



Home Energy Label Program Engagement

Engagement Report Back: What We Did

What We Did

The City's Home Energy Label Program project team - comprised of representatives from Climate and Environment, Community Planning, Development, Business, and Building Services, and Customer Service and Communications – reviewed all the feedback, themes, and summary statements from What We Heard Reports 1,2, and 3, to create this report.

What We Heard

This report responds to the *Home Energy Label Program* industry engagement sessions that occurred between Feb. 2022 to Nov. 2022.

Three engagement opportunities were offered during that time, and the results are summarized in the following documents:

[What We Heard Report #1](#)

[What We Heard Report #2](#)

[What We Heard Report #3](#)

The City's response to suggested ideas or changes fall within one of the five categories below:

- Can be incorporated directly into the program design.
- Could be incorporated into the program design with some additional industry feedback and engagement.
- May not be addressed within the program design but could be addressed through other City projects or initiatives.
- Already part of the draft program design. In this case, The City may need to provide clarification to where or how the program addresses the industry concern.
- May not be able to be incorporated into the project design. In this case, The City would need to explain why.

1. Phase 1 – New Construction Energy Labelling Workshops – February to March 2022

<p>Theme 1 Support for applying the labelling requirement on all Building Permit applications (Pathway B)</p>	<p>City Response</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Can be incorporated directly into the program design. <ul style="list-style-type: none"> • The decision was made to connect the EnerGuide Label requirement into the City’s building permit process (Pathway B) and not the development permit process (Pathway A).
<p>Theme 2 A recognized need among industry to provide time for the NRCan-registered Energy Advisors to build capacity before launching the program</p>	<p>City Response</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Could be incorporated into the program design with some additional industry feedback and engagement. <ul style="list-style-type: none"> • The project team considered the lead time of 9-12 months required for the Energy Advisor industry to increase capacity into the design of the overall program roll-out. The decision was made to include a voluntary one-year pilot program, supported by an EnerGuide Label rebate process, to help industry prepare for the mandatory labelling requirement.
<p>Theme 3 Concern for the cost impact to homeowners</p>	<p>City Response</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Already embodied in the draft program design. In this case, The City may need to provide clarification to where or how the program addresses the industry concern. <ul style="list-style-type: none"> • The project team considered potential cost impacts of the program on homeowners throughout project development and all efforts were made to minimize any costs. The program intends to educate potential home buyers about home energy performance so they can more accurately compare the operational costs and GHG emissions of one home to another.

<p>Theme 4 Concern about potential confusion between the EnerGuide rating system and other digital labelling programs currently being piloted on existing homes</p>	<p>City Response</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Can be incorporated directly into the program design. <ul style="list-style-type: none"> • The project team recognizes this as a valid concern and has kept this in consideration throughout the development of the program. To reduce the potential for confusion between EnerGuide Labels and other “home energy scores”, the project team has committed to a clear and concise communication, education, and outreach strategy. • The EnerGuide Rating System was chosen for labelling new homes as it is the most recognized home energy labelling system in Canada and operated by Natural Resources Canada.
<p>Theme 5 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</p>	<p>City Response</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Already embodied in the draft program design. In this case, The City may need to provide clarification to where or how the program addresses the industry concern. <ul style="list-style-type: none"> • The program will be supported by a robust education and awareness campaign to ensure the benefits of the program are realized by all involved parties. <input checked="" type="checkbox"/> Could be incorporated into the program design with some additional industry feedback and engagement. <ul style="list-style-type: none"> • Feedback collected during industry engagement sessions is being used to inform the development and implementation of a communications, education, and outreach strategy.
<p>Theme 6 Recommendations for The City to consider accepting interim documentation while waiting for the label to not hold up occupancy</p>	<p>City Response</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Could be incorporated into the program design with some additional industry feedback and engagement. <ul style="list-style-type: none"> • At this stage of the engagement and program development, the project team required additional input from involved parties to identify the most functional data submission process. The viability of accepting interim documentation while waiting for the final EnerGuide Label is being investigated.

2. Phase 1 Part 2 – New Construction Energy Labelling Report Back - September 2022

<p>Theme 1 Industry capacity and uptake:</p> <ul style="list-style-type: none"> • Realistic timelines are needed for uptake. Earlier than 2024 will result in resistance • Industry capacity for energy advisors is a general concern • Upskilling is needed across industry to support not only labelling but general best practice for tackling climate issues 	<p>City Response</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Can be incorporated directly into the program design. <ul style="list-style-type: none"> • The program, and the associated Energy Labelling Bylaw, is planned to come into effect in 2024. • A pilot period has been included into the program design to help with Energy Advisor capacity building. <input checked="" type="checkbox"/> Already embodied in the draft program design. In this case, The City may need to provide clarification to where or how the program addresses the industry concern. <ul style="list-style-type: none"> • The requirement for builders to produce an EnerGuide Label for all new low-density homes gives the Energy Advisor industry certainty to increase capacity to meet the growing demand for their services. • The involvement of Energy Advisors in the new home construction process will help builders learn best-practices.
<p>Theme 2 Clear, concise information and well-designed documents</p> <ul style="list-style-type: none"> • Documents should include the number of energy models and EnerGuide labels currently done. Reports to Calgarians and Council should provide information on how many builders and renovators are champions of this work and are already voluntarily labeling homes • The concise, uncomplicated information provided is good • A more graphically appealing layout suggested for the Homeowners' guide 	<p>City Response</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Already embodied in the draft program design. In this case, The City may need to provide clarification to where or how the program addresses the industry concern. <ul style="list-style-type: none"> • A key inclusion in the initial design of the program is a “Home Energy Disclosure Map” which will publicly display and report key performance metrics. • A core principle of the program’s communication, education, and outreach strategy is clear and concise messaging.

<ul style="list-style-type: none"> • Ensure clear information and consistent messaging • Ensure clarity of difference between digital rating and effective (assessed) rating 	
<p>Theme 3 Process for homeowners</p> <ul style="list-style-type: none"> • Consider having homeowner input information for online database/map. Minimize administration of the program to save time and money. • Specific submission process is not defined for homeowners • Audits on existing homes should be at homeowner’s discretion • Program Overview document needs clarification that the basic service blower door test will not provide an opportunity to check for deficiencies 	<p>City Response</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Can be incorporated directly into the program design. <ul style="list-style-type: none"> • The project team intends to include a process for Homeowners to voluntarily submit their EnerGuide Label for disclosure on the “Home Energy Disclosure Map”. <input type="checkbox"/> May not be able to be incorporated into the project design. In this case, The City would need to explain why. <ul style="list-style-type: none"> • The Home Energy Label Program does not include energy audits of existing homes. • The level of service provided by the Energy Advisor, as defined by the EnerGuide Rating System Technical Procedures Version 15.1, is determined by agreement between the Energy Advisor and the builder and does not fall within the scope of this program.
<p>Theme 4 Other themes and questions</p> <ul style="list-style-type: none"> • More clarity needed on application to existing homes • The program should address embodied carbon as part of net zero goals • Proposed staged roll-out approach (new homes then existing homes) makes sense • Suggestion to include more in-depth performance measures on labels 	<p>City Response</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Already embodied in the draft program design. In this case, The City may need to provide clarification to where or how the program addresses the industry concern. <ul style="list-style-type: none"> • Additional clarity on how the Home Energy Label Program intends to create energy scores for existing homes was provided in the Phase 2 section of Workshop #2. • The roll-out of the program phases is dependent on several factors, but the intent is to have both Phase One and Phase Two fully operational by June 2024. <input type="checkbox"/> May not be able to be incorporated into the project design. In this case, The City would need to explain why. <ul style="list-style-type: none"> • EnerGuide Rating System Version 15.1 does not assess embodied carbon, and since the Home Energy Label Program utilizes the EnerGuide Rating

	<p>System, it cannot assess embodied carbon at this point in time.</p> <ul style="list-style-type: none"> The data shown on EnerGuide Labels are determined by Natural Resources Canada.
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3. Phase 2 – New Construction EnerGuide and Existing Home Digital Labels - October to November 2022

<p>Theme 1 Among the participants, there are varied opinions and levels of support for the labelling program, in general and as developed by The City. Some participants are very supportive and do not have many recommended changes. Some participants are not comfortable with The City mandating this data collection and the associated timeline, process, and cost implications.</p>	<p>City Response</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Can be incorporated directly into the program design. <ul style="list-style-type: none"> Where general support for the program design was provided, features were maintained. Where general support for the program design was not provided, the project team reviewed the design and made changes to the processes and timelines to resolve any concerns or issues as best as possible, whilst maintaining overall program functionality.
<p>Theme 2 There is a strong theme in the feedback that the current approach of requiring an energy label before final inspection is not reasonable and will result in occupancy delays. Alternative options have been offered for The City to consider.</p>	<p>City Response</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Can be incorporated directly into the program design. <ul style="list-style-type: none"> The process for requiring an EnerGuide Label is yet to be determined.
<p>Theme 3 For those concerned about the energy labeling program in general, concerns include:</p> <ol style="list-style-type: none"> the cost of the program and its impact on housing affordability; 	<p>City Response</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Already embodied in the draft program design. In this case, The City may need to provide clarification to where or how the program addresses the industry concern. <ul style="list-style-type: none"> The project team considered the cost of the EnerGuide Label to builders and homeowners. As of Q3 2022, the median sale price for single detached homes (new and existing) was \$572,000 according to the Canadian Real Estate Association. With this in mind, an EnerGuide Label typically costs less than \$1,000, representing less than a 0.2% increase on

<p>4. the likelihood of “green shaming” existing homes resulting in their devaluation compared to new homes</p>	<p><input checked="" type="checkbox"/> Already part of the draft program design. In this case, The City may need to provide clarification to where or how the program addresses the industry concern.</p> <ul style="list-style-type: none"> Calculating home valuations is complex, multi-variable process. The impact of home energy scores on this calculation is not expected to be significant at first, however; as homeowners learn more about energy performance and the associated benefits of energy efficiency through the disclosure of energy scores, high-performance homes may potentially gain value over less energy efficient homes. For new homes, giving value to a development that provides higher quality, energy efficient construction should be encouraged.
<p>Theme 4 Perspectives were mixed about the capacity of the Energy Advisor and Service Organization industry to handle the demand. Some respondents are very concerned this will become a major issue. Others are comfortable that with advanced communications and a pilot period, the industry will be able to build up sufficient capacity.</p>	<p>City Response</p> <p><input checked="" type="checkbox"/> Can be incorporated directly into the program design.</p> <ul style="list-style-type: none"> In response to the concerns regarding Energy Advisor capacity to provide the service levels required by a program that mandates EnerGuide Labels for new homes, the project team included a one-year voluntary pilot period into the program design. This pilot period will help builders and Energy Advisors work through the energy modelling and blower door testing processes and give the Energy Advisor industry time to increase capacity before the mandatory labelling begins. EnerGuide Label rebates will also be included with the pilot period. An upcoming mandatory labelling requirement creates a stable demand for Energy Advisor services, giving them confidence to increase capacity to meet that demand.
<p>Theme 5 Throughout feedback, there is a strong theme that consistency between the programs (new and existing homes) is necessary and without it the data does not allow for direct comparisons.</p>	<p>City Response</p> <p><input checked="" type="checkbox"/> Can be incorporated directly into the program design.</p> <ul style="list-style-type: none"> The program has been designed to ensure comparability between the new home EnerGuide Labels and the digital energy scores for existing homes. Both systems will present key performance metrics such as annual energy consumption (GJ/year), annual energy use intensity (GJ/m²/year),

	<p>and annual greenhouse gas emission (tonnes CO₂e/year).</p>
<p>Theme 6 Proactive education and outreach are seen as significant, and many ideas were shared about how best to reach industry and homeowners.</p>	<p>City Response</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Can be incorporated directly into the program design. <ul style="list-style-type: none"> • A communication, education, and outreach strategy has been integrated into the program design which has been informed by the robust external and internal engagement process.

4. Next Steps

The City's project team is taking the following steps to continue program development into 2023:

- Update program website for program implementation;
- Draft bylaw and circulate for internal review and approvals;
- Initiate changes to internal administrative processes and educate City staff;
- External communication and education on the implementation phase of the program;
- Plan and implement pre-pilot phase to test and optimize processes;
- Plan and implement one-year voluntary pilot phase to expand participation and strengthen administrative processes;
- Create mapping tool and database for EnerGuide Label disclosure; and
- Develop or procure tool providing existing homes with home energy scores