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March 8, 2012

**To the Co-Chairs and members of the Energy and Technology Committee  
Testimony in SUPPORT of HOUSE BILL 5385, AN ACT CONCERNING ENERGY RETROFITS FOR  
CERTAIN BUILDINGS AND THE DISCLOSURE OF THE ENERGY EFFICIENCY OF CERTAIN BUILDINGS**

*Submitted by Lindsay Farrell, Executive Director*

Senator Fonfara, Representative Nardello and members of the committee, thank you for the opportunity to speak today about energy retrofits and the creation of green jobs. This phrase has been tossed around for many years, but we are only scratching the surface in terms of realizing the potential in this industry.

Connecticut has a lot of old building stock, both residential and commercial, that would greatly benefit in from energy-efficiency retrofits. At the same time, we have skilled trades men and women who badly need to get back to work in the building construction industry. But unfortunately, the connection is not being adequately made between audit and retrofit programs and home and building owners so that we see the volume of jobs created, and buildings made energy-efficient, to meet the potential we have here. For some reason these programs cannot seem to get to scale here in Connecticut.

Working Families supports these energy efficiency reporting requirements as a way to work on creative solutions for connecting home and building owners with programs to retrofit their properties.

HB 5385 directs the Department of Energy and Environmental Protection to establish a program for providing prospective homebuyers and apartment tenants with information about the energy efficiency performance of homes they are considering. House sellers would get an energy audit of their property done (at which time the auditing company would also provide suggestions for cost-effective improvements to the property), and landlords would provide prospective tenants with recent utility bills. This legislation also creates an energy benchmarking program for large commercial buildings, under which building managers can use a simple online tool to track efficiency performance over time.

Increasing demand for energy audits and retrofit services will have a positive effect on Connecticut's economy. This kind of work cannot be outsourced; it must be done by local workers. The jobs it creates are reliable, skilled, careered jobs if the work becomes steady enough. In addition, residents who save on their energy bills can spend that money in their hometowns, rather than sending it to out-of-state energy companies.

Benefits of this legislation include:

- Jobs will be generated as market demand drives sustained growth for renovation contractors. Energy auditors will see a substantial and stable increase in business opportunities.
- Buyers and Renters will have the information they need to be able to make informed decisions and predict costs, saving money on their bills and making good long-term investments.
- Property Owners who invest in their building's efficiency will see a more secure return on their investment when their building commands a higher market price.

Thank you.



# Connecticut Fund for the Environment

## HB 5385: Building Energy Efficiency Disclosure

### Your Right to Building Energy Performance Information

You wouldn't buy a car without knowing its miles-per-gallon. Shouldn't you be able to get that kind of information before buying a house?

Energy efficiency time-of-sale disclosure legislation would direct the Department of Energy and Environmental Protection and the Department of Consumer Protection to develop a program for making information about a building's energy efficiency performance available to potential buyers and renters. Commercial and state-owned buildings would also have their performance assessed.

This is a proven program; similar ones are already established in several U.S. states and cities and in thirty countries.

### Benefits

**Jobs** will be generated as market demand drives sustained growth for renovation contractors. Energy auditors will see a substantial and stable increase in business opportunities.

**Buyers and Renters** will have the information they need to be able to make informed decisions and predict costs, saving money on their bills and making good long-term investments.

**Property Owners** who invest their building's efficiency will see a more secure return on their investment when their building commands a higher market price.

**Realtors** can better serve their clients by providing credible information about a building's energy performance, which can then be compared to other properties.

**Financial Lenders** gain valuable information about potential financial liabilities regarding building performance, and projected energy costs before loaning money to buyers or tenants.

**Utilities** will see more building owners take advantage of energy efficiency programs and will be able to target incentives to the commercial building sector.

**Energy Service Companies** will be able to directly market to owners of commercial buildings, thereby growing their own businesses and saving money for building owners.

**Our Environment** will benefit as renovations to Connecticut's old and energy inefficient building stocks reduce energy demand, thereby cutting greenhouse gas emissions and cleaning our air.

### Supporters

This bill is supported by CFE's Climate & Energy Solutions Action Coalition and others, including energy businesses, environmental groups, and developers.

Becker + Becker

Capitol Clean Cities of CT

Celtic Energy

Energy Solutions LLC

Geo Source Systems LLC

Home Performance Alliance of Connecticut

League of Women Voters of Connecticut

Manchester Honda

Middletown Garden Club

New Haven Environmental Justice Network

New Haven – León Sister City Project

Northeast Energy Efficiency Council

Poulsen Hybrid LLC

Ross Solar Group

Saulsbury Hill Financial LLC

Save the Sound, a program of CFE

Transit for Connecticut

Tri-State Transportation Campaign

Testimony of [your organization or business / your name]  
Before the Energy & Technology Committee

*In Support of*  
HOUSE BILL 5385, AN ACT CONCERNING ENERGY RETROFITS  
FOR CERTAIN BUILDINGS AND THE DISCLOSURE OF THE  
ENERGY EFFICIENCY OF CERTAIN BUILDINGS

*Submitted by*  
[Your name, and job title if relevant]  
March 8, 2012

Senator Fonfara, Representative Nardello, and members of the Committee,

[Business or organization is / I am] pleased to have the opportunity to comment on House Bill 5385, AAC Energy Retrofits for Certain Buildings and the Disclosure of the Energy Efficiency of Certain Buildings.

I support this bill, which directs the Department of Energy and Environmental Protection to establish a program for providing prospective homebuyers and apartment tenants with information about the energy efficiency performance of homes they are considering. House sellers would get an energy audit of their property done (at which time the auditing company would also provide suggestions for cost-effective improvements to the property), and landlords would provide prospective tenants with recent utility bills. This legislation also creates an energy benchmarking program for large commercial buildings, under which building managers can use a simple online tool to track efficiency performance over time.

Add details about why this is important to you. This could include:

Do you plan to buy a home? Have you made efficiency upgrades to your home and want to see that investment rewarded with a higher resale value?

Are you looking for an apartment, or have you been unpleasantly surprised by drafty, expensive-to-heat apartments in the past?

Do you own or lease commercial space, and would like to reduce your overhead by spending less on heating costs?

Are you concerned about the greenhouse gas emissions that are generated by residential and commercial buildings?

Do you own/work at an efficiency retrofit or energy services company, and would like to see increased demand for your work?

Include some of the following information, putting it in your own words if possible:

Connecticut has old housing stock, much of it built before any meaningful energy building codes were in place. 84 percent of our homes were built before 1980, and 45 percent before 1960. That means that **most state residents are living in inefficient buildings**, many of them expensive to heat through New England winters. Buildings built before the adoption of energy codes use on average 23 percent more energy per square foot than those built after 1990.

**21 percent of Connecticut's greenhouse gas emissions are generated by the building sector**, so improving building efficiency has great potential for cutting emissions. This means that there is not only a personal advantage (to individual homebuyers/tenants), but a societal interest for everyone who wants cleaner air to breathe, and a state interest because **these reductions will be essential in meeting the state's greenhouse gas obligations** under the 2008 Global Warming Solutions Act (Public Act 08-98).

**Increasing demand for energy audits and retrofit services will have a positive effect on Connecticut's economy.** This kind of work cannot be outsourced; it must be done by local workers. In

addition, residents who save on their energy bills can spend that money in their hometowns, rather than sending it to out-of-state energy companies.

**The commercial building benchmarking program will allow energy service companies (ESCOs) to market directly to building managers.** The typical ESCO model is as follows: 1) the ESCO conducts an energy audit of a commercial building, makes recommendations for cost-effective improvements, and does those retrofits, all at no cost to the building owner; 2) the building owner and the ESCO split the cost savings from the efficiency improvements for an agreed-upon period of time; 3) after that time the full cost savings go to the building owner. This model benefits the ESCO, the client business, the business's customers, and the general public.

**Mandatory building energy rating is a proven program,** already working in California, Nevada, Washington, Oregon, and New Mexico, in cities like New York City, and Washington, D.C., and in thirty countries worldwide.

The Connecticut legislature considered a **very similar residential disclosure program in 2008.** That bill *unanimously* passed the Energy & Technology, Insurance, and Finance Committees; unfortunately the time pressure of a short session meant that it never went before the full chambers. The timing is even better now, as the state's efficiency fund budget is set to increase dramatically, meaning that state efficiency programs like Home Energy Solutions could be expanded, and energy audits offered at low or no cost.

Studies have shown that **in a poor housing market, consumers are more likely to buy an energy efficient home** that a conventional one, so being able to point to a home's strong efficiency rating can help a seller move their property.

There are two main advantages to having the residential disclosure be mandatory, rather than voluntary: one is that only a **mandatory program will turn efficiency into a major market force** and properly reward building owners who have invested in efficiency; the other is that a **mandatory program serves a consumer protection function** by ensuring that prospective tenants and homebuyers who are not well-versed in building energy efficiency will have the same access to information as well-informed customers, so landlords and sellers cannot pawn off an inefficient home on a disadvantaged renter/buyer.

Please support HB 5385 for the cost savings it offers Connecticut residents, the benefits to our air quality, and the additional economic activity and jobs it will generate in the efficiency and energy services sector.

Thank you for your consideration.

Sincerely,

Your name

Job title

Organization or business

Complete mailing address

Email address, phone, or other contact info