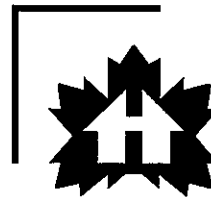


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Canadian
Home Builders'
Association



Association canadienne
des constructeurs
d'habitations

June 6, 2008

Peter Williams, President
Brantford Home Builders' Association
P.O. Box 1322
Brantford, ON N3T 5T6

Dear Peter,

Thank you for your letter of May 29th concerning changes to the EnerGuide Rating System (ERS). CHBA had learned about this issue just a few days before your letter arrived and were looking into the matter.

On Tuesday, June 3/08 CHBA received a response to our initial enquiries to Natural Resources Canada (NRCan), which I have attached to this letter. While this provides some insight into what is taking place, it leaves a great many important questions unanswered.

In terms of background information, as the NRCan document indicates, there have been two changes made to the ERS software, one to update weather data, the other to change efficiency benchmarks for fuel-fired heating equipment. The net effect of the two changes will be to increase the level of energy efficiency required to achieve ERS ratings above 77 in most locations across Canada.

As you point out, and the NRCan note confirms, for homes designed to achieve ERS 80, this could result in a two ERS point change, reflecting as much as a 10% increase in energy performance to maintain the ERS 80 level. However, the exact impact on a given home in a given location cannot be determined from the information NRCan has provided.

You are correct in noting that this change will put many organizations involved in energy efficient housing in a difficult position. It may also pose significant problems for new home builders who have sales agreements in place for Energy Star rated homes. The CHBA Executive Board will advise all provincial Home Builders' Associations of this situation, so that they can take appropriate action at the provincial level. Obviously, builders need absolute clarity on when the use of the new version of the ERS software will come into effect, and provincial HBAs are in the best position to get this information from provincial service providers.

Significantly, in provinces that have chosen to reference the ERS in provincial Building Codes, including Ontario, this may well have the effect of changing Code requirements. The fact that bureaucrats in Ottawa, working for NRCan, can effectively change provincial Building Codes without any consultation with our industry or a proper and disciplined review process is wholly unacceptable.

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Provinces must recognize that, in inserting ERS requirements into their provincial Codes, they effectively hand control of their Code over to federal government bureaucrats who are not accountable to the provinces, our industry or our customers. This situation cannot be allowed to continue.

This is also one of the problematic scenarios we had alerted Association members about through our report *An Assessment of ERS as Requirement For New Homes* report and the elaboration report, issued late last year. We have also raised this precise issue in subsequent Red Alerts sent to all Association members.

At the national level, I will communicate to the Minister of NRCan the unacceptable lack of communication and consultation between his department and the industry on these changes to the ERS.

At the same time, I will be encouraging provincial HBAs to make representation to their provincial governments regarding the adoption of the ERS as a regulatory tool. It is imperative for provincial HBAs to reinforce the fact that the ERS was never designed for regulatory purposes, a point where the CHBA has the concurrence of NRCan.

Again, thank you for your detailed and thoughtful letter on this important matter.

Yours truly,



John Hrynkow
President

cc: CHBA Executive Board