII.	Business Practices	Min. 6/31				

Built Green Canada is currently reviewing the minimum ERS ratings with the intention of increasing these. At the direction of the Board, proposed new requirements are currently being reviewed by the Technical Standards Committee after receiving builder input. Announcement of new requirements is expected to take place during October, 2010 and these would come into effect January 1, 2011.

## 2) Built Green for Home Renovations

A Built Green renovation program has been under development for some time. The Built Green renovation checklist was released on July 20, shortly after the program guide. Like the new home program, Built Green Renovations is a points-based labeling initiative that provides certification paths for a variety of renovation project types. While this program is available on the Built Green Canada website and therefore “operational”, the organization has not yet promoted it, as there is no training program yet in place to support renovator participation. As a result, there has been no renovator take-up to date.

<sup>2</sup> This chart is taken from the Built Green Canada website.

### 3) Built Green for Multi-storey Residential Towers

The Built Green™ Multi-Storey and Residential Tower Pilot was launched in October, 2006.

This initiative applies to any residential building that is stacked (i.e. 1 apartment/condo unit on top of another unit or more).

- Part 9 – Stacked 2 Storey to 3.5 Storey
- Part 3 – 4 Storey and up (may include mixed commercial space)

A specific checklist has been developed for this initiative. Energy performance and checklist requirements for multi-storey residential towers are as follows:

Bronze – EGNH 72 or EE4 10% above reference building\* + 81 pts on the checklist

Silver – EGNH 75 or EE4 25% above reference building\* + 90 pts on the checklist

Gold – EGNH 77 or EE4 35% above reference building\* + 100 pts on the checklist

Platinum – EGNH 82 or EE4 50% above reference building\* + 120 pts on the checklist

\* ~CBIP level

## 5.0 Governance

Built Green Canada has moved towards a more formal organizational and governance structure. The Board has recognized that the initiative's future growth requires greater independence, a more robust organizational structure and clearer accountability.

During its early years, Built Green was preoccupied with operational demands related to delivery of its labeling services, which were expanding rapidly. During this period, matters of governance were not addressed. Over the last year, the current Board has moved to build an organizational structure it views as more suitable and sustainable, and to develop and implement appropriate governance processes to support the organization.

## 6.0 Roles and Responsibilities within Built Green

Under the new Built Green Canada governance policies and structure, the Built Green Board of Directors has clear and exclusive responsibilities for establishing the policies of the organization and setting operating objectives and goals. This includes *"control of the trade and certification marks, the overall control of the Built Green Program, and the rights to set standards to be met with respect to all aspects of the Built Green Program"*<sup>3</sup>.

---

<sup>3</sup> Excerpt from *"Built Green Canada Licensing Agreement to Deliver the Built Green Program"*, approved by Built Green Board of Directors, August 26, 2010

The Executive Director is responsible for acting on the policies and strategic directions set by the Board, overseeing all operational aspects of the organization, and is accountable to the Board for results.

Other entities involved in the Built Green initiative have specific roles, rights and responsibilities as established by Built Green Canada, as follows:

### Delivery Agents

The Built Green licencing agreement stipulates that *“all aspects of the day to day delivery of the Built Green Program will be carried out by the Delivery Agent, who will report to Built Green Canada from time to time”<sup>4</sup>*. Further, the agreement states that the Delivery Agent “will be responsible for the promotion of the Program and some aspects of the administration of the Program, reporting to Built Green Canada on a regular basis”. The Delivery Agent is required to *“adhere to the procedures, practices and standards as may be set from time to time by Built Green Canada”<sup>5</sup>*.

As noted, there are currently no licensed Delivery Agents for Built Green in Alberta or British Columbia, as the previous agreements expired in 2009. However, the program continues to be delivered, under informal agreement, by:

- a) EnerVision, which is wholly-owned by the CHBA – Alberta
- b) CHBA – British Columbia in B.C.

Built Green Canada does have a letter of agreement in place with Mindscape Innovations to deliver Built Green in Ontario

### Builder Members

On May 13, 2010, the Built Green Board of Directors approved the following criteria for builder membership:

*That builder membership in Built Green Canada be open to any builder who:<sup>6</sup>*

- *is a member of a professional builders' association;*
- *takes the Built Green Canada builder training course and remains current;*
- *has a minimum of \$2 million in liability insurance;*
- *is a member of a home warranty program;*
- *provides evidence of a minimum of 16 hours of professional development each year;*
- *pays the Built Green Canada membership dues; and*
- *builds a minimum of one Built Green certified home per year.*

---

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Minutes of the Built Green Canada Board of Directors meeting, May 13, 2010.

These criteria will come into force on January 1, 2011. At the time this report was prepared, the Executive Director reports that there are approximately 450 registered Built Green builder members, of which about 145 are considered active.

### Renovator Members

Renovator membership in Built Green Canada, for 2011, will be open to any renovator who:

- Is a member of a professional builders' or renovators' association;
- Takes the Built Green Canada builder training course and remains current;
- Has a minimum of \$2m in liability insurance;
- Is a member of a home warranty program;
- Provides evidence of a minimum of 16 hours of professional development each year;
- Pays the BGC membership dues; and
- Renovates a minimum of one (1) built green certified home per year

### Supporter Member

Supporting membership in Built Green Canada, for 2011, will be open to any supporter who:

- Is a member of a recognized organization in a field related to energy efficiency, environmental protection, or residential home construction;
- Demonstrates their support of Built Green Canada and the Built Green™ Program;
- Meets the conditions of membership, as may be set from time to time; and
- Pays the required fees.

## **7.0 Built Green Canada Committees**

Under its new governance structure, a series of committees is being established, with clear terms of reference set out. To date, these committees are as follows:

Executive Committee – This standing committee is chaired by the President. The Executive Committee oversees the operations of the Board and personnel matters. It is comprised of the organization's officers and executive officer (ex officio). If necessary, it acts on behalf of the Board for "on-demand activities that occur between Board meetings". The Executive Committee is responsible to the Board through the President.

Governance and Audit Committee – This standing committee is chaired by the Secretary Treasurer. It reviews matters and makes recommendations to the Board on matters related to organizational governance (including by laws), as well as financial performance and accountability. The committee is comprised of the President, Vice President, Secretary Treasurer, Past President and Executive Officer.

Nominating Committee – This standing committee is chaired by the Past President. The Nominating Committee is charged with "ensuring that the Board possesses the competencies

necessary for effective Board performance". It reports to the Board of Directors through the President.

Marketing Advisory Committee – This advisory committee supports the work of the Executive Officer "relative to maintaining and protecting the national brand equity and expanding the Built Green Canada program across Canada". The committee is formed under the authority of the Board of Directors, reports through the Chair, and is competency based.

Standards Committee – This standing committee is appointed by the Board and reports through its chair. The Standards Committee is charged with providing the Board with accurate and timely information to ensure the interests of Built Green Canada are protected with respect to:

- technical standards;
- Program checklists;
- emerging building practices;
- product use; and
- program accountability (file audits)

## 8.0 The Built Green Product Catalogue

A feature of the Built Green Program that differs from other "green" new home labeling initiatives in Canada is the use of a product catalogue. The function of the catalogue is described by Built Green Canada as follows:

*"Only products and services that have been accepted by Built Green Canada are listed in the Product Catalogue. The Product Catalogue mirrors the Built Green™ Checklist to help builders fulfill the requirements. Builders may use products from any supplier or manufacturer, as long as the product meets the checklist requirement."*<sup>7</sup>

The cost of listing an approved product in the catalogue is \$100 per year.

There are several steps required before a product is listed in the catalogue:

- The applicant must identify which Built Green™ Checklist section(s) and line item(s) they are applying to have their product/service listed under;
- They must briefly describe the product/service and how it complies with the checklist item(s) to which it applies;
- They must have independent verification of the claims asserted in their product application;
- If the product requires a CCME or CSA certification, they must submit the appropriate certification number.

---

<sup>7</sup> Taken from the Built Green Canada website.

Once Build Green Canada receives the application information, the product is reviewed by the Standards Committee. The Committee may approve the application if everything is clearly in order; they may ask for additional information; or they may deny the application.