

December 30, 2024

To: homelabelling-etiquetageresidentiel@nrcan-rncan.gc.ca

Re: NRCan Discussion Paper - Home Labelling: Informing Canadians on Home Energy Performance

CACEA is pleased to provide a formal response to the NRCan Discussion Paper on a National Home Labelling Strategy (NAHL) and the request for feedback for the five questions outlined in the discussion paper.

1. What do you see as the federal role in home labelling? Does your organization support the proposed NAHL as presented? Why or why not?

CACEA views the federal role in home energy labelling as follows:

Virtual Label

- There must be a mandatory standard for virtual labelling tools at the onset of the policy and guidelines. **We do not support a voluntary standard.**
- NRCan must provide clear and consistent messaging specific to virtual labels e.g., it is for exiting homes specifically and NRCan is not creating a virtual label per se.
- NRCan must clearly define these “ratings”/outputs and what they are not – when they can and cannot be used – in the minds of homeowners, program providers, municipalities, and policymakers.
- Virtual “assessments” should only be used as a tool for market transformation and a first step to create awareness and encourage homeowners to invest in an in-depth, customized road map that only an EA can provide during site visits, comprehensive audit activities, and follow up conversations and advisory services.
- It is important to consider how to reference the “output” from a virtual tool. Using the term “Label” may cause confusion as to the difference between it and EnerGuide.

EnerGuide Label

- Establish and maintain updates to the required EnerGuide Rating System (ERS) and modelling tool - HOT2000 - with ongoing and regular engagement and input from Energy Advisors (EA) who utilize ERS and HOT2000 for national building code compliance and for new and existing home EnerGuide labels.
- Provide and support consistent training requirements and testing through Service Organizations (SO) and third-party providers on the ERS standard and HOT2000 practices to ensure consistent EA compliance practices and outputs.
- Provide increased investment in Quality Assurance (QA), Quality Control, and Compliance of all SOs and EAs such as file reviews and audit practices to ensure consistent compliance for NRCan’s EnerGuide procedures by both SOs and EAs. This must include addressing non-compliance issues in a timely manner, enforcing more stringent requirements of QA specialists, and the Service Organization’s (SO) QA accountability. This also includes delicensing non-compliant SOs and EAs. To strengthen

trust and confidence in the sector and the EnerGuide label, NRCan must demonstrate commitment to the quality of the label through stringent compliance efforts. They must also reinforce and communicate the reliability, consistency, and accuracy of the EA's (and SO's) work and the value they provided versus that of a contractor or product manufacturer/supplier.

- **Invest in increased marketing of the value/benefits** of the EnerGuide label to all key stakeholders (homeowners/buyers, builders, renovators, utilities, realtors, all levels of government, building officials) and provide marketing collateral to users for consistent branding and communications. Communication and marketing should appeal to homeowner and homebuyer 'emotions' as the majority *do not* make decisions based on data and information only.
- **Demonstrate support of the EnerGuide label** for new and existing homes across Canada to support funding opportunities by financial institutions and incentive program providers which require a reliable metric.
- **Promote and list EAs** as they are the face of the EnerGuide label and the technical experts who provide guidance and support.
- **Provide a clear distinction between the EnerGuide and "EnerGuide Express" labels.** The use of each label must be clearly defined, e.g., "EnerGuide Express" should only be used for EnerGuide assessments in recognized remote locations where there is a proven lack of EAs and/or the travel costs are significantly prohibitive.

CACEA proposes the following changes to the NAHL as presented:

- Consistency and QA of the data collected and used to perform the energy assessment, whether for the EnerGuide or "EnerGuide Express" label, must be a priority to transform the marketplace. The label must be seen as trustworthy so it can inform upgrade improvement decisions, incentives, financial support (e.g. mortgages and loans), and building code.
- CACEA does not support the exclusive use of virtual tools for mandatory home labelling. We understand the intent of a virtual "rating" is to increase consumer awareness around energy efficiency and to encourage homeowners to explore ways to improve the energy efficiency of their homes and reduce their GHG emissions. We also offer caution if homeowners provide additional information to augment a virtual assessment tool. The reliability of the information provided could be questionable – incorrect or inflated to achieve a higher rating.
- Without the oversight and guidance of a professional, trained in building science and understanding the principles of the house-as-a-system, namely an EA, reliance on a virtual "label" will encourage uninformed and costly decisions, the potential for unintended consequences, increased health and safety issues such as combustion spillage, mould, radon exposure, and vermiculite exposure.
- It is a cost-effective measure for NRCan to stand behind and invest in its current label and the industry that supports it. 1,700+ licensed and engaged efficiency professionals are ready to deliver this service – a workforce that NRCan invested millions of dollars to develop over the past years. The continued required use of EAs will contribute to a

longer-term sustainable professional workforce that will grow and enhance its knowledge and contributions to Canadians and ensure the ERS program is held to a high standard.

- The federal government must communicate clearly to builders, homeowners, AHJs, relators, and other stakeholders the differences between a virtual “assessment” and the in-home delivered EnerGuide label, highlighting the contributions and benefits of the latter. The market will not understand the difference between a rating from a virtual tool and the value of hiring an EA for an in-home energy audit.
- Recognize an EnerGuide label issued within five years as an acceptable “point of sale” label. There are precedents for this in British Columbia and Alberta,
- If the federal government wants to be at Net Zero emissions by 2050, they must support the EA profession as they are the ones who can guide builders and homeowners to make decisions that will result in lower emissions as well as a better performing, comfortable, safe and resilient home,

2. What do you see as your role in home labelling and the proposed NAHL?

- CACEA’s mission is to support a sustainable and recognized profession of valued and credible Canadian EAs in both the new and existing home sectors. Our core purpose is to promote the interest of the Canadian EAs and support energy efficiency, carbon reduction, and resilience initiatives across Canada to benefit Canadian homeowners and other stakeholders.
- CACEA will offer EA upskilling and growth opportunities, elevate the profession to ensure a sustainable career, and enable them to expand their expertise and offer diversified services.
- CACEA must work with the virtual labelling providers to ensure they differentiate their product and understand and encourage the important contributions and services of an EA when promoting their “product” to provinces, territories, municipalities, utilities, and program/incentive providers.
- CACEA is committed to being a valued resource to NRCan for changes and updates that the government is considering. Through our membership and industry representation, we can provide a national “boots on the ground” perspective - vital for procedural and policy development, updates, and changes.
- CACEA will continue to educate and advocate for the value and importance of the EnerGuide label and the contributions of EAs to industry stakeholders, program providers, provinces, territories, and municipalities.

3. What does your organization/industry see as the largest opportunity and/or challenge for the adoption and implementation of home labelling in Canada?

General Opportunities

- Mutual understanding and standardization of ERS across provinces, territories, nations, and regional communities.

- Market signal to focus on energy efficiency, GHG emission reduction, and resilience measures in low-rise residential buildings – new and existing.
- Increased education and understanding of the importance and impact of better performing homes by a broad audience – homeowners, builders, renovators, building officials, real estate professionals, designers, etc.
- Continued employment of a trained EA professional reducing the “boom and bust” scenarios the industry has faced for decades.

General Challenges

- The adage “you get what you pay for” may hold true in the case of home labelling. Things will get missed when an on-site visit is not required. In addition, engagement with a qualified and well-trained EA is a valuable investment in terms of outputs, homeowner education, communication, and an impactful roadmap.
- Lack of understanding or value of the home label
- There is a lack of trust in the EnerGuide label due to perceived inconsistent practices by SOs and EAs,
- Confusion over the use and differences of three “labels” – virtual, EnerGuide, “EnerGuide Express” in addition to voluntary labels – R2000, ENERGY STAR® For New Homes (ESNH), Canadian Home Builders’ Association (CHBA) Net Zero/Ready.
- Current oversight challenges, and reliability of three different “labels.”
- There is the potential for complicated bureaucracy and processes for homeowners, builders, EAs, SOs, and other participants which could limit uptake and interest.
- Some stakeholders may consider the virtual option an easy replacement for EA services to demonstrate they are meeting their region’s GHG reduction commitments – when they may be misaligned.

There are different opportunities and challenges specific to existing and new construction homes.

A. Existing Homes:

- Opportunity
 - An in-person assessment by a qualified EA facilitates increased awareness and broader engagement with homeowners on the home’s efficiency, safety, health, comfort, and resilience through blower door air tightness testing, evaluation and conversations. In addition, EAs may identify issues requiring further investigation by a professional, e.g. vermiculite or mould mitigation, potential structure concerns, etc. These will be missed with virtual assessments and ‘simpler’ labelling efforts.
 - Investment in providing an improved renovation report that homeowners can easily understand and reference and may facilitate better conversations and informed decisions.
- Challenges
 - There is a lack of support for EAs as a true profession and business opportunity by NRCan, some SOs, retrofit programs and incentive designers, and

contractors/suppliers. Often existing home EAs considered a ‘means to an end,’ facilitating equipment replacement as opposed to true market transformation, thoughtful efficiency measures and effective GHG reduction. They are not promoted to be “advisors” who provide impartial, third-party services, contribute to meaningful market transformation, and drive positive change to homeowners, the retrofit market and climate.

- Past incentive programs relied on a “basic” EA service and the cost to engage them has a perceived “fixed” price. While we appreciate there is a place for this approach, there are other EA professionals who want to provide a broader service and, like any consultant, charge higher fees. Homeowners are not aware of the diverse types of EA services and the expertise that they can rely on – for an appropriate fee. In addition, only a small percentage are interested or have the means to make meaningful upgrades to their homes.

B. New Homes

- Opportunity

- For the building sector, the EnerGuide label provides a reliable metric for lenders to both builders and purchasers.
- EAs can provide valuable guidance to builders from the design stage, code compliance assistance, mid-construction testing, and occupancy.
- An EnerGuide label may encourage a new purchaser to explore what is needed to have a “higher performing” home. An EA can assist with providing that roadmap.
- Requiring an EnerGuide label which involves a blower door test will prepare builders for higher Tier requirements in the building code.

- Challenges

- Builders see labels as an added expense particularly those who build at the minimum building code.
- While the EnerGuide label is referenced in the National Building Code, it is not the only metric to demonstrate code compliance.

To demonstrate its commitment to home energy labelling, the federal government must make investments needed to market and improve its products (including software and compliance) and provide the necessary support to contribute to a robust, trusted, and valued industry. This includes championing and collaborating with all stakeholders and constituents to help them to understand how home labels and EAs can support their respective objectives and goals.

4. Are we establishing the right guiding principles for widespread home labelling? What are we missing?

While we consider the five (5) guiding principles as being fundamentally good, we have additional suggestions (see CACEA’s revisions in **green**).

- **Collaborate.** Engage and work with partners and stakeholders to support home labelling initiatives in provinces, territories, and communities **and ensure a clear and concise definition and understanding of the different labelling options; how to use each one;**

how they differ from each other; and where an EA can provide additional support and why.

- **Guide and support.** Work towards best practices and provide support for and confidence in the professionals who deliver these services, to enable the adoption of appropriate home labelling initiatives articulating and understanding the limitations and differences in what can or should apply, while balancing flexibility and consistency across the country.
- **Enhance tools.** Invest in developing and improving standards – mandatory virtual platforms and ERS and HOT2000, that will deliver consistent data and ratings, guide energy efficiency and GHG emissions reduction improvements, and integrate climate resiliency information.
- **Help households.** Through education and marketing efforts on the value and benefits, encourage widespread home energy, labelling, and disclosure to inform and empower homeowners, homebuyers, and renters, including working with the provinces to make ERS labelling mandatory at the time of resale – particularly in urban centres.
- **Learn and adapt.** Follow an iterative process that will create opportunities for ongoing learning and improvement by working with key industry stakeholders.

5. Are there other areas of work that you would like the NAHL to tackle now or in the future?

A national costing database for residential construction that is kept up-to-date and is accessible at no cost to users of the tools, should be built in collaboration with NRC (for all aspects of costing for building code considerations) and would add significant value to homeowners, the industry, and all level of government as we work to make housing affordable during this transition to build and renovate homes to be more energy efficient with lower GHG emissions and are resilient to the growing extreme weather events – both from a building code/AEB and voluntary labelling perspective.

Please do not hesitate to reach out to me to discuss our comments and official position.

Sincerely



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