

Testimony of ENE on HB 5385:
AN ACT CONCERNING ENERGY RETROFIT'S
FOR CERTAIN BUILDINGS AND THE DISCLOSURE OF
THE ENERGY EFFICIENCY OF CERTAIN BUILDINGS.
March 8, 2012



ENE (Environment Northeast) is pleased to testify in favor of HB 5385, a bill that will advance consumer protection and provide significant improvement in the information available to home buyers and tenants.

Building energy costs represent a significant portion of owning and operating a home or rental space. Despite the importance of building energy costs to home ownership and renters, potential homebuyers and renters do not have access to energy consumption and cost information needed to make informed decisions about home purchases or lease arrangements. This bill would correct that situation by requiring that building owners and operators provide basic energy information needed by consumers.

Specifically, HB 5385 would make the following improvements for Connecticut consumers:

1. **Correct the Market Failure Where Key Information Is Absent from Housing Transactions**
 - If tenants and purchasers cannot compare expected energy expenses of different properties, they cannot factor that into their buying/leasing decision
 - Owners of existing buildings will be more likely to make “unseen” efficiency upgrades if those upgrades will improve the sale/lease value of the property
 - Without disclosure, landlords have almost no incentive to improve the energy performance of buildings where the tenant pays the heating and cooling bills
2. **Enhance Consumer Protection**
 - Helps reduce the odds of getting stuck with a “lemon”
 - Allows consumers to make informed purchasing/leasing decisions – much like with automobiles
 - Cars are the second largest household purchase; why shouldn't the largest, housing, have at least the same level of transparency?
 - Will decrease mortgage defaults since overall costs of ownership will be better known
3. **Provide Supplemental Benefits to Connecticut's Existing Efficiency Programs**
 - Will drive wider participation in programs
 - Will stretch limited efficiency dollars by freeing up incentive payments that can be redirected to additional efficiency investments
 - Helps with hard to reach markets such as low income and rental housing

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ENE (Environment Northeast) is a nonprofit research and advocacy organization focusing on the Northeastern United States and Eastern Canada. Our mission is to address large-scale environmental challenges that threaten regional ecosystems, human health, or the management of significant natural resources. We use policy analysis, collaborative problem solving, and advocacy to advance the environmental and economic sustainability of the