

**Testimony of Peter Callan, Owner of Lantern Energy,
Chairman of Home Performance Alliance of CT and
Member of Northeast Energy Efficiency Council
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
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Senator Fonfara, Representative Nardello, and members of the Committee,

Lantern Energy is a home performance company headquartered in CT and operating in CT, MA and NY, 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.

Time of sale energy disclosure will have substantial benefits in many areas for the State of CT:

- **Significant job creation in the Home Performance field including:**
 - Home Energy Raters
 - Insulation installers
 - HVAC techs
 - Solar installers
 - Geothermal installers etc.

This kind of work cannot be outsourced; it must be done by local workers.

- **Offer consumer protection in a rising energy cost environment.** The average oil home uses approximately 1,000 gallons a year, with oil near \$4/gal and projected at \$5/gal the consumer should know that the home they are about to buy may cost over \$5,000 just for oil in one year. Presently there is no mechanism in place at time of sale to protect the consumer. 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.
- Gives the homeowner a direct return for energy efficiency investments. A rating system, such as the five star program in Australia, has proven that improved ratings on the mls directly correlate to higher value.
- Economic benefits, beyond job creation, include keeping the dollars spent on energy in the state. Last time I checked there are no oil or gas wells in the State of CT.

- **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).**

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

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 than 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,

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