

# Building Performance and National Energy Legislation

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Web site: [resnet.us](http://resnet.us)

# Waxman-Markey

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Energy & Climate Bill

Passed U.S. House on June 26, 2009

Numerous Provisions Addressing Building Performance

# Retrofit for Energy and Environmental Performance (REEP)

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- Homeowners would qualify for \$1,000-\$3,000 in financial incentives for achieving a 10-20 percent increase in efficiency, with another \$150 for every additional percentage point of energy savings achieved.
- Businesses would qualify for \$0.15 per square foot for the first 20 to 30 percent increase in efficiency, with an increasing incentive of up to \$2.50 per square foot for energy reductions over 50 percent.
- Incentives for both homes and commercial buildings would be capped at 50 percent of the cost of the retrofit.

# Building Energy Performance Labeling Program

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EPA would be required to adopt a model building energy performance labeling program for new construction.

While developing the national label, EPA is directed to consider existing programs, such as EPA's ENERGY STAR program, the ***Home Energy Rating System (HERS) Index***, and programs at the DOE

# Increased Energy Performance Requirements in Building Codes

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The bill sets targets for the codes of 30% savings within one year of the law going into effect, 50% savings by the 2015 for residential buildings and 2016 for commercial buildings, and 5% additional savings every three years thereafter through 2029 and 2030 respectively.

The legislation sets the baseline for savings as the ***2006 International Energy Conservation Code*** for homes and ***ASHREA Standard 90.1-2004*** for commercial buildings.

# Combined Efficiency and Renewable Electricity Portfolio Standard

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Regulated electric utilities must deliver a percentage of their power production through renewable energy sources or through energy efficiency.

The bill would require that beginning in 2012, 6% of the nation's electric supply would be supplied by renewable energy or energy efficiency. This amount increases by 3.5% every two years until it reaches 20% in 2020.

The legislation allows 25% of the standard to be met by energy efficiency with the provision that a state's governor could petition to increase the amount met by energy efficiency up to 40%.

# State Energy and Environment Development Accounts

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The U.S. Department of Energy (DOE) create State Energy and Environment Development (SEED) accounts that will manage emissions allowances dedicated to funding energy efficiency and renewable energy. SEED Accounts will be administered by state energy offices.

# State Energy and Environment Development Accounts

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At least 20 percent must be used for the following energy efficiency programs:

- Implementation of the Retrofit for Energy and Environmental Performance program (not less than 5 percent of allowances)
- Implementation and enforcement of buildings codes
- Implementation of energy efficient manufactured homes program

# Mortgage Financing

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- **Energy Efficient Mortgages and Location Efficient Mortgages Education and Outreach** – HUD would be directed to establish a commission on energy efficient mortgages. The commission would be responsible for developing and recommending mortgage products and underwriting guidelines that provide market-based incentives to incorporate energy efficiency upgrades and location efficiencies in new mortgage loan transactions.
- **Collection of Information on Energy Efficient and Location Efficient Mortgages through Home Mortgage Disclosure** – The legislation amends the Home Mortgage Disclosure Act of 1975 to require that the number and dollar amount of mortgage loans of energy efficient and location efficient mortgages are collected.

# Mortgage Financing

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- **Fannie Mae and Freddie Mac Required to Serve Underserved Markets for Energy Efficient and Location Efficient Mortgages** – Fannie Mae and Freddie Mac would be required to develop loan products and flexible underwriting guidelines to facilitate a secondary market for energy efficient and location efficient mortgages for low and moderate income families.
- **Additional Credit for Fannie Mae and Freddie Mac's Housing Goals for Energy Efficient and Location Efficient Mortgages** – The legislation would provide additional credit to the two giant secondary mortgage markets in meeting their mandated housing goals for the number of energy efficient and location mortgages they underwrite.

# Mortgage Financing

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- **Green Mortgage Guarantees** – HUD is authorized to offer loan guarantees to cover the portion of a mortgage to finance eligible sustainable upgrades to the home that is being financed.
- **Green Banking Centers** – Federal banking agencies are encouraged to establish “green banking centers” to provide consumers with information on:
  - + Obtaining a home energy rating or audit for the residence for which such mortgage or loan is sought,
  - + Obtaining financing for cost-effective energy-saving improvements
  - + Obtaining beneficial terms for any mortgage or loan, or qualifying for a larger mortgage or loan, secured by a residence which meets or will meet energy efficiency standards

# Mortgage Financing

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- ***Requirements for Real Estate Appraisers on Valuing Energy Efficiency Features of a Home*** – The legislations requires that appraisers consider any renewable energy sources, energy efficiency, or energy-conserving improvements or features of the property.
- ***Energy Efficient Certificates for Manufactured Homes Financed with Mortgages*** – HUD is mandated to require that manufactured homes financed with a mortgage loan have certification that the home meets the minimum energy efficient requirements. Certificates will be issued by ***an individual certified by a home energy rating system provider who has been accredited to conduct such ratings by the Residential Energy Services Network or another national organization recognized by HUD or a licensed architect or engineer.***

# Proposed Senate Energy Bill

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***Can you do this section***

# Prospects for Enacting Energy & Climate Legislation in 2010

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