



Brantford
Home Builders'
Association

A member of the Canadian
Home Builders' Association

P. O. BOX 1322
BRANTFORD, ONTARIO
N3T 5T6

Canadian Home Builders' Association,
150 Laurier Avenue West, Suite 500,
OTTAWA, ON K1P 5J4
Attention: John Hrynkow, President

May 29, 2008

Dear John:

Recently we were made aware of changes to the EnerGuide Rating System(ERS) which will take effect in Ontario on August 1st, 2008. The change will result in gas and propane heated houses being down-graded by two EnerGuide rating points. Oil heated homes are affected slightly and homes heated by electricity are not affected at all. According to the proposed changes, an EnergyStar home(ERS-80) enrolled on July 31st 2008, will be rated at ERS-78 and as such, will no longer qualify to receive the EnergyStar label if it is enrolled on August 1st 2008.

NRCan admits that this change has been implemented without consultation with the home-building industry or other sector partners, however they acknowledge that in the future, they plan to consult with stake-holders prior to making similar changes. Because the change is being implemented as part of a revision to the rating software, NRCan's position is that "NRCan has not in any significant way changed the requirements for ENERGY STAR qualified new homes". This does not seem to recognize the fact that the increased construction cost of a home built to the "Post August 1st 2008 EnergyStar" standard can be thousands of dollars higher than a home built to the current EnergyStar standard.

According to NRCan, this change was implemented because the minimum efficiency for forced air gas furnaces has been recently upgraded to 90%.This apparently ignores the fact that minimum efficiencies for combination systems and boilers have not been upgraded to 90%.

Such a change seems to fly in the face of most of the objectives of an Energy Rating value which should allow the comparison of a new home with one constructed at an earlier time. This change will mean that the ERS rating number issued to new gas heated homes rated after August 1st 2008 will no longer be comparable to any home (new or existing) rated prior to July 31st 2008. The new software is not backwards compatible so such comparisons will quickly become extremely difficult.

This change will have a wide-ranging negative affect on the credibility of the rating system. Program partners such as natural gas utility companies, housing regulatory authorities, municipal governments and mortgage companies face significant challenges in tracking and interpreting this rating change.



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Some examples of this are:

Ontario Ministry of Housing will have to revisit current OBC sentence 12,2,1,1,(3)(c). Should the bench-mark be down-graded to ERS-78? Will the Ministry of Housing have to provide guidance as to which Software version is to be used?

Natural gas utilities which have commitments to their provincial Energy Boards may be required to re-visit their rate-cases.

Municipal Governments which have mandated EnergyStar rating by means of by-laws may be rightfully asked to re-examine their by-law.

Mortgage companies that offer rebate incentives to home-buyers, may have to change their benchmark incentive level and/or begin to track the rating software version.

We believe that for these reasons, this software change should not be implemented until adequate industry consultation occurs. If such consultation finds that the change is not appropriate at this time, it should be reversed.

We ask that you approach NRCan and/or the Ministers of Housing and/or Energy on behalf of our builder members, requesting that industry consultation occur prior to the implementation of any such change.

The timing of these actions are critical as it is our understanding that if nothing is done, the proposed changes will automatically become effective on August 1st, 2008

Respectfully yours,

Peter Williams, President

cc: James Bazely, 2nd Vice President OHBA, Chair of Builder's Council
Terry Kaufman, Chair, OHBA Technical Committee
John Hrynkow, President, CHBA
Michael Moldenhauer, President BILD
Adi Irani, President Hamilton Halton HBA
Jim Vanderhoeven, President London HBA
Bob Ridley, President Greater Ottawa HBA
Peter Armburster, President Waterloo Region HBA