

Minister
of Natural Resources



Ministre
des Ressources naturelles

Ottawa, Canada K1A 0E4

AUG 12 2008
AOUT

Mr. John Hrynkow
President
Canadian Home Builders' Association
150 Laurier Avenue West, Suite 500
Ottawa, Ontario K1P 5J4

Dear Mr. Hrynkow:

Thank you for your letter of June 16, 2008, regarding the HOT2000 software.

Let me begin by commending you, and the members of the Canadian Home Builders' Association (CHBA), for your continued commitment to improving Canada's environment and reducing greenhouse gas emissions by endorsing and supporting the R-2000 Standard and the EnerGuide Rating System (ERS).

The HOT2000 software, which is the basis of R-2000, is also the tool used to produce energy ratings of homes in the ERS. As you are aware, EnerGuide was first implemented as a program support tool for the rating of the energy efficiency of existing homes in 1998. With the greater industry demand for labelling new homes, Natural Resources Canada introduced the ERS for new housing in 2004. Over these years, various stakeholders and service organizations involved in the delivery of new and existing housing initiatives have requested relevant and timely changes. With the consultations and recommendations from approved service organizations, provincial governments and utilities participating in the new and existing housing initiatives, the following ERS adjustments were proposed to account for new weather data profiles and the updated benchmark efficiency levels for fuel-fired equipment:

- The new weather data is based on averages for the 1971–2000 period, rather than for the 1951–1980 period used in previous versions of the software. The major driver for this change was requests from many users to update the weather data files to better reflect the warming climate that we are experiencing. Detailed analyses of energy efficiency impacts showed that the differences in estimates of annual energy consumption were lowered in some and increased in other locations (mostly within 10 percent on an annual basis). The revised weather data set also increased the number of locations to 116 from 77; and

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- The reference energy efficiency for fuel-fired equipment was revised, to align with the announced upcoming changes (December 2009) to federal regulations for the minimum energy performance of fuel-fired heating equipment and with current code requirements in both Ontario and British Columbia. The reference fuel efficiency went from 80 to 90 in annual fuel utilization efficiency (AFUE) for gas/propane residential appliances and from 80 to 83 AFUE for oil-fired equipment. Reference energy efficiency levels remained unchanged for electricity and wood-fired appliances.

The above changes were first presented, along with impact assessments, to a number of stakeholders and service organizations delivering the new housing initiatives, such as ENERGY STAR® for Homes, R-2000, ERS for New Housing and ecoENERGY Retrofit – Homes Incentive. In its capacity as R-2000 Technical Coordinator, the CHBA's national office was also kept informed about these developments and was invited to attend a consultation meeting in this regard on March 5, 2008.

The updated HOT2000 software, which included the new weather data and reference fuel efficiency, was incorporated in the ERS procedure that was introduced for the April 2007 launch of the existing housing programs, i.e. ecoENERGY Retrofit – Homes Incentive. In May 2007 the new housing program service organizations were also informed that they will be required to use the updated HOT2000 software in the near future.

The time frame for implementation of the new ERS and HOT2000 software has been set individually with each service organization, based on regional and provincial delivery strategies.

I am pleased to report that many service organizations, including CHBA–Nova Scotia, have already adopted the new version with its enhanced capabilities of using the new weather data and the revised benchmark efficiency levels.

As more provinces are referencing a minimum ERS rating in their provincial building codes, my department is working with them to ensure that the HOT2000 version they use will offer stability and meet their ultimate energy efficiency goals.

It was indeed unfortunate that the CHBA was unable to attend the ERS national consultation meeting held on March 5, 2008. As you point out, such consultations are important, and I do hope that you or a representative of the CHBA will be able to attend the next meeting which is in the planning stage. Going forward, I see this group forming the focus of a more open, transparent process in support of a stable ERS.

I trust that the above addresses your concerns. My staff at the Office of Energy Efficiency (OEE) is available to meet with you, or your representatives, to discuss this matter further. Due to the technical nature of the topic, I suggest that you set up a meeting with Ms. Carol Buckley, Director General of the OEE, or Mr. Kevin Lee, Director of the Housing Division, OEE.

I am confident that, with your leadership at the CHBA, we can strengthen the future of the ERS and the R-2000 Initiative.

Again, thank you for writing on this important matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Gary Lunn", with a period at the end. The signature is written in a cursive style.

The Honourable Gary Lunn, P.C., M.P.