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Chair

Mr. Leon Benoit

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• (0905)

[English]

The Vice-Chair (Mr. Alan Tonks (York South—Weston, Lib.)): Good morning, everyone, members of the committee and witnesses. Welcome to the Hill, and welcome to the committee. We appreciate your presence.

Today we continue our study of the ecoENERGY programs. We're looking at the retrofit programs.

Our first panel of witnesses includes, from AmeriSpec, Mr. Martin Brunet, president and certified energy advisor and owner of the Ottawa east franchise. Welcome, Martin.

From the Canadian Home Builders' Association, we have Victor Fiume, president; John Kenward, chief operating officer; and David Foster, director of environmental affairs.

I think the video conference is for both panels. We have Mr. Ken Elsey.

Mr. Elsey, can you hear us okay?

Mr. Ken Elsey (President and Chief Executive Officer, Canadian Energy Efficiency Alliance): I can indeed, sir. Thank you very much.

The Vice-Chair (Mr. Alan Tonks): You're coming through loud and clear. We appreciate your being on the program.

Perhaps for Mr. Elsey, I'll just say we'll have our presentations, and then we'll go to the committee for questions. Presentations are seven or eight minutes, and then we have a round of questions for the balance of the hour.

The chair is not able to be here. He was on the road and not feeling well as a result of his travel. I'm going to try to fill in for him. Again, we welcome you.

Mr. Brunet, would you like to lead off, sir?

Mr. Martin Brunet (President and Certified Energy Advisor, Owner of Ottawa East Franchise, AmeriSpec): Certainly.

The Vice-Chair (Mr. Alan Tonks): We'll go to the top of the list.

Please make your presentation, and we will have questions.

Thank you.

Mr. Martin Brunet: First, on behalf of AmeriSpec, I would like to express our sincerest gratitude to the committee for inviting us to participate in this study. Also, we regret the Canadian government's decision to conclude the ecoENERGY retrofit homes program. It is,

in our opinion, a model energy efficiency program, and everyone at AmeriSpec has been tremendously proud to be a major contributor.

I have a couple of notes here. AmeriSpec employs over 300 people as a result of this program. AmeriSpec has performed over 190,000 home energy evaluations. We've participated in both home energy assessment programs—previously EnerGuide as well as ecoENERGY—and we also provide representation for ecoENERGY in all provinces excluding Quebec.

The ecoENERGY homes program has been especially notable with regard to the significant increase of knowledge and awareness of energy efficiency technologies available to homeowners. Canadians have also been able to significantly reduce their ecological footprint and save countless millions in energy costs. It has also spurred considerable job growth in the construction and manufacturing industries for energy-efficient products and services.

In addition, many other nations have embraced significant elements of the ecoENERGY retrofit homes program as their own, including its emphasis on obtaining the accurate measurement of home energy consumption. One such example is the Home Star program currently being considered by the United States Congress.

As it has been marked by so many successes, we urge the Government of Canada to view the ecoENERGY retrofit homes program not as a final step but as an initial one, an opportunity to explore the possibilities for achieving still greater energy savings. While the program has undeniably achieved a great deal, there is still much to be done. We feel that without the ecoENERGY homes program in place to aid Canadians in making the right choices about their homes, there will not continue to be the growth in and awareness of new energy efficient technologies as there has been for the program's duration.

Retailers and contractors providing these upgrades and services will likely find themselves in a similarly complicated situation. AmeriSpec and its associates across Canada appreciate having had the opportunity to play a noteworthy role in this highly successful energy conservation effort. We hope the Canadian government will reconsider and reinstate the program. We pledge to continue doing our part in contributing to the ecoENERGY homes retrofit program and look forward to continuing to work with the Government of Canada to create a brighter future for all Canadians.

In conclusion, here are some of the benefits this very effective and successful program has had: job creation in the form of several hundred new employment opportunities; economic stimulation; a reduction in greenhouse gases, which means a brighter future for our children; Canada doing its part to reduce global warming as a responsible nation on the world stage; and Canada making more efficient use of its resources.

Again we sincerely thank you for this opportunity.

The Vice-Chair (Mr. Alan Tonks): Thank you, Mr. Brunet. We appreciate that.

Who would like to lead off for the Canadian Home Builders' Association? Mr. Fiume? Thank you.

Mr. Victor Fiume (President, Canadian Home Builders' Association): Thank you, Mr. Chair.

I'm going to introduce John Kenward, the chief operating officer of the Canadian Home Builders' Association, who is with us this morning, and also David Foster, who is the association's director of environmental affairs.

I am Victor Fiume, and I am CHBA's national president. I'm also general manager of Durham Custom Homes in Oshawa, Ontario.

The Canadian Home Builders' Association represents Canada's residential construction industry. Our membership includes new home builders, renovators, developers, suppliers, trades, manufacturers, lenders, and other professionals. Today I would like to provide the committee with CHBA's views on the current ecoENERGY retrofit homes program. As well, I will address ongoing developments under way in Natural Resources Canada's Office of Energy Efficiency that are of great importance to new home builders, home renovators, and ultimately to Canadians.

The CHBA views these initiatives as a package; each element builds on the others, in a logical manner. The ecoENERGY retrofit homes program has been very popular with Canadians. It is a tremendous success. This initiative has played an important role in improving the energy efficiency of existing homes and in supporting Canada's economic action plan. The ecoENERGY retrofit homes program has been fully embraced by the home renovation sector, which is somewhat larger, in economic terms, than the new home building industry.

Home energy retrofit activities are delivering significant environmental results. In relation to energy use and greenhouse gas emissions, the residential sector is very much a leader in Canada, outperforming virtually every other sector. This record of success owes much to federal actions and initiatives. These have helped to inform Canadians about the importance of energy efficiency and encouraged them to take action. Perhaps equally important, these initiatives have helped to build capacity within our industry.

There are a number of new specialty trades working on our job sites today. These came about as a result of the move to increase energy efficiency in both new and existing homes. These are, in the full sense of the term, green jobs. This capacity is very important to Canada's long-term ability to address energy efficiency and climate change challenges.

We also note how the federal government has stimulated the introduction of complementary programs by many provinces and some utilities. For the CHBA, this outcome reinforces our belief in the importance of federal leadership in this area. Over the last year, a very high number of homeowners have undertaken pre-retrofit evaluations, peaking at approximately 50,000 per month. The CHBA recognizes that every pre-retrofit evaluation represents a contingent liability for the federal government, as it is linked to grant eligibility. So while the conclusion of the program's intake of new eligible homeowners came as a surprise to the CHBA, we view it not as a shift in policy but rather as a fiscal management action. It is the CHBA's view that the experience gained through the ecoENERGY retrofit homes program presents the federal government with a valuable opportunity to introduce new initiatives to support further energy efficiency improvements in the existing housing stock. There remains very significant energy efficiency potential in existing homes, and the job is far from done.

We understand that Natural Resources Canada has evaluations under way that will provide a comprehensive picture of the overall impacts of the ecoENERGY retrofit homes program. This information will be of considerable value in informing government decisions. The CHBA anticipates that following the completion of program evaluations in the next few months, the federal government will want to move forward with some urgency to develop plans for the next generation of the program so that this can be addressed in the next federal budget in early 2011. The importance of moving forward expeditiously on the next generation of the ecoENERGY retrofit homes program is linked both to the importance of maintaining momentum with homeowners and to sustaining professional capacity within the private sector.

In moving forward, it will be important to continue to bear in mind that a house is a system. As we make changes to heating systems, the building envelope, or other major components, there can often be secondary effects for such elements as natural ventilation or changes to air and moisture flows within building envelopes. It will be important to ensure that "house as a system" thinking is built into the design of the new initiative.

I should note that there are a number of development initiatives already under way. These include next-generation versions of the R-2000 standard, Energy Star for new homes, and the EnerGuide rating system. The next-generation R-2000 standard will update this valuable initiative and restore it to its intended position as leading edge among voluntary, market-driven, new-home initiatives.

● (0910)

It is expected that the new R-2000 standard will require energy performance that is 50% better than that required by building codes. This will both stimulate increased innovation within our industry and help to diffuse these new technologies and building practices to the entire industry.

The next generation of Energy Star for new homes will provide production new home builders with an accessible and marketable option for building higher performance into new homes, delivering performance about 25% better than building codes require.

Energy Star has been a tremendous success. In my home province of Ontario, in a little more than two years it has captured 22% of the market—an impressive accomplishment. As a committed Energy Star builder myself, I look forward to seeing the Energy Star brand build on this strength.

Finally, the next generation EnerGuide rating system, or ERS, will play a critical role in all future energy efficiency initiatives for both new and existing homes. ERS will allow us to measure and verify home energy performance, and it will provide homebuyers with a clear and transparent tool for comparing any two homes.

The next generation ERS will be far more robust, supporting provincial jurisdictions wishing to mandate a mandatory energy rating for all homes sold, new or existing.

The CHBA sees an exciting opportunity to set Canada on an even stronger path when it comes to future directions for the energy efficiency of homes, particularly existing homes.

The entire package of energy efficiency initiatives supported by the federal government offers tremendous potential. Today, within our industry, what is good for the environment is well aligned with what is good for our economy and for the health and well-being of Canadians.

We have a very solid foundation to build upon, due in no small part to federal involvement through the Office of Energy Efficiency and the federal initiatives I have mentioned this morning. We need to build on this capacity.

Thank you.

• (0915)

The Vice-Chair (Mr. Alan Tonks): Thank you, Mr. Fiume.

I think I neglected to introduce Mr. Elsey, from the Canadian Energy Efficiency Alliance. He is the president and CEO.

Mr. Elsey, we welcome you. If you'd like to make a little presentation, the floor is now yours.

Mr. Ken Elsey: Thank you very much, Mr. Tonks.

Good morning, ladies and gentlemen. I'm very sorry that I'm not able to be there with you this morning, but I've got a few other meetings this afternoon that I couldn't change.

I'll give you just a brief overview of who I represent. The Canadian Energy Efficiency Alliance is a broad-based, not-for-profit organization. We were established in 1995 to respond to the lack of a coordinated effort to promote energy efficiency in Canada.

We are heavily involved in the development of the energy efficiency codes and standards—from building codes for your home, to your appliances, and even to the electric vehicle that will one day be parked in your driveway.

The CEEA, Canadian Energy Efficiency Alliance, participates internationally on strategic working groups dealing in energy

efficiency, both with the International Electrotechnical Commission, more commonly known as the IEC, as well as the ISO, the International Standards Organization. Through these organizations, we make recommendations to the IEA, the International Energy Agency. They in turn make recommendations to the G8, of which Canada is a signatory.

In the most recent report published by the IEA in 2009, they noted that Canada's primary energy and electricity consumption per unit of GDP is the highest among IEA countries. However, they're quite optimistic in their tone when they go on to say that Canada is committed to working to increase energy efficiency. In August 2008, individual Canadian provinces and territories committed to achieving a 20% increase in energy efficiency by 2020, largely through the improvement of building codes, broader regulations of energy-using appliances, and green policies for new government-funded facilities. And most importantly, noted in the IEA report was the reference to home energy audits and retrofit assistance.

In addition to this, the federal and provincial governments are collaborating in ways to achieve combined energy efficiency objectives. Provincial and territorial governments are using the federal energy efficiency tools to complement their own energy efficiency programs and policies. It must therefore be realized that the cancellation of the federal ecoENERGY program is a serious blow to the provincial and territorial goals to achieve this 20% increase in energy efficiency by 2020. It's also a failure to maintain the recommendations of the IEA to increase investments in energy efficiency and to create more favourable grounds for private energy efficiency investment.

The ecoENERGY program did this by encouraging Canadians to invest in their own homes. The ecoENERGY program was successful in its own right. While the program has expended \$300,543,296 to February 1, 2010, it will likely grow to over \$750 million by its conclusion in March 2011. We estimate that this figure will represent only 15% of the total expenditures made by Canadians. Canadians themselves will have invested over \$4 billion as a result of this program. Those figures are based solely on the federal numbers. With most provinces having a matching program, the total spend will likely exceed this significantly.

While the average rebate for an ecoENERGY home is only \$1,274, we've also concluded that most Canadians have not taken full advantage of the energy savings identified through their audits. So we see the future work being done as consumers recognize the potential as energy costs continue to escalate.

However, the energy savings achieved to February 1 of this year are very impressive. While we believe NRCan's estimates may be a little on the high side, they show 11.22 petajoules of energy having been saved.

Maybe everybody is not familiar with a petajoule, so let me convert that. I do understand there is an issue between natural gas and electricity, but to understand the scope of the opportunity, let's just deal with electricity. One petajoule, in electricity terms, equals 277,780,000 kilowatt hours of energy. That means 11.22 petajoules equals 3,116,000,000 kilowatt hours of energy. You get the picture.

• (0920)

The total weighted average cost of electricity in Canada—and we've done this study extensively—is 10.9¢ per kilowatt hour. This includes all costs, everything from delivery charges, transportation fees, debt retirement charges, and taxes.

Therefore, before the annual total savings to Canadians, based on the NRCan's results to date, show that Canadians will save \$339,719,384 per year, every year going forward. All of this is likely to be reinvested in our economy, or lowering household debt. The GHG savings are also significant. While there are some regional variances, NRCan has shown a total cumulative GHG savings of 743,416 tonnes per year. This is really a very impressive target, and it's in line with their goal of 743,750 tonnes for the 2009-10 year.

While these achievements of the program are impressive, they may be a little conservative, the reason being that of the 800,142 audits completed, only 236,000 represent second audits, which would in fact qualify the homeowner for the rebate. There are some 564,137 audits that are likely to move to second audit. While conversion rates now average only 41.8%—that is the homeowner requesting a second audit following the work in order to qualify for the rebate—our discussions with auditors indicate that this will rapidly escalate as the deadline approaches. Many of the auditors we've talked to suggest that the conversion rate will exceed 80%. While this will have serious cost implications to the program, it also means that energy savings will be greater than forecast.

From an economic perspective, if we're to look at the business case for ecoENERGY, it's one that's easy to justify. First, from the federal government's perspective, if our assumptions are correct and the program generates close to \$5 billion in total spending, that spend represents \$250 million in GST revenue alone.

While the \$5 billion cannot be directly translated into jobs, annex 1 of the 2009 budget suggests that there is a relationship between GDP and jobs. Assuming only 5,000 jobs are created or maintained as a result of the program, with an average salary of \$40,000 and a 15% federal tax rate, the contribution credit to the program is about \$30 million. Thus, the current spend of forecasted \$750 million is offset by revenue of almost \$3 million.

The Vice-Chair (Mr. Alan Tonks): Mr. Elsey, I'm sorry to interrupt you. You have one minute.

Mr. Ken Elsey: Fine. I'll move to a conclusion.

The issue we face is that the federal government is looking at it as an expense, not as an investment. It should be viewed as an investment with significant returns. Energy efficiency is as important, even more so, than the automakers' bailout of a year ago, and energy efficiency will continue to repay over and over again, both in terms of jobs and a greener economy. I would respectfully request that the program be reinstated, or at least redeveloped, with the same intent.

Thank you.

• (0925)

The Vice-Chair (Mr. Alan Tonks): Thank you for that, Mr. Elsey. I'm sorry I had to interrupt you, but we try to get to questions so we have an opportunity to extract some additional information and clarification.

We'll start off with questions from Mr. Regan, from the opposition.

Hon. Geoff Regan (Halifax West, Lib.): Thank you very much, Mr. Chairman.

Thank you to the witnesses for coming today and for being with us from Toronto.

Mr. Elsey, in relation to your comments—and thank you for your very detailed comments about the numbers—in view of the situation, and the cost of the remaining second audits to be done, do you think there's enough money in the system to do them? Will people end up not being able to get reimbursed?

Mr. Ken Elsey: I think that's a commitment the government has made, to continue to March 2011. I think they will see the economics of it come back in a positive way. This is only going to be a continued stimulus to the economy in a very positive light, providing the consumers with the savings they will reinvest in the economy as well.

The big issue is that this really does put money back into the pockets of Canadians for further development of products and services.

Hon. Geoff Regan: Mr. Elsey, we heard on Tuesday from the solar sector that distributors and sellers are already leaving their industry, with the apparent demise of this program. They're telling us that people who were about to invest substantial amounts are in fact walking away. They feel there's going to be a brain drain to the U.S.

Are you seeing the same thing, or do you foresee the same thing, unless this is renewed?

Mr. Ken Elsey: There are two issues. One is, I have already heard of a number of auditors being laid off or given notice that they will be laid off. We've also been talking to the colleges that are developing training programs. The question is whether we should be developing some of these training programs, if the opportunity for employment seems to be less when their students graduate. There's real concern in various sectors of the economy, not just on the energy side.

Hon. Geoff Regan: Thank you.

Mr. Brunet, in addition to that question, we've heard that a lot of businesses were making investments and spending money to attract new customers just days before, maybe even the day of, the coming out of news on March 31 that this program was going to end—before it was killed by the Conservatives. Are people angry that the government didn't give them some kind of warning for this?

Mr. Martin Brunet: Definitely there was a lot of upset. People were calling me, especially in the days following—those who missed the opportunity to register before the program closed.

Hon. Geoff Regan: You've worked in the program. Obviously you know it intimately. You've dealt with homeowners who were going through this process. What do you feel has been the benefit to homeowners of this program?

Mr. Martin Brunet: For one thing, a lot of homeowners were not aware of the various energy efficient products available to them. As a result of going into their homes and presenting them with the options, opportunities, and incentives on the choices they could make, I found that a lot of homes made various changes to become more efficient, even outside of what they were initially planning on doing. For example, if they were replacing their heating system, after meeting with one of our energy auditors they would also replace their toilets and their air conditioner and perhaps some windows, making their house even more efficient and, as a result of that, stimulating some work for some of those other contractors, who benefited from that visit.

Hon. Geoff Regan: We keep hearing from government members that the program isn't really cancelled but just under review and that of course it will continue until March 2011. My question is, does anyone in the industry actually believe that's true?

Mr. Martin Brunet: I hope so. I think this is the kind of initiative that should be permanent, or at least long-term: something that continues to grow with products as they advance in energy efficiency, so that geothermal systems or solar systems can become more affordable to the average homeowner and so that at some point we can have a really sophisticated sort of network whereby we are helping homeowners continuously save energy and perhaps one day can fuel the whole country on renewable energy.

Hon. Geoff Regan: Mr. Fiume, were there any problems with this program that justified cancelling it, in your view? Was it being abused? Was it working? Was it popular?

Mr. Victor Fiume: Certainly it was popular. I think the reality is that we don't look at this as a cancellation of a program, but as an opportunity to work with the government to bring about another program that will be better than what we had. We're really excited about that opportunity.

I think the reality is that we all have to do more with less. The exciting part of our working with the government on this is the opportunity to bring about an even wider range of products and initiatives that are at considerably less cost and to use the savings that are brought about by new products and new systems to fund further investment by the homeowners in their homes.

• (0930)

Hon. Geoff Regan: But let's be clear. If somebody decided today that they wanted to retrofit their home, save energy, reduce their loss of energy and their greenhouse gas emissions, they couldn't start that today and rely on this program. Is that right?

Mr. Victor Fiume: They could not rely on the program. They could rely on the energy savings they will get in retrofitting their home.

Hon. Geoff Regan: The point is, they could start today and could hire any company that's doing this kind of work, but they can't look

to the retrofit program, because it's already committed and there's no money available. What's clear since March 31—what was announced, of course—is that the government said no, you can't apply any more.

Mr. Victor Fiume: As I see it, yes, that's correct: there are no more applications being taken. For us, we see this hopefully as a temporary measure.

The Vice-Chair (Mr. Alan Tonks): You have 30 seconds.

Hon. Geoff Regan: I'll hand it over to the next person, I guess.

The Vice-Chair (Mr. Alan Tonks): Thank you very much.

Madame Brunelle.

[Translation]

Ms. Paule Brunelle (Trois-Rivières, BQ): Good morning, gentlemen. Thank you for being here.

Mr. Brunet, you were an advisor, and Natural Resources Canada provided us with a report regarding participation. According to that report, I see that in Canada, there were 1,953 energy efficiency advisors, and you were one of them, were you not?

Mr. Martin Brunet: Yes.

Ms. Paule Brunelle: I see that in Quebec, there were just 134 advisors, resulting in \$47,000 in pre-retrofit applications, whereas in Ontario, there were 1,182 advisors. That did not strike me as a fair distribution of advisors, and I was wondering whether you could explain that.

Why was it so unfair?

Mr. Martin Brunet: Quebec has different bureaucratic requirements for energy evaluations. It is much more controlled. Quebec has much more control over how the program is administered. We can offer our services in Quebec, but we cannot cover the provincial portion, just the federal portion.

So, for Quebecers, the important thing is to choose a company that is registered with the province, not just the federal government.

Ms. Paule Brunelle: Does that mean then that, if we brought back this program, there would first need to be agreements between the Quebec government and the federal government?

Mr. Martin Brunet: I think so.

Ms. Paule Brunelle: That might be a solution.

Mr. Fiume, you said a number of things I found interesting. You talked about new trades in energy efficiency. I would like you to elaborate on that a bit.

You talked about the home as a system. I have a vague idea of what that might involve, but I would like you to explain it in more detail.

No evaluations have been done under this program since March 31, 2010. We just talked about it. It is shameful that it has not been renewed.

If the government were to bring back the program, should it not focus on alternative energy sources, such as solar and geothermal?

[English]

Mr. Victor Fiume: Initiatives such as geothermal are very important, but they're also very costly. We could do so much more in a house with a lot fewer dollars. Just replacing your shower head with a low-flow shower head cuts your gas or electricity consumption, and it also requires municipalities to use less energy to purify water. Something as simple as a \$15 shower head, while it doesn't replace the geothermal heating system, goes a long way to reducing your costs.

What's important is that homeowners see the benefits of what they are investing in. If they don't see the benefits for the dollars they're putting out, they will not continue with energy efficiency programs on their own. We have to include the whole slate of programs, including geothermal, including solar hot water panels, but we should not overlook those products that anybody can buy at a hardware store that will increase energy efficiency in their home. Certainly, for a \$15 shower head, I'm not sure we need a government grant to put it in our homes.

In terms of jobs, I can reference what Monsieur Brunet said, that many jobs have been created, in the insulation area, geothermal, solar panels.... Our hope really is that because of the awareness and the momentum we have built up through this program, many of these jobs will be taken up in the new home sector as well. Many people who do ecoENERGY audits are also consultants and do work with builders related to their new home production. I'm not sure we'll see the drop in jobs that we may anticipate. And again, hopefully it's temporary and we can pick them back up as soon as the new program is created.

• (0935)

[Translation]

Ms. Paule Brunelle: Are there incentive programs for new homes to use alternative energy sources? Should we not focus on new homes, as well?

[English]

Mr. Victor Fiume: In the case of many of the programs, there are no grants or rebates available for new homes. There is very little available. Basically, the programs across Canada are driven voluntarily by builders in this industry who have a commitment to energy efficiency and to building better homes. It's our position that you let the private sector move forward with this initiative. In Ontario, 22% of the single detached homes that were built last year were enrolled in Energy Star, which is completely voluntary. The homebuyers voted with their wallets and decided to buy a home that is more energy efficient than a code-built home.

I don't know that you need to change that system. You need to support it with research, which we are doing very well with the new initiatives that NRCan has undertaken. That's the level of support that I think we are looking for.

[Translation]

Ms. Paule Brunelle: Thank you.

Good morning, Mr. Elsey.

You are far away, but I can see you. Your organization was created as a result of the lack of effort on Canada's part to promote energy efficiency. That is what you said.

You also said that there were changes—commitments, in any case, to achieving a 20% increase in energy efficiency by certain provinces and territories—but has there been any real progress made?

[English]

Mr. Ken Elsey: There is tremendous progress being made, in actual fact. We've seen the introduction of the Green Energy Act in Ontario, which has taken Ontario into a leadership role in terms of the energy efficiency of new homes. The incentives that have been developed for the electric cars are going to move Ontario tremendously towards a reduction in energy use when transportation is taken into account as well.

Manitoba, B.C., and Quebec have all done tremendous work on energy efficiency. In fact, we issue a report card every two years that reviews the accomplishment of both the federal government and the provinces and territories, and all of Quebec, Ontario, Manitoba, and B.C. have received an A in their achievements; that is a progression over several years. So yes, we definitely see real results happening and we expect this to continue.

I'd like to make one comment too concerning incentive programs. I don't see incentive programs as being here forever. At some point we have to phase incentive programs out. But I think what consumers will ultimately realize is that the cost of their energy can be significant and will continue to grow over the coming years, and the energy savings they invest in their home, as Victor said quite clearly, will be the motivation for them to make these changes. Right now these programs are designed to provide a stimulus, I'll call it, to the issue, and I think it is essential in the short term.

Thank you.

The Vice-Chair (Mr. Alan Tonks): Thank you, Madam Brunelle and Mr. Elsey.

We'll now go to Mr. Cullen.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Thank you, Chair. Thank you, witnesses.

Mr. Brunet, you talk about the frustration among folks who work in your industry and the homeowners who rely on that industry. Did the federal government consult with your industry before it made this decision?

• (0940)

Mr. Martin Brunet: Do you mean, to terminate the program?

Mr. Nathan Cullen: That's correct.

Mr. Martin Brunet: Not as far as I'm concerned. We were simply given an announcement approximately 20 or so hours before they stopped receiving new entrants.

Mr. Nathan Cullen: Was it the same for you, Mr. Fiume, or did you know about this coming, that this program was going to be ended?

Mr. Victor Fiume: No, it was a surprise to us.

Mr. Nathan Cullen: Normally, and typically, this government likes to announce things with a lot of fanfare and money. We see their \$90 million ad campaign that was running, and is still running. Ironically enough, that ad campaign about putting Canadians back to work was running while they cancelled this program, and part of the ad campaign mentioned the program they had just cancelled. I guess the advertising company hadn't caught up to the decision that had been made here, because it was announced, if you want to call it an announcement, on a Friday afternoon on the third page of a website of Natural Resources Canada. Some of the folks who actually work in the industry were maybe notified, but Canadians were not. There was no minister standing in front of a ribbon; there was no formal announcement from the government sitting on a website.

Mr. Brunet, to those who work in the industry, and to homeowners more specifically, is that a respectful way for the government to notify them that they should stop bothering to apply for this program?

Mr. Martin Brunet: I'm not entirely sure how the government goes about making decisions. I don't necessarily believe it's the fairest kind of way, but again, I don't really know what decisions would have led them to make such a....

Mr. Nathan Cullen: Mr. Fiume, you seem remarkably optimistic. Usually, when a program is cancelled, folks don't talk about hope and opportunity: it's been cancelled.

Is there not a danger of a gap existing? This is a very serious question about the lead-up and the build-up of a program establishing itself within the minds of builders and homeowners. It takes some time— isn't that correct?—for folks to become familiar enough to trust it that they go out and spend the money, bring in the retrofit analysis, and get the thing done.

Now that it's been cancelled, word has gone out not to bother with the federal government in terms of this project; it won't take applications. And the government hasn't announced anything to replace it or said whether it will replace it. Do you have some knowledge, as your source of optimism? Has the government whispered in your ear and said, don't worry, Victor, we're going to come in with something even better next time around?

Mr. Victor Fiume: We are home builders and we are always an optimistic bunch.

Mr. Nathan Cullen: You are optimistic by nature, sure.

Mr. Victor Fiume: Having said that, we are concerned. We don't want to lose this momentum. It's critical from a public perception point of view. It's also critical from an employment point of view in that we have now a whole bunch of new green jobs. We have people who specialize in this area, but we do understand that in the meantime many of the people actually doing the work will still be employed doing the work until the program finally finishes its conclusion in March.

In the meantime, no, we haven't had whisperings in the ear. We will take this to Natural Resources Canada and sit down with them

and say this is what we see moving forward. The stimulus cannot go on to the same extent it did. Here is what we think the program should be about, and we will work with them to come up with a program that is less expensive and keep the momentum going, keep the jobs going, and keep Canadians improving their homes.

Mr. Nathan Cullen: This is what frustrates people about dealing with government, in the sense that it's on again, off again. Mr. Elsey talked about folks going into training programs, college programs, getting themselves ready for this. The uncertainty that the government has created puts a doubt into the minds of both those in the industry and on the home-building side. People hear about this through their neighbours. They hear about it through different campaigns, from yourselves, from Mr. Brunet's group. Then they hear it's all off. It's on the evening news that it has been cancelled. This is the frustration.

I want to go to Mr. Elsey for a moment. On the international comparison side, Mr. Elsey, you pointed to an IAEA report that showed we had the highest energy use per unit of economy. Does the cancellation of this program help Canada's competitiveness on that particular question?

Mr. Ken Elsey: It definitely takes us away from what I'll call achieving some of our objectives in terms of energy efficiency and greenhouse gas reduction, so I would say it really is a bit of a blow to our international commitments for climate change. I am concerned.

Mr. Nathan Cullen: We've heard from government officials. You quoted another ratio, but there was something on the order of a 10:1 investment ratio. For every dollar that government was putting into this, the private sector, Canadian homeowners, were putting in \$10. Government officials could cite no other program that had this kind of leverage into the economy in terms of stimulus.

The British government, the Americans, the Japanese—essentially every European government—are ramping up their home energy and business energy efficiency programs. Do you know of any other country that has decided to cancel their national energy efficiency programs?

● (0945)

Mr. Ken Elsey: No, and the point that should be made is that Canada still has an extremely low cost of energy. When we hear of things being done in the European market and elsewhere, they're looking at a kilowatt charge of anywhere from 30¢ to 35¢, equivalent, whereas we're still sitting at 11¢ for a kilowatt. Until we see the cost of energy start to move to a point where it becomes a motivator in and of itself, we'll be behind the rest of the world in terms of doing that.

We are a very energy-intensive country. If you go to some of our international meetings and you see the graph and you see that red dot for Canada up in that top right-hand quadrant, above and beyond everybody else's, you would sit there and say, "We have to do something." Unfortunately, this is not a good signal.

Mr. Nathan Cullen: I'm wondering, just in terms of signals, then, Mr. Brunet.... We've heard from the solar, the wind, and the geothermal, the different green energy sectors, that if it were not for the provinces right now, there would be virtually no green energy business in Canada because we are in a competitive environment with the United States and international players. Has the federal government essentially defaulted to the provinces at this point in saying that anything that's going to be done on this part of the green economy is going to be done by you and the municipalities or not at all?

Mr. Martin Brunet: It would appear so.

The Vice-Chair (Mr. Alan Tonks): Mr. Cullen, we're out of time now, sorry.

Thank you, Mr. Brunet.

I think we'll go now to Mr. Allen.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you, Mr. Chair.

Just as a comment before I ask some questions, I wish Mr. Regan and Mr. Cullen could get past "c" in the dictionary, to actually what "review" means, because the program is being reviewed. As we know, as the officials said, there's \$80 million in additional money this year to make sure we can go until the end of 2010-11. So as Mr. Fiume put a minute ago, there will be impacts felt from this program continuing on into next March, as the work is being done.

Mr. Fiume, you mentioned that 22% of homes in Ontario were Energy Star last year. Based on this work that's done, are homebuyers seeing an increased price in their homes for this?

Secondly, has there been any discussion about the idea of, let's say, our multiple listing system in Canada, as part of real estate sales, putting Energy Star ratings on all homes as a matter of informing a purchaser before they go in? Say it's an Energy Star rating of 2; you'll have an idea of what your energy consumption would be in that house.

Mr. Victor Fiume: In regard to your first question, certainly there is additional cost for the energy efficiency program Energy Star and some of the others that are out there. One of the things that leads to the success of this program is that we can clearly demonstrate a healthier home, a more comfortable home, and that the carrying costs on the added capital investment are minimal compared to the savings in utility costs.

That's what makes the program so successful: one, it's a voluntary program; and two, builders are using all their might and their marketing abilities to educate the public. An important part of that program is that builders are behind it.

It's interesting. Builders are very much creating the marketplace as opposed to reacting to the marketplace. I think it's very, very important that we understand that we are actually pushing the marketplace in this situation.

Mr. Mike Allen: Would you suggest that that has been the impact right across Canada?

Mr. Victor Fiume: Absolutely. I travel across the country, and it's absolutely the case from coast to coast that these are builder-led voluntary initiatives. The public has caught on, indeed, in Ontario

and others. Saskatchewan has about a 25% uptake. So it has been very, very successful across the country.

● (0950)

Mr. Mike Allen: I'd like to ask each of our panellists to comment on the next two questions, because I think this is important.

As part of the review process, which we understood from officials is going to take place over the next few months, specifically what incentives do you think would be important as part of a new program or a recast program?

What specific items do you believe could be improved upon, based on what you've seen, working through this program?

Obviously it makes sense, from the point of view of fiscal responsibility, to take a look at this, and I'm sure last year the home renovation tax credit had some impacts on this as well, because of the layering process that you could have. I'd specifically like to know your thoughts on what could improve the program if it were recast.

Mr. Victor Fiume: Off the top, without getting into huge discussions, certainly it would be to look at all areas of products, from shower heads all the way up. I think part of the program is big dollars and big investments by the homeowners. I think we need to cast our net much wider.

We also need to be more demanding of our manufacturers and suppliers that they are creating new products, being more innovative with ways that we can retrofit homes. Many of the products that are available are only available because of the new home construction area.

Also I think it's important that homeowners see the value in retrofitting their homes. I'm not sure that an 18-month window is long enough for people to see the benefits of what they've invested in. We had a mild winter this past year, so everybody's gas costs went down. Great. Is that because they bought a new furnace or because of Mother Nature? So I think the program needs to have a longer period of time.

Clearly we need to be looking at the entire house as a system. You can't tighten up building envelopes significantly without putting in HRV, heat recovery ventilators, or some mechanical ventilation system. Over the years, that's one of the lessons we've learned in new homes, and I think that's key.

Mr. Mike Allen: Mr. Brunet and Mr. Elsey, do you have any comments about what you think would be positive in a different program?

Mr. Martin Brunet: Go ahead, Mr. Elsey.

Mr. Ken Elsey: In terms of it being a new program, I think the essence of the ecoENERGY program really hit the nail on the head. It may have been too aggressive in terms of its overall cost to the government—I can appreciate that—but I do think the cost of energy will ultimately prove to be the motivator.

You hit on a topic just a moment ago when you talked about the whole idea of whether or not to rate existing homes. I really do believe that to be a key aspect. If a homebuyer understands the cost of heating or managing their home before they purchase the home, it just makes sense to have that home labelled. We've actually done a bit of research on this, and it's not as onerous as one would think. It really keeps in line with the strategy NRCan has with everything else, from appliances to automotive purchases and homes. I think it's the next step. So home labelling is a really key issue.

The second is codes and standards. We need to invest more in codes and standards and to bring those codes up to snuff much more quickly. We are currently working with NRCan through the National Research Council and the Canadian Commission on Buildings and Fire Codes, the CCBFC, to update the model national energy code for buildings and houses. I think that's really where most of the effort should lie, because the rest of it will carry itself as energy costs continue to rise.

The Vice-Chair (Mr. Alan Tonks): We're out of time, Mr. Allen.

But, Mr. Fiume, did you want to add something to that? I saw your....

Oh, Mr. Brunet, okay.

Mr. Martin Brunet: One thing I'd like to see with the program is better management of how much is handed out, and maybe looking at giving the program more permanence so that you can instill confidence in Canadians.

Also, we should use the program as a venue for endorsing new energy efficient Canadian products, for example, maybe aiding and assisting Canadian companies in getting their products from renewable energy sources, or even just making any systems in houses more efficient, like solar domestic hot water, for example.

• (0955)

The Vice-Chair (Mr. Alan Tonks): Members of the committee, we have time for just two minutes each. We will go to Mr. Bains, and then we will come over to Mr. Harris.

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Thank you very much, Chair.

Just following up on the comments made with respect to better management, I have a question for Mr. Elsey, who gave a detailed analysis of the costs of the program and was fairly detailed with the numbers. We heard from departmental officials not too long ago that, to date, they have spent about \$340 million on grants paid out, and that they basically have \$300 million left in the program for dispensing this year to homeowners. But the total cost of the program, as you alluded to, is \$745 million.

What do you attribute that difference to? Is it attributable to administrative costs, or the way the program is managed?

Mr. Ken Elsey: No, I think it's really a result of consumer uptake. They probably looked at their conversion rate at 40% to 42%, and I suspect it's going to go much higher than that. So as we approach the deadline, you will see consumers ramping up and making a last-ditch effort to make those improvements and to get the second audit done, so they can collect their rebate.

Hon. Navdeep Bains: I should clarify my question.

Mr. Ken Elsey: It's simply that the consumer will be driven to do more, knowing the program has come to an end.

Hon. Navdeep Bains: Maybe I should have clarified the way I asked the question, because the departmental officials indicated that they have allocated \$640 million worth of programming, and yet the cost of the program is \$745 million. So what is that \$100 million difference attributable to?

Mr. Ken Elsey: My take is that they've underestimated the conversion rate on the uptake of the rebate program. If you look at the numbers right now, of the 800,000 audits that have been done, only 236,000 have actually taken time to do the second audit. That's the issue. I think it's going to approach closer to the 800,000.

The Vice-Chair (Mr. Alan Tonks): Thank you.

Thank you, Mr. Elsey.

Mr. Harris.

Mr. Richard Harris (Cariboo—Prince George, CPC): Thank you, Mr. Chair.

Mr. Fiume, I just have a quick question for you.

I know there are a lot of different circumstances involved—the types of houses, their sizes, and the types of retrofits, etc.—but programs aside, has all of this been put into a computer somewhere and come back with the average payback to a homeowner for an investment in energy efficient upgrades?

Mr. Victor Fiume: There is a program called HOT2000, which does those calculations when you input them. The difficulty is that every house is different.

Mr. Richard Harris: I realize that, yes.

Mr. Victor Fiume: So you would have to model each home independently. I can tell you that on an Energy Star home, which costs about \$4,000 or \$5,000 more than the average house, the savings are about 30% compared with a conventional home built under the building code. So it's in the area of probably \$600 or \$700 or \$800 a year on an average home. That's in the new home market.

We do have rules of thumb for windows, furnaces, and those kinds of things. I think part of the job of the auditors is to ensure that the dollars are being placed where the greatest level of energy efficiency is being realized for the dollars spent. I think that's an important component.

Mr. Richard Harris: Good. Thanks very much.

Mr. Elsey, I just wanted to thank you for bringing up the point about the kilowatt cost of energy between Europe and Canada. That point added some rationality to the huge investments that we're seeing in Europe, as opposed to Canada. The demand is smacking them right in the face given the cost of energy, and we've not quite been hit by that yet, although we probably are drawing some lessons from other countries.

Mr. Ken Elsey: As soon as carbon has a price attached to it, then I think you'll see some dramatic changes here as well.

Mr. Richard Harris: Thank you, gentlemen. It's been a great session.

The Vice-Chair (Mr. Alan Tonks): Thank you, Mr. Harris.

On that note, this brings the panel to a close. We have another panel coming in.

Thank you very much to our panellists. We appreciate your input today. It's been very helpful.

We'll just take a short break and then we'll set up for the next panel.

• (1000)

(Pause)

• (1005)

The Vice-Chair (Mr. Alan Tonks): Good morning to our witnesses. On behalf of the committee, I'd like to welcome you and thank you for coming here today to provide us with your input.

This panel is continuing our theme, pursuant to our Standing Orders, and studying the ecoENERGY programs.

We welcome as an individual, Sheldon Busey, the president of Shell Busey's HouseSmart Referral Network. Mr. Busey, welcome.

From the Corporation des propriétaires immobiliers du Québec, we have Mr. Hans Brouillette, public affairs and communications director. Welcome.

We also have Pascal Dubois, president of Legault-Dubois.

By video conference from Toronto, representing the North American Insulation Manufacturers Association, we have Mr. Stephen Koch, the executive director.

Just for the information of our guests, we have about seven minutes for presentations and then we go to our question period, as you saw in the last round.

We will also queue you into that question period, Mr. Koch, after you've made your presentation.

Mr. Busey, would you like to lead off?

Mr. Sheldon E. Busey (President, Shell Busey's HouseSmart Referral Network, As an Individual): Thank you very much, Mr. Chairman.

First of all, I go by "Shell", if anybody would like to address me. Hearing "Sheldon"...it's the first time I've heard it since my mum was very upset with me one time.

Voices: Oh, oh!

Mr. Sheldon E. Busey: The last name is pronounced "Buzzy", spelled b-u-s, as in bus.

Certainly, representing the western Canada program—I hear it termed as "echo" here, and in the west we call it "eco", so in any event, we're echoing the west—the program really has been very dear to my heart, and I say that sincerely, because being a radio talk show host on home improvement for the last 28 years now in western Canada, it's something that has been very important, not only the program as it exists federally, but also the way it dovetails with provincial programs. Being involved in Winnipeg, in the Manitoba market, in the two major cities in Saskatchewan, Saskatoon and Regina, and also in Alberta, Edmonton and Calgary, and on into British Columbia, the entire province, the eco-program

has been one that has been really consumed by the industry as an energy upgrade for the home.

The important factor of the eco-program, as I see it, is information and education. That's where I hang my hat. There has been a tremendous bowing to a program based on whoever is delivering it. What I mean by that is how the homeowner, the consumer, is receiving it, either at the retail level, at the radio level, at the newspaper level, at the flyer level, or information through the different distribution industries, people like B.C. Hydro, and all the rest. But for the homeowner, the importance is that we have to get the owner more involved in understanding what it is they're to expect out of the ecoENERGY program; that is, the energy analysis. That's where I really am concerned, and that's why having our representative, Russ Hiebert, invite me here, gives me the opportunity to state my case; that is, the homeowner understanding the process, understanding the process of what is the energy analysis. What does it really mean to me when I do get the energy analysis. What is the energy analysis adviser to do when they do come to my home, other than put up a frame on the door, a great big fan, and say, at the end, this is where your home rates?

We always say, good, better, best, why worry about the rest? And the rest is, where do we go, good, better, best: first, second, third, fourth, fifth? Do they take the items that are the most economical, the ones that are going to give them the largest grant or rebate, or is it something that's going to be great for them, their family, their quality of life?

That's the understanding I like to have, the opportunity to educate the consumer. That's about air quality. We talk about mould. My goodness, I absolutely hate that term, mould. The reason why, as I always say on my radio program, is there are 22,000 types of mould in our society, but there are only about two if you're affected by them that will really hurt you. I like to call it algae, because algae is really a spore that grows from moisture, light, and heat. It's one of those items that if you allow it to grow...If you do your energy upgrades to your home the wrong way, you're going to end up with lots of this algae. You can end up with it in the attic, in the roof cavity, in behind closets, draperies, and all the rest of it. All of a sudden, the homeowner puts his hands up saying, "Where do I go from here, Shell? I've done the upgrades, I've had a new furnace put in, I've had this done...", and the next thing they know, they've got things they've never had before. I get homeowners saying, "Shell, I need my old windows back. I never had any condensation on the old ones; now I get it on the new ones." The reason why is you tightened your house up. It's the education, showing the good, the better, the best.

What is it they're going to get back when they do the program? I always say, and in fact it's one of my sayings, how to the what, to the where, to the why, to the when, to the who to? We've got all those things, plus we've got the who to. So if we can get the homeowner to do a sequence of upgrades based upon a sequence, first, second, third, fourth, then we can have the energy savings we're looking forward to, rather than this being a buck in a pocket. Because a buck in the pocket for the consumer, if they don't spend the buck the right way...all I can tell you, ladies and gentlemen, is it's just going to be a buck in the pocket and maybe a holiday somewhere warm when it comes to going away at the time they should be doing upgrades to their homes.

•(1010)

I just want to make reference to the home renovation tax credit. I know this has nothing to do with it, but when I heard that word, I was the first one who thought we were going to give a tax credit based on energy upgrades, but it was on everything. And I really don't feel that everything is really the best thing when it comes to what we're trying to achieve in the industry of home upgrades. Why not give the home renovation tax credit based on upgrades of homes, giving quality and education on how their house works?

I would like to see an education video. Why not have something that can be Canada-wide for Canadians, showing what can be done to the average home, be it 30, 40, 50, 60, 70, or 100 years old. What are they looking forward to?

I am involved in the industry myself. We do have a home improvement division, and that home improvement division is educating, and education is so important to homeowners.

So value in the retrofit...18 months. I heard that mentioned earlier. Eighteen months is not enough time to decide if they are going to be quality upgrades or not. I think what we really have to do—and I'm the first one to pull my chains in behind me to be behind a program like the ecoENERGY program. Let's at least give some marks to those who do the best. Don't worry about the good and the better. The best is what we want, and if it means ventilation, let's do it. If it means windows, let's do it. If it means draft-proofing, let's do it. I ask the question: what is draft-proofing? I know, but I can tell you right now, nine out of ten people on the street don't know. And yet if you don't do it before you do your insulation—and I heard the word “insulation” mentioned here earlier. Insulation has no value at all unless you have draft-proofing in a home, because otherwise you're sending all that moisture right up into the area where the mould starts.

So, folks, the Energy Star programs, the energy analysis programs, the ecoENERGY programs, all these programs...let's live within our means and let's educate Canadians as to what they're going to get out of it.

Thank you.

The Vice-Chair (Mr. Alan Tonks): Thank you, Mr. Busey.

We'll go now to Mr. Brouillette.

[Translation]

Mr. Hans Brouillette (Director, Public Affairs and Communications, Corporation des propriétaires immobiliers du Québec): Good morning and thank you.

My name is Hans Brouillette. I am the director of public affairs and communications at CORPIQ, the largest association of landlords in Quebec. I am joined by Pascal Dubois, an energy efficiency advisor. He and his team work with owners wanting to take advantage of energy efficiency programs.

A brief will be submitted to the committee today for translation. Unfortunately, we were not able to get it done sooner because of time constraints.

Clearly, in CORPIQ's view, what we are doing today is important. We want to preserve our built heritage of rental housing units for

future generations. We also want to preserve the environment through energy efficiency, as well as the well-being of families who rent in Quebec, and there are many.

CORPIQ, the largest landlord association for the past 30 years, brings together 12,000 rental property owners. We target 40,000 property owners, as well as non-members, through our publications. These owners are representative of the entire community of rental property owners in Quebec, which is made up of many small owners of small buildings and a few large owners of hundreds of units. CORPIQ is a non-profit association that provides services to landlords.

The makeup of Quebec's housing stock is very different from that of other provinces. First, it should be noted that 40% of those living in rental units in Quebec—in fact, 40% of the population, 40% of families—are tenants. That is much higher than anywhere else in the country. Landlords, the people we target or try to target in Quebec, number 277,000—so many small owners with few rental units. In fact, nine out of ten landlords own between one and five units. So we are really targeting people who are often working or retired but who do not live mainly off of rental income.

The condition of Quebec's housing stock is very worrisome. According to the 2006 census, 35% of housing units in Quebec needed renovations. According to the 2001 census, five years earlier, that figure was 30%. So it is clear that there is a growing need for renovations when it comes to rental housing units. According to the census, in 9% of cases, buildings are in need of major renovations, which provide an excellent opportunity to improve the building's energy efficiency.

CORPIQ believes that the situation is even worse than the census numbers would indicate. The census data comes from questionnaires targeting tenants. CORPIQ conducted a survey of landlords, who have a lot more information on the condition of the unit, because they know what shape the foundation is in, the heating system, the roof and so forth—information that the tenant does not have. According to our figures, 32% of units in Quebec are in need of major renovations, so one in three units.

There are major challenges to renovation, and they are unique to Quebec. You will understand why. Basically, the first challenge is Quebec's excessive rent control policy, which discourages investment in renovations. We know there are five provinces that have rent control. Quebec's measures are the most restrictive. Obviously, that discourages landlords from undertaking renovations. I will explain.

When a landlord does major renovations, he can cover the expense by transferring the cost to the tenant in the form of a rent increase. There is a problem though: over the past 30 years—since the Régie du bâtiment du Québec was created, in fact—every year, the government has cut the amount that landlords can transfer. The amount that can be transferred has decreased by 77%. Before, landlords could spend \$1,000 on renovations and ask the tenant to pay an extra \$10 or \$11 a month. Today, 15 to 20 years later, landlords are allowed to ask the tenant for just \$2.42 for every \$1,000 spent on renovations. Obviously, that discourages landlords from spending money on renovations.

There is a second challenge. Quebec has a lot of small buildings. There are many small buildings with few rental housing units.

• (1015)

So it is harder for landlords to cover the cost of renovating buildings with three or four units, versus those with 50 or even 100 units.

The third challenge stems from the fact that investors or those who are called upon to invest in renovations are not the ones benefiting from the energy savings. Many landlords who may want to invest in improving energy efficiency say to themselves that the tenants are the ones who will really save, the ones who will benefit. Most rental housing units in Quebec have leases or rental agreements stipulating that heat is not included in the rent. Since the tenant pays for heat, the tenant is the one who will benefit from energy efficiency upgrades.

As for renovation grants and tax credits, there is a real disparity in how rental buildings are treated versus single-family homes. That is a problem for us. Significant energy savings can be achieved by rental buildings, but unfortunately they are not treated the same. Energy efficiency evaluations for buildings are more expensive than for rental buildings. I will give you another example of this disparity, the Home Renovation Tax Credit announced by the government in 2009. According to a survey we did, 77% of rental property owners who knew about the credit said they were not at all interested because it did not benefit them at all.

In light of these issues, CORPIQ has the following recommendations. The first is that the committee recommend the long-term renewal of the ecoENERGY retrofit program. The second is that the committee recommend the enhancement of the ecoENERGY retrofit program in order to improve incentives, specifically for residential rental buildings, which are numerous and which house 1,300,000 families renting in Quebec.

• (1020)

[English]

The Vice-Chair (Mr. Alan Tonks): Thank you, Mr. Brouillette.

We'll now go to Mr. Koch.

Mr. Koch, you may take seven minutes for your presentation.

Mr. Stephen Koch (Executive Director, North American Insulation Manufacturers Association): Thank you.

Mr. Chairman, honourable committee members, and guests, thank you for the opportunity to speak with you today.

NAIMA Canada is an industry association that represents the majority of fiberglass, rock, and slag insulation manufacturers in Canada. It is a sister organization to the 75-year-old North American Insulation Manufacturers Association, based in Alexandria, Virginia.

Our association was established in 2004 with a mandate to actively develop technical standards and to interact with governments and partners to promote the energy efficiency and environmental benefits of its members' products. Our Canadian membership consists of CertainTeed Corporation, Fibrex Insulations, Johns Manville, Knauf Insulation, Owens Corning Canada, and Roxul Inc., which represent thousands of manufacturing, sales, distribution, and installer jobs in every province.

The recent decision to eliminate the federal portion of the ecoENERGY program is very disappointing. The act of cutting the program and how it was done are both worrisome, at best. The decision was made with no attempt to discuss the impact of this decision with industry stakeholders. I mean not just manufacturers, like NAIMA members, but also the private companies that are delivering energy audits and the non-profits that are doing the same.

I would point you to a Facebook page called "Keep the ecoENERGY Retrofit – Homes Program Alive", which sprang up in response to these cuts. On the site you can read about the very real impact this has had on small and independent business people whose sole source of employment is energy audits. Many had been in business for only a short time, after investing heavily in the required equipment and training.

The provincial partners that supported this program by matching the ecoENERGY funds were also caught off guard. This has resulted in widespread confusion, layoffs, and many individuals walking away from audit and retrofit jobs.

The early withdrawal of the ecoENERGY program works against the federal government's stated objective of reducing greenhouse gases. But greenhouse gas reduction is only one of the benefits this program has brought to Canadians. Energy efficiency measures provided a direct and ongoing benefit to Canadian homeowners' pocketbooks while supporting the creation of jobs for contractors, building supply retailers, and manufacturers, such as our membership.

Modelling programs and real-life experiences have seen reductions in homeowner operating costs of \$500 to \$800 a year through investments of as little as \$4,500 through this program. Energy efficiency renovations allow the homeowner to see immediate and sustained payback. More disposable income in the hands of the consumer can only fuel the economy.

In the interest of time, NAIMA has limited suggestions to four key areas, which we believe can generate significant benefits.

First, offer energy efficiency low-interest loans. These loans would be guaranteed by the government. They would provide homeowners with the upfront financial resources to tackle many of the issues not addressed by ecoENERGY programs. For example, in many instances, when considering the envelope of a house, the cost of opening a wall to insulate to higher R values is not reasonable or feasible with a \$500 incentive. A loan program could assist homeowners in completing some truly substantive and needed energy efficiency repairs and upgrades, without the burden of rising interest rates. It's worth considering.

Second, programs focused on increasing energy efficiency in one of the most neglected areas of housing—social housing, low-income housing, and housing in some first nations communities—are needed now. Estimates vary, but there are almost 800,000 units across this country in these categories, most of them in need of major energy efficiency upgrades. Since the heating and cooling costs of these units are directly or indirectly paid for by some level of government, any federal investment in reducing these costs will positively contribute to the bottom line of government.

Third, we must recognize that new homes will continue to add to the Canadian market homes that require energy efficient upgrades. Our building code processes fail to ensure energy efficiency when homes are built. Five of Canada's provinces do not have energy efficiency in their building codes, and one province has not updated its energy efficiency code since the 1960s. This is a huge deficit that will continue to burden future generations.

Finally, Canada must use the process and data resulting from the ecoENERGY programs to educate homeowners about what it costs to operate their homes. The decision about home pricing is only one part of the equation when it comes to affordability. Just as important is the part of the equation that includes operating costs. It's not only the cost of the mortgage that can cripple a household budget. In 2007 we saw groups begin to discuss a new term, "energy poverty". This term was used for the situation where families were going without proper food and heating because their income could not stretch to meet rising mortgage rates and food.

• (1025)

NAIMA Canada also supports mandatory home energy audits. We believe this is, first and foremost, a critical consumer protection initiative. Potential homebuyers need to have access to verify full and open disclosure on the energy performance of a home, not just the fuzzy energy bill estimates provided by real estate agents. Such an initiative would see a responsible homeowner benefit from lower bills when they occupy a house and also see a premium price or a quicker sale when they decide to sell. Mandatory labelling of houses for buyers provides important consumer information that is currently not being offered.

Recent studies and polls indicate a strong willingness by consumers across all regions of Canada to expect or demand energy efficiency in homes. According to the 16th annual RBC homeowner study, almost all Canadians, 95%, said that low energy consumption is an important consideration when buying a home.

It is clear that improving energy efficiency not only helps us meet our commitments but also has an immediate, positive impact on us and our families. The reinstatement of the ecoENERGY program

will have the added benefit of continuing to educate Canadian consumers about the benefits of energy efficiency, while supporting jobs in the manufacturing, sales, and installation of energy-related products.

Our industry benefits from the ecoENERGY program by selling more insulation, but jobs are created, homeowners save on energy bills, and society benefits from the reduced greenhouse gas emissions. Clearly, NAIMA Canada is committed to energy conservation and will continue to work with all interested parties. We now eagerly await the outcome of your deliberations.

Thank you.

The Vice-Chair (Mr. Alan Tonks): Thank you, Mr. Koch. You're right on time. That's greatly appreciated.

To all our witnesses, thank you for doing that. It allows us a little more time for questioning.

We'll go to Mr. Bains for his seven minutes, for the opposition.

Hon. Navdeep Bains: Thank you very much, Chair.

I just want to follow up with a question I asked previously and get clarification from the department with respect to the costs they identified for the program. They indicated that \$340 million was given to grants that were paid out. Another \$300 million was left in the program, but the total cost was \$745 million. I just want to understand what that difference is attributed to. Is it attributed to an uptake or not? If we can just get the department to follow up on that, it would be greatly appreciated.

My question is to Mr. Koch. The government MPs, and the government, keep repeating that this program has not been cancelled, that it's just under review, and that it will continue until the end of March 2011. Does anyone in the industry believe this is true? From your remarks, is there anyone that you've come across that believes this to be the case?

Mr. Stephen Koch: I think what you saw in the press and in communication from people out there is confusion. What has been put forward by the government is that they will stop taking any new audits. Therefore, any new people wanting to come into the program would not be able to benefit from the incentives. But that is not being understood in the market today. If you go onto that website, you will see that there is a perception by Canadians that it has been cancelled. Even the Government of Ontario, which matched funds, went through a process of trying to understand what the federal government was proposing when they made their announcement on the 31st. They just recently agreed to continue the program as it was before.

•(1030)

Hon. Navdeep Bains: So who benefits from the cancellation of this program? You described in your opening remarks all the benefits in terms of the jobs it creates, the investment, the technology, the benefit for the energy efficiency, the outcome. You even talk about issues around poverty. So who benefits from the cancellation of this program? Is there anyone or anything that you can think of that benefits from the fact that this program is being cancelled?

Mr. Stephen Koch: No, sir, I can't.

Hon. Navdeep Bains: Again, to the other panel members, I would just like to get clarification on this. Who benefits from the cancellation of the program? Is there anyone who comes across that benefits from the cancellation of this program?

Mr. Sheldon E. Busey: The benefit is that we have to do something about it.

Hon. Navdeep Bains: I appreciate that.

The question I had for you, Mr. Koch, now is in terms of specifically the issue around jobs and technology. We've heard from various panel members and witnesses before that it's very important that this program is kept because it creates a market to generate new technology and it allows Canadian companies to actually develop certain technologies. Because this program is being cancelled now, there's no new incentive to generate technology and no one really wants to invest here in Canada. A lot of these companies are going to the U.S. Is that the feedback and the assessment that you're getting, from your perspective?

Mr. Stephen Koch: The way we look at it is that the energy efficiency in buildings follows what we call a civil strategy. That civil strategy has four major pillars. Those pillars are: codes for new homes; incentives to be able to help bridge the gap between high-cost new technology...; voluntary programs that actually test that new technology in a small group of homes; and then you have labelling, which ultimately gives the rights or the choices back to the consumers as to what they want.

These are all intertwined. It is so important to the ecoENERGY program and the EnerGuide rating itself to be part of that process so that the provinces and the municipalities can create a process to move this strategy along, because only one will not make energy efficient homes across this country; all four are required.

Hon. Navdeep Bains: You also mentioned tracking jobs and the fact that this impacts particularly small and medium-sized businesses that very much rely on this program. Have you any data that tracks any job losses or jobs that will not be created because of the fact that this program is being cancelled?

Mr. Stephen Koch: Oh, absolutely. I have heard of many of the audit firms laying off auditors because the process won't be growing any more. In 2009, when Ontario brought in the Green Energy Act, they indicated mandatory labelling would be part of that. That is where the investment was to be in new jobs within the auditing community.

I also sit as chairman of a non-profit organization called EnviroCentre, which does home audits for social housing as well as for regular housing. We are considering laying off auditors since the process has slowed down because of a lack of understanding by

consumers as to whether this program is cancelled or whether it is proceeding.

Hon. Navdeep Bains: Mr. Brouillette—I hope I pronounced that correctly—you mentioned in your remarks that energy efficiency is a major desired outcome for industry, and you had some data that referred to homes that needed a major repair as representing 9%, but you believed the number was close to 33%. You briefly talked about some of the changes you would like to see to this program if it wasn't cancelled. One of them was changes to the incentives for rental buildings.

Are there any other changes you would like to see? If this program did exist, what other changes would you like to see to address the concerns in your industry?

[Translation]

Mr. Hans Brouillette: In the case of residential rental buildings, given that the families living there benefit more from any renovations, the amounts granted should be greater. In addition, the multiplying factor used to calculate the grant in the case of a small building, such as a duplex or triplex, yields the same grant as for a single-family home, even though the rental building houses two or three families.

It is important to note that the lack of renovation incentives for rental property owners is due to provincial laws and restrictions on rent control. Therefore, larger grants are needed to remedy that shortcoming. As everyone knows, the rental housing stock in Quebec is very old. Major renovations are needed.

•(1035)

[English]

The Vice-Chair (Mr. Alan Tonks): Mr. Bains, we're out of time.

We will go to Mr. Guimond.

[Translation]

Mr. Claude Guimond (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you, Mr. Chair.

Good morning, gentlemen.

My first few questions are for Mr. Brouillette.

Ms. Brunelle and I had a question about the Department of Natural Resources' report on the ecoENERGY program for homes. There were 134 advisors in Quebec, while Ontario had 1,182.

Can you explain that disparity between Quebec and Ontario?

Mr. Hans Brouillette: I will ask my colleague to answer that, if I may.

Mr. Pascal Dubois (President, Legault-Dubois, Corporation des propriétaires immobiliers du Québec): I, myself, am the president of a company that provides services to the majority of evaluators and advisors in Quebec. I cannot comment on the situation in Ontario, but in Quebec, it is not easy to find people to work in this field. There are consequences when programs of this nature are cut. In the wake of these announcements, we had to lay off 30 people. We spent thousands of dollars on training advisors and developing their skills, and we had to let them go to work in other fields.

I cannot say for sure that there are fewer advisors in Quebec, but I can say many businesses like mine have been directly affected. The way we see it, we have an opportunity to have a business that provides other services. The fact remains, however, that as a result of these announcements, we are going to lose that expertise in energy efficiency in terms of rental property owners.

Mr. Claude Guimond: Mr. Brouillette mentioned earlier that the program should be renewed for the long term. What needs to be done to properly address the concern you just raised and keep the program going in the long term, so as to level the playing field where Quebec is concerned? I am talking about the situation regarding advisors.

Mr. Pascal Dubois: First, there is the issue of energy efficiency training and education in Quebec. Quebec has a huge housing stock. I think everyone would come out a winner if building owners were given incentives to undertake energy retrofits. Mr. Brouillette may be able to elaborate on that. Regardless, building owners whose tenants pay the energy bill have no reason to undertake energy-saving renovations. That is why it is important to give these owners financial incentives. Then we could do our job as advisors. When an owner wanted to spend \$1 on renovations, we could tell them where to invest it to get the biggest bang for their energy-saving buck. That kind of skill is not taught as part of a technical program in architecture or construction. The industry is the one that trains these people.

If the program were renewed, I would have certain questions as a business owner. I would have to ask myself whether I was willing to invest in and train thirty or so evaluators all over again. I was around when EnerGuide was cancelled and now ecoENERGY. I am not so sure I want to go through that a third time. We are talking thousands of dollars. We developed expertise. After the sudden cancellation of EnerGuide, we started to build a name for ourselves with ecoENERGY. Right now, I am not sure whether the industry in Quebec would be interested in doing it all again.

I often joke that it is the bookkeeper brother-in-law who tells the building owner which renovations they should do. Usually, those are myths that we help to dispel as experts in the field. That is something the industry is losing now as a result of these programs being cancelled so suddenly.

Mr. Claude Guimond: Your testimony will no doubt be taken into consideration going forward, if the program is renewed.

Mr. Brouillette, how many owners have used the program to date, as it now stands?

• (1040)

Mr. Hans Brouillette: Do we have specific figures on that?

Mr. Pascal Dubois: It is difficult to say.

Mr. Claude Guimond: But you seemed to be saying—

Mr. Hans Brouillette: We also have the provincial programs. Certain owners are eligible for both subsidy programs, others for just one, either the federal or the provincial program. That needs to be calculated. Regardless, it is not a lot. We cannot really say that we have changed the opinions of owners. It is important to remember that given the large amounts invested, owners have to spread out renovations over a number of years. They cannot fix the walls, the roof and the heating system all at once.

So when owners plan out renovations that cost tens or hundreds of thousands of dollars over a period of five years, by cancelling the program, the government is putting an end to the relationship between the availability of liquidity, the need for renovations and the ability to access grants.

Mr. Claude Guimond: Based on your experience, was it very difficult to coordinate Quebec's programs with the federal government's ecoENERGY program for homes?

Mr. Hans Brouillette: Essentially, it is the combination of both that gives owners a real advantage. If you take away federal grants, for example, you have to ask whether things will continue based solely on provincial grants. It will certainly not be the same because the incentive becomes too small. At the provincial level, there are grants for evaluations. So there is a benefit to owners doing them. It is very useful. This first step, which costs money, often scares owners, but if they are getting a grant to take that first step, they can get used to it. The facts remains, there is still a lot of work to be done. We are just scraping the surface in terms of awareness.

Mr. Claude Guimond: A witness was saying earlier that ecoenergy was really a valuable initiative. You seem to be quite convinced. Of course, you need incentives and programs. Even though it is very valuable, is it absolutely necessary for owners to have access to government programs?

Mr. Hans Brouillette: In Quebec, because of rent control, we can say that an owner's investments in renovations—and I am not talking about energy-saving renovations specifically but renovations in general—will be covered over 30 years in the form of rent increases. That is the only way owners can recoup that money, without grants.

In many cases, the useful life is over after 30 years. Obviously, that is not the case with wall insulation. The fact remains that the return on investment is so far in the future that it is difficult to see how the housing stock can be renovated without programs. Although extremely effective retrofits could be undertaken, they will most likely be disregarded. Owners will opt instead to do the bare minimum with the resources they have. Keep in mind that in Quebec, owners do not have hundreds of units. They are not companies but working or retired people. They have a small number of units and modest financial means.

[English]

The Vice-Chair (Mr. Alan Tonks): Thank you.

Thank you, Mr. Guimond. We're out of time.

We'll now go to Mr. Cullen.

Mr. Nathan Cullen: Thank you, Chair.

I thank our witnesses, and I apologize for not hearing your testimony, but I have some of your notes. I had to be in the House for something.

Mr. Busey, find the logic in this story for me, if you can.

The government creates a program. People like it. There are 50,000 applications per month at the high point. The government is able to leverage, in tough economic times, \$10 for every \$1. They put a buck in and ten bucks get put in by individuals. It reduces pollution and it saves Canadians about \$330 million in energy bills. The government, in its celebration of such a successful program, cancels it. Any ideas?

Mr. Sheldon E. Busey: I sure do. It really becomes a numbing factor. I heard the comment about competency. We're losing the confidence of the consumer to the extent that they are beginning to ask the question, "Where do we go from here?"

I'm going to go back a bit, if I may, to 1989-90 in British Columbia. We launched the BC Hydro Power Smart program, which became a national program right across the country, across the nation, and across the world. It eventually was drawn back into the province of British Columbia. Then we had the EnerGuide for Houses program, which was a federal program for renovation and upgrading. Then we went on into the LiveSmart program and then ecoENERGY. It just goes on and on. All of a sudden these start to cease to operate, or seize up, or slow down. They're going to stop it for a while or do an assessment of what's going on in the program, as with the eco-program that we're involved in now.

As the spokesperson across western Canada, by media and through the radio, I'm really here representing the homeowner. To give you an example, they just reinstated the LiveSmart program in British Columbia, with no eco-program reinstatement at this point. In order to participate in the LiveSmart program in British Columbia, you have to go back and have an energy analysis, even if you've had one or two, and this may be the third or fourth energy analysis on the home. The homeowner is saying, "Wait a minute; what's going on? How come so many? It costs me \$125 here and \$150 there."

I have homeowners calling me to tell me that they have over \$1,000 invested in energy analysis. They ask, "For what? I haven't got that much money back. Nobody is telling me where I'm saving. Eighteen months is not really enough time to say if I'm going to get it back over the next one, two, five, 10, or 15 years."

● (1045)

Mr. Nathan Cullen: You're speaking to an element of trust and confidence between the individual consumers, the homebuilders, and the government, a government that almost seems to have an attention deficit syndrome when it comes to continuing a program longer than an election cycle.

Mr. Sheldon E. Busey: Exactly.

In my opening comments I made reference to the renovation tax credit. The renovation tax credit was a real winner. I feel that the only failing of the renovation tax credit was in not putting the emphasis on increasing the efficiency of the home instead of landscaping or putting a new roof on. In the home shows throughout western Canada, I saw an Energy Star-rated asphalt duroid roof. Give me a break.

Mr. Nathan Cullen: I don't think you do, but you could have sat on New Democrat benches, because we argued the same thing. We said that if you're going to insert this amount of government into the home building environment, certainly do it for longer-term benefit than a new marble counter top for somebody who was going to spend \$5,000 on it anyway and didn't necessarily need the cash, as opposed to the \$330 million that we're seeing saved by Canadians every year now, going out, because energy prices are only going to go one place.

The government said they needed to cancel the program to assess the program. I'm a bit confused by this methodology. I assume that the government could both run a program and assess it at the same time, because it does it every day. Do you find any logic in the argument that the only reason the program has been terminated is to permit assessment?

Mr. Stephen Koch: I can't get into the minds of the government—

Mr. Nathan Cullen: It's a scary place.

● (1050)

Mr. Stephen Koch: —but I can tell you the assessment of the program is ongoing. We hear from NRCan and the Office of Energy Efficiency people on an ongoing basis about the successes and positive influences it's had, not only on the people but on the economies it's impacting.

I can't find any reason why a cancellation of the program for assessment purposes, other than...I would look at the current process of using incentives for products that are standardized in the industry, such as furnaces at a 90% AFUE. We don't need to incent those anymore. We need to look at things that are important but are out of reach based on the cost of the product. That's where incentives play the best role.

Mr. Nathan Cullen: The excuse—I'm going to use the term—from the government, saying the reason they put a notice on the website on a Friday afternoon and didn't tell anyone was because they had to assess the program, worried me. I thought, have they not been assessing it all along? Clearly, they have been.

One of the earlier witnesses talked about momentum and that when you get a new program into the public it takes a certain amount of education for people to get familiar with it, to trust it, to know how it will actually work for their home or their business. Then to cancel it, you stall the momentum, and there's a momentum gap between what people are experiencing and what they might be able to get at.

Your association also has connections to the United States. If you're familiar with this, how does Canada compare with the cancelled EnerGuide retrofit program and what is being proposed in the U.S.?

Mr. Stephen Koch: First, we are going in the opposite direction of the United States and other countries in the world.

In my comments I noted that this association was very disappointed in the way they did the announcement. There was no consultation with the organizations that are currently involved in the process. There was no consultation to look at what might come after this program. So when the cancellation came about, what happened, just as you said, put a stalling process into it. And because it wasn't clearly identified exactly what they meant, that caused even more confusion, not only with the federal program but with a lot of the provincial programs that are tied directly to the federal program.

We are going through a stall-start, stall-start process, which makes it much more difficult than if we had longevity so industry can know where it's going. All we're asking is to give us an understanding of where you're going so we can help you get there.

The Vice-Chair (Mr. Alan Tonks): Thank you, Mr. Koch, and thank you, Mr. Cullen.

We'll now go to Mr. Anderson.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Thank you, Mr. Chair. I'm going to share my time with Mr. Hiebert.

I want to make a point first, and that is that Mr. Cullen has been misleading people—I don't know if it's deliberate or not—when he says this program is cancelled. Clearly we said we're going to assess the program. The reason a decision was made to stop taking applications is because it was anticipated that with the present applications the program would be fully subscribed.

I think we need to be clear about that. The program has been extremely successful, to the point that we anticipate the budget is going to be fully subscribed. That's why we ceased taking the applications.

I'll turn it over to Mr. Hiebert.

Mr. Nathan Cullen: Mr. Chair, on a point of order, I understand we have a disagreement of terminology, but to suggest that I'm misleading people.... The Canadian people cannot access this program. To anybody in the public right now, listening, watching, the government should run another ad campaign letting them know they can't apply, because they're running one right now telling them they can.

To suggest that I'm misleading people as to whether the program exists...if you're not in as of a month ago, you can't get in. That's cancelled. I don't understand why you would suggest that I'm lying to people.

I think it's inappropriate language. That's my point of order, Chair.

The Vice-Chair (Mr. Alan Tonks): Mr. Cullen, you've made your point very well, as has Mr. Anderson. We're now getting into debate and we're running out of time with respect to our witnesses.

Can we leave it at that now, Mr. Anderson?

Mr. David Anderson: I would expect that Mr. Hiebert will get the extra time that was just used up.

The Vice-Chair (Mr. Alan Tonks): Absolutely. The clerk has made note of that. Thank you.

Mr. Hiebert.

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Thank you.

And thank you to all the witnesses for being here.

Mr. Busey, it's a pleasure to welcome you to Parliament Hill and to this committee.

I know you're very familiar with the program. We've talked about it on your radio program in the past. I was wondering if you could start by telling us a little about the benefits you've seen homeowners experience as a result of this program. Could you give us some examples of things they've done to their homes and what difference that's made to their energy bills?

Mr. Sheldon E. Busey: Certainly.

The upgrading program to homes today is really, in a lot of cases, cosmetic in a lot of areas that are energy conserving. But that's where the education comes in. And the education is, where should they start? Good, better, best, as I've always said. So what is the best approach for the biggest bang for the buck? Is it going to be in furnaces? Is it going to be in comfort, in windows and insulation? Is it going to be what they can afford?

The confusing aspect of the home is understanding how the home works, first of all. Is it giving them the comfort? Is it giving them the quality of air? Is it giving them the lesser degree of—using that term “mould” again—identification of mould on windowsills and in bedroom closets?

The consumer has to be educated. Those who have put in upgrades in furnaces and windows, yes, they see the benefits. They see the comfort; they feel the comfort. They haven't seen, really, the dollars and cents come back in the form of savings outside of the grant they're going to receive through the program. But where they have really come to me and questioned me is, where can we go next? Where can we continue? Where can we call the home a home? I quite often will say to the homeowner, you can recall back about 10 years ago when you'd buy a home and a home inspector was almost a shuddering point; you'd say, we don't want home inspectors, and the realtors would say, we don't want home inspectors. But now they're as common as the common cold.

I could see the day where with the renovation industry, the retrofit, the upgrades, the energy upgrades, when you buy a home the question is going to be asked: has this home ever been audited? Has it ever had an energy audit performed? Has it ever been part of the federal program or the provincial program? Are there benefits? What does it cost to operate this home? We have a home right now on the market ourselves, the family, and the interesting thing is I've never had anybody ask me, what does it cost to operate this home?

So those are really the concerns of the consumer, Mr. Hiebert.

They ask, where are the benefits coming from? They can see where they're getting the dollars back if they invest, but are they going to get it back in the form of dollars and cents or is it going to be in quality of life?

• (1055)

Mr. Russ Hiebert: Do you see an increased value to homeowners who have used this kind of program to improve their home on the resale market?

Mr. Sheldon E. Busey: Absolutely. I can see it down the road, in a very short time, where the listing of a home is going to say, "Has been upgraded through the ecoENERGY retrofit program", or whatever the provincial program may be, and rightfully so. It's a program that should be shown in such a way as to say, we're proud of what we've done to this home to upgrade.

Mr. Russ Hiebert: In your opening remarks, you mentioned that a buck in the pocket is not good enough. The Canadian government, with taxpayers' dollars, invested \$745 million into this program to benefit about a half a million Canadians and their homes.

In your opinion, have those taxpayer dollars been well spent?

Mr. Sheldon E. Busey: I certainly feel they have, and that's why I made reference to the retrofit versus the renovation tax credit. In regard to the renovation tax credit, I really feel—and I'm not an advocate for where homeowners should spend their money—if it's going to come to education and how that home is going to be better performing for them, as far as energy conservation and the quality of air they live in day after day...if you can give them a credit, like a tax credit, let's put the money towards items that we know they're going to get a return on.

Mr. Russ Hiebert: So when we ask the question, how can we improve the program—it is under review—is that what you would recommend?

Mr. Sheldon E. Busey: I would definitely recommend that the renovation tax credit today should go towards energy efficiency items that are going to give a much more significant contribution to our carbon footprint—for example, building green, living in a comfort area, and getting the energy dollars back in the form of comfort and quality.

Mr. Russ Hiebert: That was the home renovation tax credit. What about with respect to this program?

Mr. Sheldon E. Busey: The ecoENERGY retrofit program.

Mr. Russ Hiebert: What improvements would you suggest?

Mr. Sheldon E. Busey: It's the education as to where to start—first, second, third, fourth, fifth—not just "I can afford \$500", or "I can afford \$5,000."

We have a bunch of door knockers out there today who are going to homeowners and saying, "We can save you x number of dollars." In fact, I read an ad in the paper this past week that said, "Save 50% on your heating costs." How can they say that? I get the next call saying, "I did all these upgrades, Shell, but I never got 50% back." There has to be some stipulation as to where they're going to get to in the form of a measured race. Are they going to get to the end of the race and finish knowing that they'll get this return through the ecoENERGY retrofit program?

So do they do insulation first? Do they draft-proof first, before they insulate? Do they put windows in? If they put windows in, how are they to be installed?

We have windows going in today that I can tell you right now are going to cost dollars down the road because they're not installed properly, because there's no quality of install measurement. So all of these things have to be measured—

The Vice-Chair (Mr. Alan Tonks): Shell, I'm going to have to interrupt you.

Mr. Sheldon Busey: It happens all the time.

The Vice-Chair (Mr. Alan Tonks): Thank you, Mr. Hiebert.

I'd like to thank all the witnesses on behalf of the committee. It has been very helpful once again.

Thank you, Mr. Koch.

Just before we adjourn, could I have the permission of the committee to deal with that budget item? It's very straightforward. It's for our witnesses, to cover the hearings, the balance of the hearings.

May I have a motion to approve the budget?

Thank you, Mr. Harris and Mr. Cullen.

(Motion agreed to [See *Minutes of Proceedings*])

The Vice-Chair (Mr. Alan Tonks): Mr. Regan.

• (1100)

Hon. Geoff Regan: Just quickly, Mr. Chairman, first of all, I'm going to submit to the clerk a list of items that members of the committee have requested. Mr. Allen has asked a couple of witnesses for things and we've asked from this side for things that we haven't had back from various witnesses. Some of them are from the government and some are from elsewhere. I think we could follow up on this and find out when we're going to get these items.

Secondly, I'd like to see us ask the minister to give us a firm date as to when he will be able to appear before the committee to discuss the ecoENERGY program for home retrofits and that he provide us that by our next meeting, May 4.

The Vice-Chair (Mr. Alan Tonks): Could the parliamentary secretary take that under advisement? Okay.

Thank you, Mr. Regan.

The meeting is adjourned.

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