



Residential Energy Labelling Engagement

Stakeholder Report Back: What We Heard

Stage 1 - Phase 1 Workshops: February – March 2022

Project Overview

In 2018, Calgary City Council approved The City of Calgary Climate Strategy which set forward the implementation of the Climate Mitigation and Adaptation Action Plans. A primary action within the Mitigation Action Plan is the creation of a residential energy labelling program outlined in action item 2.1 – *Develop a residential building labelling program for Calgary.*

Energy labelling of low-density residential buildings, such as houses and semi-detached dwellings, provides information about the energy performance of the building, and helps compare energy costs between similar homes. This will allow people to understand the energy use of a building and give value to more efficient buildings.

The energy label will help to meet several objectives of the City's climate programs:

- create consumer awareness around the energy use of a home;
- allow consumers to compare energy use of different buildings and give value to high performance homes;
- verify constructed performance of the home; and
- administer other incentive programs by providing a measure of energy performance.

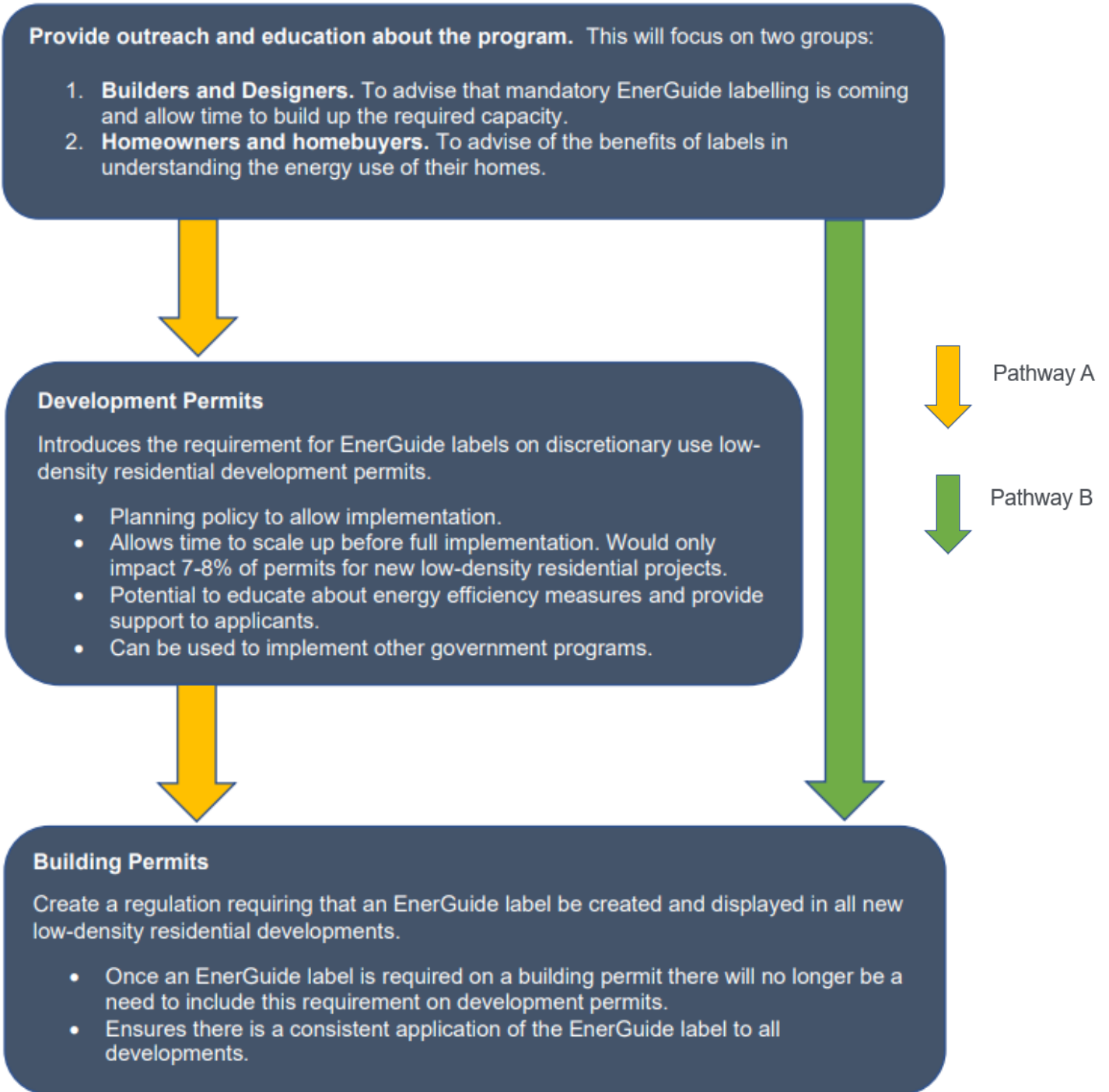
The City has developed a staged approach for creating and rolling out the labelling program for new, low-density homes. Stage 1 will work towards mandatory labelling for new homes and Stage 2 will focus on labelling for existing homes.

The City is currently in Stage 1.

Initial scoping studies and best-practice reviews have been completed by City staff and a first-draft program framework for labelling of new homes, using The City's existing permitting processes, has been created. Two potential implementation pathways are being considered and are provided on the following page.



Residential Energy Labelling Program Potential Pathways:





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Engagement Overview

The City of Calgary Climate Mitigation team is seeking feedback from stakeholders on the framework and the options for implementation of the program. The phased approach to implementation (Pathway A) involves applying the requirement for a label through Development Permit applications, then at a later date, applying the requirement to all Building Permit applications. The other option is to start the program by applying the requirement for a label to all Building Permits (referred to as Pathway B).

The team is also interested in learning about potential or perceived barriers to program implementation, stakeholders' capability to deliver labelling requirements, compliance concerns, and any considerations The City should take into account as they plan for Stage 2 of the program.

In an effort to design the program to both set the industry up for success and to achieve The City's climate mandate, the project team is committed to listening to, learning from and engaging industry stakeholders in the development of the residential energy labelling framework.

The Stage 1 engagement process involves two phases. Phase 1 includes presenting the draft framework for feedback from stakeholders and Phase 2 involves sharing the refined framework for further comment.

In Phase 1, the project team sought input from industry stakeholders including builders, developers, architects, energy advisors, industry associations and climate organizations. Four stakeholder meetings were held in February and March 2022, and an online survey was available for those who were not able to attend the meetings.

This report contains both summary and verbatim documentation of the input gathered through the engagement events.

For a summary of the input shared in the meetings and online survey, please see the [Summary of Input](#) section.

For a verbatim listing of all the input received through the online survey, please see the [Verbatim Survey Responses](#) section.

Next Steps

The project team will use the input collected in Phase 1 to further refine the proposed residential energy labelling framework. The project team will present a refined framework, based on technical review and stakeholder input, for feedback in spring 2022.



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Summary of Input

Many common themes emerged across all engagement activities including:

- support for the program in general,
- support for applying the labelling requirement on all Building Permit applications (Pathway B),
- a recognized need among industry to provide time for the NRCan-registered Energy Advisors to build capacity before launching the program,
- concern for the cost impact to homeowners,
- concern about potential confusion between the EnerGuide rating system and other digital labelling programs currently being piloted on existing homes,
- recognition of the need for The City to support the program with public education and communication around the benefits of the program, and to clearly communicate the process and expectations to industry, and
- recommendations for The City to consider accepting interim documentation while waiting for the label so as to not hold up occupancy.

A further breakdown of what was heard through each of the engagement activities is provided below.

Stakeholder Meetings

What We Asked

Four stakeholder meetings were held over the course of three weeks, on February 9, 15, 16 and March 2. Stakeholders representing a cross-section of those potentially impacted across the industry were invited to participate. A total of 38 participants took part in these meetings.

All meetings followed the same format, with the project team first sharing an overview of the project and the draft framework. Following the presentation, there was a facilitated discussion with participants seeking feedback on the framework, challenges and opportunities with the pathway options presented, potential barriers to implementation and thoughts about what The City might need to consider in the next stage of the project as they look at labelling for existing homes.

What We Heard

Overall, participants generally expressed support for Pathway B, noting that Pathway A unfairly targets inner-city and smaller builders. Participants who preferred Pathway B commented that it would be more equitable within the industry and that there are too many unknowns about the specifics of the building construction at the Development Permit stage.



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Those who preferred Pathway A talked about the benefits of a phased approach, sharing that it provides the time needed for NRCan-registered Energy Advisors to ramp up. Starting on a smaller scale allows the City to work out any bugs in the process.

A number of other common themes emerged through the four stakeholder meetings. These themes are described below.

- The timing of the program is good, considering the new building code is coming out and builders will have to do this work anyway.
- It is not much more work than what is already being done on new homes.
- The added costs will have an impact on homeowners and on the affordability of the homes.
- The time it takes to receive the EnerGuide label, due to the registration process, is going to present challenges to ensuring occupancy can take place as scheduled. Some suggested The City accept alternate documentation while waiting for the label.
- A backlog of NRCan-registered Energy Advisors will delay the testing, the label and the sale of the home. The program needs to provide time for NRCan-registered Energy Advisors to build their teams and increase capacity.
- The different rating systems of EnerGuide and other digital labelling programs has the potential to cause confusion. It is important to clearly communicate about both this program and others to the real estate industry.
- Different municipalities in Alberta have different requirements, making it difficult for builders.
- Education will need to be an important part of the program to help the public understand the return on investment and value for homeowners.
- Many things can affect the validity of the EnerGuide label. Participants are looking for direction from The City in terms of how long a label is valid for and shared comments about how renovations and different everyday uses can affect a home's performance, and that numbers assigned through a software program could be inaccurate.
- Communicating with industry that the program is coming and being clear about the requirements of the program, including when the blower door test is required, will contribute to the success of the program.
- For Stage 2 (labelling of existing homes), it will be hard to justify the cost to sellers, the current re-sale market does not provide time for an energy audit, and if purchasers want energy efficient homes, they will buy new, not existing homes.

Below are summaries from each of the meetings, with participant input organized by theme. While not all comments are included in this report, the main themes or ideas shared more frequently have been reflected.



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February 9, 2022 – Meeting with BILD and members

19 participants attended this meeting.

Support for the program

- The timing of the program is good, with new EnerGuide requirements coming out this year.
- Participants who were concerned that the first phase of roll-out only applies to new homes, noted they would support it as long as there is equal footing with existing homes, stating it's only valuable if everyone is doing it. One participant asked if the requirement for new and existing homes could be rolled out at the same time, using point of sale as the trigger.
- Most builders are doing this testing anyway so it's just another step to register with EnerGuide. The testing helps save on warranty issues later.
- The blower door may save warranty work for the builders by identifying issues with the envelope at completion allowing repairs before it becomes an issue for the homeowner.

Concerns about the program

- Some participants were concerned about the added cost to builders and purchasers. These participants noted it will impact affordability of the homes while others felt the cost was small in comparison to the price of a new home.
- A number of participants questioned what type of documentation would be required to prove the house is tested, sharing that acquiring the actual label takes time. There were suggestions that The City accept other documentation in the interim as builders wait for the EnerGuide label.

Impact on industry

- This new program requires time for builders to learn how to construct the homes.
- Several participants noted this program will impact NRCan-registered Energy Advisors, and shared they need time to ramp up and hire, which may be difficult because of current labour shortages.

Education

- There is a need for education on how to keep and maintain net-zero homes.
- Incentives and education will be key as cost of energy efficient appliances and equipment may be a barrier for some.
- Education for the public on long term savings will help the program be successful.

Pathway preferences

- While some supported Pathway A (the phased approach) saying the benefit is that it gives NRCan-registered Energy Advisors time to ramp up, we heard a larger concern with this approach is that it unfairly targets inner-city and smaller builders more as the larger builders don't go through the discretionary permitting process.



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- Participants asked what programs other cities are implementing and whether they are successful, and if programs other than EnerGuide would be accepted by The City.

February 15, 2022 - Meeting with builders and realtors

Four participants attended this meeting.

Concerns about the Program

- There was a lot of concern expressed about the cost to builders and buyers, with some participants noting this program will result in driving up prices of homes.
- Some participants advised The City to expect a pushback on cost/affordability, especially with the higher energy costs homeowners are experiencing now.
- One participant noted that making the program mandatory may make this an emotional topic, given the current cultural climate.

Validity of label

- Some participants were concerned about the validity of the label and how long the rating would be valid.
- The label needs to be valid, so people don't think it's a waste of time or money.
- What the homeowner does after they take occupancy, such as finishing the basement, adding a suite or garage, could affect whether the label is valid. There was a suggestion to make the label date specific to address this.
- There was a question about how often the label would need to be updated.
- Energy labels wouldn't reflect activities like operating a home office or charging an electric vehicle.
- There was a concern that if a software program is used, the label would be less reliable.

Education and communication

- It is important to communicate clearly to the real estate industry both about this program and other digital labelling programs.
- The City needs to educate the public on long-term benefits of energy labels and testing.
- To make the program successful, The City will need to show the value of the program and what is in it for the homeowners in the long run.

Pathway preference

- Pathway B is more equitable in that it doesn't unfairly target inner-city or smaller builders.



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What to consider for Stage 2 (existing homes)

- Success of Stage 2 will depend on the housing market. In this current housing market, there may not be time to do an audit.
- There was a question about how long a label would be valid for and what the length of time is before another test must be done prior to sale.
- There was a concern about potential lawsuits if inaccurate numbers are used in a real estate listing.
- One participant questioned what the return on investment is for sellers.
- People aren't making purchasing decisions based on energy efficiency – they are looking at proximity to schools and walkability, etc. If people want energy efficient homes, they will buy new.
- One participant shared that a Province-wide approach would be most helpful for industry noting that municipalities are using different approaches and programs.

February 16, 2022 – Meeting with NRCAN-registered Energy Advisors

12 participants attended this meeting.

General feedback about the framework

- Obtaining a letter of engagement from the NRCAN-registered Energy Advisors is essential.
- Existing builders in Calgary are already involved with EnerGuide.
- It would be nice to have a consistent sheet (rating) across Alberta.
- Examples of other jurisdictions who do not require the actual label for occupancy include BC and Canmore. These places only require documentation that the label is coming. It is possible that confirmation of NRCAN report submission would be good enough to meet the objectives.
- Enforcement is important.

Support for the program

- Some participants felt that public exposure to labelling will help increase interest, and with the rising energy costs people will become more interested.
- This is not new – blower door tests are happening already. The program is a simple step forward.
- This process will help builders understand the process before the new code comes in.
- EnerGuide label is a good step.

Concern about the program

- The public is not looking for labels and they may not understand them. The public are looking for granite countertops, not energy efficiency. The City is going to have to drive this process.
- Builders who are not local may not understand the process.



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Impact on industry

- NRCan-registered Energy Advisors are booking out six to eight months from now, so capacity will be an issue.
- EnerGuide training is challenging, and it takes a while to get people trained and qualified.
- NRCan-registered Energy Advisors would like several months notice before the program rolls out to give them time to train people. Knowing the number of new-builds a year can help them build up capacity to match future requirements.

Pathway preference

- Pathway A allows The City to implement the program on a smaller scale to work out the bugs. It is also better for the NRCan-registered Energy Advisors as there is a current shortage of advisors.

Validity of label

- If the requirement for a label for existing homes comes later, how do people compare ratings on homes? One participant suggested including a comparison number on the label.
- If there is a choice, builders will pick the one that makes them look better.

What to consider for Stage 2 (existing homes)

- If NRCan-registered Energy Advisors are tied up evaluating new homes, this could cause a delay for existing homeowners who want to sell.
- Some questions from participants included whether a blower door test would be required on every home in a new subdivision if they are all the same and whether there would be an incentive for builders, such as funding for a blower door test.
- Many participants also asked about Edmonton's success with its program and how it compares to what Calgary is proposing.
- There were comments about another digital labelling program using a different rating scale for existing homes and questions about whether a different rating will create confusion and provide a potentially unfair comparison.

March 2, 2022 – Meeting with architects

Three participants attended this meeting.

Support for the program

- It will be part of the code soon, so it's an important step.



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Concerns about the program

- Participants shared that the wait and time it takes to get the label is a concern.
- Participants noted this program will impact the cost of a home.

General feedback about the framework

- The barrier to entry to build a house is low and blower door tests should be mandatory.
- If the house is built poorly, it doesn't matter what materials were used. One participant shared an example of a LEED-built product failing a blower door test.
- Concern expressed that The City doesn't have a clear set of rules, and if the rules are black and white, the program will be well received.
- Participants talked about when the most appropriate time would be to conduct a test and suggested two tests would be needed.

Impact on industry

- Architects are largely not impacted as many don't do this type of work, but there are a few that do.
- Tests are expensive. One participant noted they often deal with subdivisions and a large number of units that are the same and wondered if The City would accept tests on cluster of homes instead of requiring a test on every home.

Communication

- It is important to communicate with industry to let them know the program is coming.
- Participants noted it will be important to working closely with BILD on this program.

Pathway preference

- There was agreement among some participants that The City should use Pathway B, noting it's going to be part of the code soon anyway.

What to consider for Stage 2 (existing homes)

- There can be a lot of unintended consequences with renovations and retrofitting old buildings, so people need to be cautious.
- A blower door test for renovations would be a mistake.
- There was a suggestion to look to Europe to see how they deal with older homes and buildings. There is a separate code for those buildings.
- One participant expressed they are not sure what the return on investment is for homeowners in terms of upgrading and installing new windows.
- Some questions from participants included whether The City has the jurisdiction to implement this requirement. One participant expressed this is provincial jurisdiction as the new building code will



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cover the energy label. A few participants recommended that The City shouldn't double up on jurisdiction.

Online Survey

What We Asked

The online survey was available from February 9 to March 14, 2022, and was open to stakeholders who weren't able to attend one of the stakeholder meetings.

The survey included six questions that asked participants to share their preference for Pathway A or B, what they like about that approach and what some of the challenges were, what barriers they see to the implementation of the program and their thoughts about how The City can support industry with this initiative.

Participants were provided with the draft framework and a recording of The City's presentation from the first stakeholder meeting to help inform their responses.

What We Heard

Ten survey responses were received.

There was strong support for Pathway B among survey respondents. Some of the reasons respondents prefer this pathway include:

- It integrates better into current construction practices and planning procedures.
- There is too much uncertainty at the Development Permit stage and things may change, potentially adding unnecessary costs further down the road.
- It is the stage when the information is needed the most and the full requirements are known.
- The effort to get a label is incremental from the current 9.36.6 requirements.
- There will be less red tape at this stage compared to Pathway A.

One respondent stated they prefer Pathway A as it will help to create awareness as the program launches and noted that the best results for energy performance happen at the design stage. One of the challenges shared around Pathway A was that developers will push back on the additional red tape.

Some of the common concerns expressed by survey respondents included a concern about the length of time it takes to receive a label will hold up occupancy, scheduling challenges around getting a blower door test prior to final inspection, delays due to the current shortage of NRCAN-registered Energy Advisors. Respondents were also concerned that the program will lead to additional red tape and will impact affordability of homes as the additional costs will be passed onto homebuyers.



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One respondent also shared a concern about the misalignment between the proposed program and another digital labelling program, noting it may be confusing. An inconsistent requirement among municipalities was also noted as a challenge by other respondents.

Respondents shared a number of suggestions for how The City can support industry with this program. Some of these included considering monetary and non-monetary incentives for builders such as grants or fast-lane approaches in the permit process. Education and incentives for homeowners was also suggested as was the call for The City to be inspirational with the program and not use it as a means to shame builders.

One respondent shared that existing homes are already energy efficient and that the City should focus on improving existing homes to see the most impact, while another commented that energy labelling falls under provincial jurisdiction.

Verbatim Survey Responses

The following pages are the verbatim survey responses received through the online survey. Responses are shown as they were submitted; no edits have been made to spelling or grammar. All questions were optional so the number of responses for each question may vary.

Question 1: Of the two pathways discussed in the framework, which one do you prefer?
Energy labels could be included on the Building Permit without a phased approach (Option 2 indicated by the green arrow in the diagram on the next page).
DP and BP. Creates awareness at the beginning. Best results for energy performance happen at the design stage.
Pathway B
Pathway B
Pathway B makes more sense in regards to when energy efficiency engineers are brought into the process.
Pathway B
I prefer pathway B.
B
None. Wait for a provincial standard to be established.
Pathway B- Only applicable to Building Permits and NOT Development Permits. Introducing at Development Permit will add more uncertainty and the ability for City Administration to apply discretion to encourage more energy efficient houses as opposed to simply labelling. Also would increase the costs prior to DP, where there is already uncertainty and increasing the chance of spending the money twice if changes occur.

Question 2: What do you like about that approach?
The incremental effort from current 9.36.6 requirements is minimal for all stakeholders (EA, city, builder). NBC Tiers coming.



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Good design helps achieve good and efficient building. A label could be just a label for bad buildings and something we should try to avoid.
It is not Pathway A. I really do not like the idea of encumbering an already bloated process (DP) with even more boiler-plate comments and requirements.
It eliminates the development permit stage as this information is needed most at the Building permit stage
It integrates better into current construction practices and planning procedures.
Less red tape. Don't want to be randomly picked as part of the 7-8%.
The fact that you only need to submit it once in the process is a big time saver and the full requirements are known at that time.
I think Labels are long overdue on all residential homes
Nothing. There's too much disparity between cities and their approach. The province should only enact this for consistency's sake.

Question 3: What are some of the challenges with that approach?
COC to provide 6 months advance warning of implementation to allow for EA onsite staff training
Developers will push back as it's another layer of red tape. The label should be linked to real performance level.
From a builder's perspective, I don't see any challenges. I can understand from the City's point of view that the DP is the the preferred "hammer" that they have to regulate labelling. From that point of view, it is "easy". Most new home builders are energy modelling anyways, and the label will not materially change the houses that they are building, so it should be treated like a checklist item (BP).
The challenges are there may be no specifics or scope range in what will be required to be done.
Architects will need to understand that there are new limitations to what can be constructed and some DP plans may require significant overhaul once they go through an energy efficiency assessment process.
The measurements of what exactly we need to score or what level needs to be met with(platinum, gold, silver etc).
I don't see any as long as the applicant can provide proof that a CEA has been engaged on the project.
There are not enough trained ener guide raters, builders are not all familiar with raters
Various municipalities across the province set different standards. This is provincial territory and should be left at that.
It needs to be implimented on all homes at the point of sale from Day 1. Placing the burden of labelling on only new homes will just add costs to homes that are already very efficient. The largest gains would be achieved through labelled of all old housing stock and create equity across all Calgarian homeowners, not just punishing the new home sellers.

Question 4: Do you see any potential barriers to implementing this framework?
Ensure that occupancy can be granted without ERS EnerGuide label.
Lack of knowledge from staff in the planning and building permit department. Good and energy efficient works happens because everyone involved understand and support the objectives.
Cost to the consumer - these costs will be passed on to the purchaser, and affordability will take a hit. Red Tape will increase as requirements increase.
As the development permit phase will be eliminated, specific guidelines will have to be in place to control the scope and extent of energy efficiencies that will be allowed.



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Yes, realtors and homebuyers are not aware of the differences between a 1912 house and a 2022 house in regards to energy efficiency... A massive education plan is required alongside this. For example, an inner city 2000 sq. ft house with an updated kitchen sells for the same amount, regardless of when it was built. Realtors need to educate buyers about the costs to run the houses.

A big one getting the blower door test completed prior to final inspection. Make it so that it is required before occupancy signoff.

The timing of needing a blower door test and rating prior to occupancy will be an issue as we usually see labels much after a home is occupied. As this process is out of the builders control and a blower door is usually one of the last items completed during the construction process this could have a serious cost implication to the builder.

Yes, inconsistencies between the cities.

What authority does the City have to implement at point of sale on existing homes? Does the City have the power to do that?

Question 5: How can The City support industry in their role with implementing this framework?

Concise on timing.

Monetary support for implementation and non monetary advantages. Like a “fast-lane” application process.

More carrot, less stick. Be aspirational, not regulatory. I also think the City could look at starting with the existing housing stock and make the focus of the program to encourage improvement of the most inefficient homes first. Measure the success of the program by the quantity of carbon / greenhouse gas reductions - instead of number of labels issued.

The city must provide guidelines to the range of efficiencies allowed and put these minimum efficiencies into law.

Education and incentives. Energy efficient homes cost an additional 70,000, but cost significantly less to maintain monthly. Banks won't cover that 70k on a mortgage though, so they can only be bought by someone with cash.

Making the process easy to follow and be clear and concise about expatiations

There needs to be a reasonable notification period both for the rating industry to hire and train and for builders to start working with raters to test thier homes. Occupancy can not depend on having a label in the home, I would suggest that the rater can have an obligation to provide the label within a 2 month period of occupancy.

There is little support from the industry other than for a provincial solution.

Ensure this program ends with labelling and does not extend into different energy efficiency requirements outside the building code.

Question 6: Do you have any additional comments or ideas you would like to share?

RE: Alberta EcoTrust and Lightspark – Digital Home Energy Labelling Pilot Project This undermines and confuses the approach applied across Canada under the EnerGuide Rating System.

The most important aspect is that labeling doesn't become a “shaming” tool. You need to help people implement the necessary changes to make the building more efficient.

If the program focuses on new builds first, the homes that are being built will not be very different from the homes built today. This is largely because of 9.36 (Code mandated energy requirements). I understand



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that it may create an awareness around what the rating system is all about, but it does not address the low hanging fruit or put energy towards the areas of biggest potential energy savings.

I look forward to the implementation of some minimum efficiencies like solar panels on homes, high efficiency furnaces, triple glazed windows and so much more into the bylaw of the city of Calgary.

Any house that has a construction cost over \$1 million in 2022 should be built to net zero standards. If they're meant to last over 50 years and we plan on turning the gas off before then, why are we not planning for that?

The city is allowing relaxations to build more house on single detached homes without requiring anything above code... seems like a missed opportunity.

Not sure about the posting the label on a city map?

The Energuide label is the responsibility of the home owner to place on the electrical panel.

Leave this to Provincial.

Energy labelling can have the positive impact intended ONLY if it is applied to all housing transactions which will highlight the disparity between newer homes and the tens of thousands of post war era bungalows. In other words, saving the environment will not come from encouraging better efficiency in brand new homes that are already very efficient, but will occur by encouraging retrofit of existing homes, such as the replacement of wood chip insulation in ceilings of older homes.