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**Canadian  
Home Builders'  
Association**



**Association canadienne  
des constructeurs  
d'habitations**

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Kevin Lee  
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Office of Energy Efficiency  
Natural Resources Canada  
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**Re: Feedback on 'Next Generation' ERS from CHBA National Meetings**

Dear Kevin:

In discussions concerning ERS development during the CHBA's recent National meetings, new home builders raised one issue that we wanted to bring to your attention. We are recommending that this is an issue that both NRCan and the ERS Policy Advisory Committee will wish to consider.

Specifically, the issue concerns a situation that would develop in any jurisdiction that adopted mandatory ERS ratings for all homes sold – new or old. In this situation, new homes built to Part 9 prescriptive requirements would also bear an ERS rating. As currently envisioned, this rating (energy consumption in GJ/year) would most likely have a comparator or 'fulcrum' point representing the same home constructed to the prescriptive requirements in place within the jurisdiction, as calculated by HOT2000.

To date, this 'fulcrum' point is represented as a single value expressed in GJ/year. The intention behind proposed prescriptive requirements is to achieve a given level of new home energy performance *on average*. In practice, some homes will perform above this level, and some below it. If the prescriptive requirements are well conceived, clustering around the desired performance level should be fairly tight, and the goal of the code writers will have been satisfied.

However, as noted, prescriptive requirements do not mean that a given home will achieve a specific level of energy performance – just that all new homes will deliver this level, on average. As a result, a great many new homes that are code-compliant could bear ERS labels indicating that they perform below or above 'code', based on the single-value 'fulcrum' value shown on the ERS label. In the case of homes with an indicated performance below 'code', this could create considerable confusion for new home buyers, and some significant explanatory challenges for new home builders.

While an ERS rating has nothing to do with code compliance, by using the 'fulcrum' approach as it is currently envisioned, consumers could reasonably conclude otherwise. The new home builders at the meetings were concerned about this potential problem.

In practice, the prescriptive requirements being developed within the national code development process will result in a range of energy performance outcomes. At this point, it is not clear what variability will result, but performance that is +/- 10% of the target level would not seem out of the question. It has been suggested that the comparator or 'fulcrum' value incorporated in the ERS should be portrayed as a range with a mid-point, rather than as a single value. There may be other ways to ensure that code compliant new homes are portrayed as such by the ERS label.

As further code development work is carried out, we may get a better sense of the normal range of performance outcomes that could be anticipated, and how this might best be portrayed by the new ERS label.

At this point, we want to alert you to the issue raised by the builders, and request discussion of this in relation to the proposed new ERS label.

Yours truly,



John Kenward,  
Chief Operating Officer

cc: CHBA Executive Board