



**Canadian  
Home Builders'  
Association**

October 1, 2001

Mr. Sherif Barakat  
Director General  
Institute for Research in Construction  
National Research Council  
Montreal Road, Building M-20  
Ottawa, Ontario  
K1A 0R6

Dear Mr. Barakat:

I would like to thank you for providing a detailed and thought-provoking response in your July 26 letter to our concerns about the Model National Energy Code for Houses. The CHBA is very pleased to have an open line of communication with NRC about this important issue.

I am concerned that our use of the term scientific integrity in our comments on the MNECH has created some misunderstanding. In retrospect, it would have been much better if we had explained in our commentary what we meant by this term with respect to the MNECH. We did not intend to impugn the rigour and discipline with which the IRC conducts its scientific research. Rather, we were questioning the underlying assumptions and outputs of the MNECH.

The CHBA is in complete agreement with the decision of the Canadian Commission on Building and Fire Codes to treat the MNECH as a "progeny document" that might be of use to provincial governments when contemplating actions to encourage the energy performance of new home construction. This decision of the CCBFC recognized the difference between providing provincial governments with a useful tool and encouraging adoption of the code as a regulation. While the title of the MNECH may cause some confusion for some, (the title was a compromise arrived at by the CCBFC), it must be remembered that the CCBFC decided that the MNECH not be adopted as a "code" (i.e. as part of the NBC). We are pleased to acknowledge, as pointed out in your letter, that the IRC has acted consistently with those decisions by maintaining a neutral position about what provincial governments may choose to do with respect to this progeny document.

In our view, the difficulty that has arisen is that other federal authorities, quite outside the code development process and the CCBFC, have decided to encourage the adoption of the MNECH. The effect of this is that the agency responsible for supporting the development of the NBC is being ignored or circumvented by other federal authorities. If nothing is said about the MNECH as a regulatory instrument, then its effectiveness and practicality as a regulatory instrument may

not be questioned. The problem is that others have recommended its adoption as a code without questioning its practicality or effectiveness as a regulatory instrument.

With respect to the concerns of organizations in other sectors of the housing industry about the MNECH, it may be the case that some of their concerns were addressed in the past. However, it turns out that organizations like the Canadian Wood Council still have serious concerns about the MNECH and, whatever the history may be, we believe that it is reasonable to address these concerns.

The CHBA continues to be extremely concerned about the effectiveness and practicality of the MNECH as a regulatory instrument. To encourage further discussion and the resolution of these concerns, the CHBA has prepared the attached set of questions for consideration. We believe that there are legitimate questions about outstanding issues and that these questions deserve answers.

As a final point, the CHBA recognizes and fully supports the initiative to introduce cost analysis into this area of the National Building Code. Indeed, we would like to see cost analysis as an integral component of all proposals to change the Code. We also recognize that cost analysis in relation to the NBC is not always part of the Code development process in a formal sense. The complexity of cost analysis in the area of energy efficiency also prompts us to ask the questions appended to this letter.

Sincerely,

John Kenward  
Chief Operating Officer

## **Industry's Questions about the Model National Energy Code for Houses**

---

### **Why do we need a National Model National Energy Code for Houses?**

If most new houses are built in jurisdictions with existing energy efficiency requirements, what are the advantages to provincial governments of adopting the MNECH as a regulatory code? If the industry is performing well in this area and if responsible authorities are reasonably satisfied with the level of energy performance of new homes, what is the need for a new regulatory instrument?

### **Is there anything comparable to the MNECH in the National Building Code?**

Does the MNECH represent a logical extension of the National Building Code or is it a significant expansion of the scope and approach of the NBC? The NBC represents half a century of the evolution of building science and specifies construction requirements based on standardized engineering practices. Is the MNECH consistent with this approach or does the approach embodied in the MNECH, with assumptions and forecasts about different variables, represent a departure from the historical NBC development process?

### **Are there any risks associated with adopting the MNECH without a resolution of the ventilation issue?**

Would the MNECH increase the risks of indoor air quality problems in new houses built to its standards? The current version of the MNECH is silent on the potential health risks associated with indoor air quality problems. Is it advisable to adopt the MNECH while the regulation of ventilation is still a work in progress?

### **What will be the impacts on overall energy use if the MNECH is adopted as a regulation?**

The costs and other impacts should be estimated and quantified to justify the MNECH as a regulatory code. For example, what proportions of builders and of the newly built housing stock would it effect? What would be the estimated total energy use reduction? It is important to know if the benefits will justify the effort and cost.

### **Is there a potential for unintended impacts from implementation of the MNECH?**

Will the only effect of the MNECH be to increase the energy efficiency of homes built by the most poorly performing builders and houses? Is there any risk that it could also cause a lowering of the performance of builders who currently exceed the MNECH standard so that they can compete with builders who could advertise houses that meet a new energy efficiency standard? Is there a risk that the overall effect on energy use, or the effect in particular provinces, will be negative?

**What will be the impacts of regularly updating the MNECH with current values for energy and material costs?** We know that energy and building material costs have changed since the MNECH was developed but we do not know what the effects of these changes will be on the outputs of the model. It is important to analyze the stability of the model with varying input values before contemplating its use as the basis for regulation. Should this not receive attention?

**What will be the practical impacts on the industry of implementing the MNECH?** For example, will there be costs and other impacts on builders from adopting the MNECH? If yes, what will be these costs and impacts?

**What will be the practical impacts on provincial governments that adopt the MNECH?** Will there be costs and other impacts—including liability—for the agencies responsible for implementing and enforcing the MNECH? If yes, what will be these costs and impacts?

**What will be the effect on other public policy objectives for provincial governments that adopt the MNECH?**

For example, what will be the effect on housing affordability?

**What will be done about the concerns of other sectors of the industry?**

For example, what will be the response to organizations such as the Canadian Wood Council which still have concerns about the MNECH?

**CHBA.2001.10.01**