

Briefing Note on Home Energy Rating & Disclosure (HER&D)

In the 2013 Long Term Energy Plan, the Province committed to putting Conservation First before building new generation and transmission, where cost-effective. The *Green Energy and Green Economy Act* had included building labelling but the real estate industry pounced on it and that part of the legislation was not promulgated.

A home energy rating provides a standardized measure of a home's energy efficiency. Similar to how a consumer can use an efficiency label or rating to inform their decision to buy an appliance or a vehicle, HER&D will provide homebuyers with information about the operating costs of owning a home and its energy efficiency.

Increasingly across North American and Europe building rating and labelling are proving popular and effective with both appraisers and buyers attributing higher value to homes with better ratings. This has been a longer term trend in the commercial building market with LEED and other environmental attributes creating a preference more major corporate tenants.

The Ministry of Energy is exploring options for a Home Energy Rating & Disclosure (HER&D) to be required at the time of listing a residential property for sale. With a regulation and one slight change to the Green Energy Act, this could be enacted.

As part of stakeholder consultations, the Ministry of Energy is holding meetings to seek preliminary feedback on the elements and proposed implementation of HER&D. OSEA attended a consultation on September 10, 2015.

Ministry staff has been asked to report back to Cabinet in January 2016. Currently the ministry's thinking is to phase it over 5 years in order to ensure sufficient auditors.

Those familiar with rating systems began the debate over which one was best; the current expectation is to use the revised EnerGuide for Homes which is currently being piloted by Natural Resources Canada.

The consensus of our meeting was just do get on with it. However, the matter of disclosure, i.e., publishing a year's utility bills did not get much support with fear that homeowners would balk at having to do that. In any case, a rating is more meaningful for comparison purposes.