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**Canadian  
Home Builders'  
Association**



**Association canadienne  
des constructeurs  
d'habitations**

June 16, 2008

The Honourable Gary Lunn,  
Minister of Natural Resources Canada  
580 Booth Street, 21st Floor, Room C7-1  
Ottawa, ON K1A 0E4

Dear Minister:

I am writing on behalf of the Canadian Home Builders' Association on a matter of urgency concerning the HOT2000 software, which is owned and maintained by your department. HOT2000 supports the R-2000 Initiative, and provides the technical foundation for the EnerGuide Rating System (ERS) in use across Canada. The CHBA endorses the ERS as a voluntary tool and as an important component in the industry's voluntary, market-driven energy efficiency initiatives.

On May 29, 2008, the CHBA was contacted by a member builder concerned about changes to the HOT2000 software being implemented by your department. The member reported that these changes would have the effect of increasing the level of energy performance, and construction costs, required to achieve a specific ERS rating in gas heated homes. Subsequent to this letter the CHBA confirmed, with Natural Resources Canada (NRCan) staff, that these software changes are proceeding.

The CHBA is extremely alarmed about the less-than-transparent manner in which this matter has been handled by your department. Despite the CHBA's known interest in the ERS, your department chose not to advise the Association of the full scope and implications of these software changes, notwithstanding specific requests by the CHBA that such consultation take place. This is unacceptable.

Minister, new home builders across Canada are currently entering into contracts with consumers to deliver ERS-rated homes over the next year, and beyond. In many cases, a specific ERS level is cited in these sales agreements. By changing the software used to determine a home's ERS level, without thorough consultation with the industry, NRCan has created serious risks and liability for both builders and home buyers.

As well, this has created a climate of skepticism and a loss of confidence within our industry about NRCan's management of the ERS. Your department's absence of commitment to meaningful and comprehensive consultation requires immediate remedy.

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As the owner of the HOT2000 software, your department bears clear responsibility to consult fulsomely when it is contemplating software updates that will impact on builders and home buyers. It has failed to do so. An open, consultative, accountable and disciplined process for managing changes to HOT2000 is clearly required.

I respectfully request a meeting with you on an urgent basis. I believe that such a meeting is now long overdue, and is crucial to restoring a positive climate of partnership between our industry and your government with regard to the future of the EnerGuide Rating System and the R-2000 Initiative.

Yours truly,

A handwritten signature in black ink, appearing to read "John Hrynkow". The signature is written in a cursive, flowing style.

John Hrynkow  
President

cc: CHBA Board of Directors