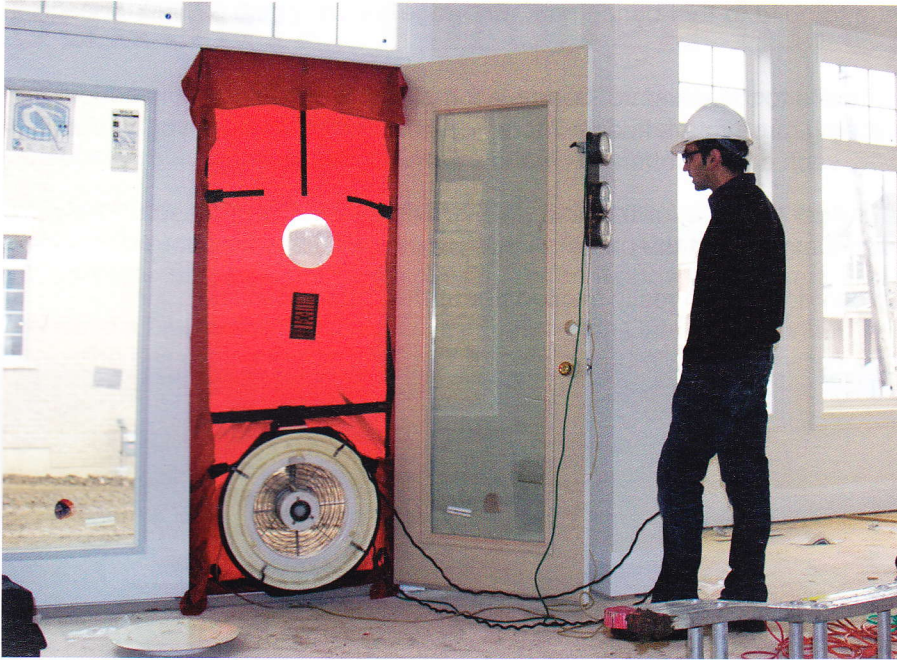


GREG LABBE

A Brief History of EcoEnergy



VETERAN ENERGY MODELER SHERVIN AKHAVI OF BLUEGREEN CONSULTING GROUP AIR TIGHTNESS TESTING A NEW HOUSE.

EnerGuide for Houses had its roots pre-Kyoto protocol but started in 1998 after the Federal Liberal government dragged its feet in its pledge to reduce CO2 emissions under the Kyoto Protocol. That year they rolled out EnerGuide for Houses as a pilot program in Ontario and by the fall every province was up and running. In the early years there were no incentives to make upgrading their homes more appealing to homeowners. The clientele of the day were largely motivated by either environmental concerns or the desire to save money and improve comfort. Initially the service was largely provided by NGOs who received two payments for each audit: one from the client and a subsidy from the feds. The software used at the time was called "HOT2000 Express", or simply "HOT2XP".

In 2003 the Federal Liberals introduced homeowner retrofit incentives into the equation based on the energy performance

of the house before and after upgrades. Many thought this system was too unpredictable because you never knew exactly how much incentive you were going to get back. Add to that the frequent software version changes which caused point scores to shift and frustration was felt. For the client a few points meant the loss of a significant portion of incentive money, for the auditor and their Service Organization (SO) it meant a lot of wasted time explaining point disparities. The reasoning for using this point system had a lot of merit; it meant people who completed deep retrofits that provided larger energy savings - like insulating walls - got higher points and therefore more money. The old scheme rewarded comprehensive, thorough upgrades based on performance.

In 2006 the newly elected Federal Conservatives wasted no time cancelling the EnerGuide for Houses program giving participants and SOs less than a day to wrap the program up. Over the summer the public reaction to the canceled incentive program was too hot to handle and by the following spring they had rebranded and launched the "ecoEnergy for Houses" program. It ran on an upgraded software platform called HOT2000 and doled out prescriptive incentives of fixed amounts for completed measures. The new incentive system eliminated discrepancies in scores, but its binary nature had downsides too. Under this flat rate system, every retrofit got the same rebate regardless of the overall efficiency of the house. The other big change was the elimination of the subsidy to the SO which meant the homeowner paid more for the service.

By this time, many provinces had introduced their own parallel incentive programs matching Federal government incentives. The whole country was starting to see lots of work being done on homes. Sadly many referred to ecoEnergy as the "Furnace change-out" program, which came about as a result of the new prescriptive structure of the incentives making it attractive and reliable program for heating contractors to promote sales to customers. The self-sustaining program was doing what it was supposed to do; give people scientific, unbiased third-party advice on what the best upgrades were for their homes. The taxes generated through sales and services from these upgrades surely helped feed the economy and keep the trades working. In 2009 the province of Ontario started matching the federal incentive.

In early 2010, the feds canceled the program only to revive it in the federal budget leading up to last year's election as a promise to Jack Layton's NDPs. Again, by the summer of 2011, the Conservatives announced that the program was ending

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"as planned" this past March. The province of Ontario has not committed to further funding and with the release of the Drummond Report, homeowners are unlikely to see further provincial incentives as the program ends.

The industry that surrounded the programs was taking root and the capacity built, namely in the form of the energy advisors. These gainfully employed, newly trained and skilled people will have to find other career paths as both the private and non-profit sectors suffered with the yo-yo like indecision of the federal government. No way to run a business.

Energy retrofit programs like these were good for the awareness they brought to conservation opportunities and the spin off benefits to the economy through retrofits and keeping people employed. Conservation is about greater social good; from energy security to reducing our environmental impact on the planet. Alas the ecoENERGY incentive program will not be resurrected for some time and now the homeowners with existing houses will have to dig out of their pockets to find energy advice and savings as delivered by the private sector likely using the same software platforms developed by the Feds, unless other rating programs like the US styled HERs scale can be successfully launched in this era of austerity.

Newly constructed homes will have to rely on the private sector to drive performance tested homes given that builders in Ontario still can get away with prescriptive built homes.

Meanwhile the Ontario Liberals inevitably have to raise electricity prices to pay down the debt and replace a crumbling infrastructure it could be argued that keeping conservation programs going would be worthwhile and cost effective for both the electricity rate and tax payer. Can the private sector deliver on efficiency without the support of either the province or the feds; time will tell.

GREG LABBE IS A VETERAN ENERGY RATER AND A PRINCIPAL AT BLUEGREEN GROUP.



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