HOME BUILDERS & REMODELERS ASSOCIATION OF CONNECTICUT, INC.
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Your Home Is Our Business

March 4, 2014

To: Senator Bob Duff, Co-Chairman
Representative Lonnie Reed, Co-Chairman
Members of the Energy & Technology Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: **Raised Bill 357, AAC Energy Efficiency Standards and Product Efficiency Standards**

The HBRA of Connecticut is a professional trade association with nine hundred (900) member firms statewide employing tens of thousands of CT's citizens. Our members, all small businesses, are residential and commercial builders, land developers, remodelers, subcontractors, suppliers and businesses and professionals that provide services to our industry and to consumers. Our members build between 70% and 80% of all new homes and apartments in the state each year and perform countless home improvements. **We created and run the HBRACT Green Homes Council and work to promote green home construction standards and building practices, including energy efficiency practices.** See our program at www.hbact.org/HBRACTGreenHomesCouncil.

In summary, we strongly oppose section 1 of SB 357 because it establishes a very dangerous precedent of allowing municipalities to vary our long-standing statewide building code. It also requires on all private construction in such municipalities the vague, fluid and non-consensus building rating systems created by various private non-profit organizations, such as LEED.

Connecticut has had a statewide building code since 1970. While municipalities enforce the State Building Code through local building officials, <u>towns and cities are not allowed to vary the State Building Code</u>. Also, the only official interpretation of State Building Code provisions, or modifications of same, can be done by the State Building Inspector. Local building officials cannot impose their own interpretations nor can they modify the code. **Our statewide, uniform building code is one of the few regulatory positives in Connecticut regarding building construction**.

Our statewide, uniform building code creates certainty across municipal borders – if you build a home or other building of a certain design, you know it must be constructed under the same code wherever it is placed in CT. That assurance not only provides certainty but also consistency and cost controls for architects, engineers, builders and our many subcontractors and suppliers, as well as the code officials who must enforce our codes.

Allowing municipalities to vary the State Building Code would destroy that consistency and certainty. We strongly urge the legislature to not allow it.

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Also, allowing municipalities to adopt their own building code requirements on private building construction by referring to how state buildings are constructed, and its use of the LEED or Green Globes rating systems, or for homes to achieve a specific HERS evaluation score, is potentially highly costly for all of Connecticut's residents.

LEED and Green Globes are private green building rating systems; they are not building construction codes. LEED, in particular, has not been approved by the American National Standards Institute (ANSI) because it was not adopted by an approved, balanced consensus process. In comparison, the National Green Building Standard (NGBS) that is applicable to residential construction and remodeling is a true consensus standard that has achieved ANSI certification. See a comparison of the NGBS to LEED at: http://www.hbact.org/HBRACTGreenHomesCouncil#NGBSandLEED. **Allowing municipalities to require through a local building code that all buildings follow a non-ANSI certified and private rating system such as LEED is not only unprecedented but also highly costly. All of these green building rating systems should remain voluntary in the marketplace.** Also, see attached a statement from the ICSC on why adopting LEED into building codes is not sound policy.

Finally, we also refer you to our testimony filed today on SB 352 for a background on CT's State Building Code adoption process, our comments on the Home Energy Rating System (HERS), and why, since there a marginal, diminishing returns from increasing the energy efficiency of new buildings, public policy should be focused on energy retrofits of our existing, older building stock. **As with SB 352, the emphasis in SB 357 on new construction is misplaced.**

We urge you to not adopt SB 357 and allow the progression of energy efficiency standards that has been and is taking place through our State Building Code adoption process to continue.

Thank you for the opportunity to comment on this legislation.

Attachment (ICSC Statement, Nov. 2008)

Problems with LEED Standards in City and State Building Codes

The U.S. Green Building Council's "Leadership in Energy and Environmental Design" (LEED) certification process has become the gold standard of sustainability for many types of commercial and residential development. LEED certification is based upon specific levels of achievement in sustainable design and construction. The lowest LEED level is "certified" and the levels increase from "silver" to "gold" to "platinum." Successfully reaching a given LEED certification level requires a subject property to score specific point totals (which differ among building types). There is a "menu" of potential points available for various practices, which range from installing bike racks on site to documenting the source of the iron ore used in any steel used in construction. Even when a construction project does not choose to seek LEED certification, it may benefit from studying the guidelines and identifying sustainable practices that were not otherwise being utilized. However, although the impulse is well intended, there are several potential problems with adopting LEED certification as a building code requirement.

1. If local building codes adopt LEED certification standards by reference only, the public codes will be subject to change by every decision of the private U.S. Green Building Council (USGBC). Even representatives of the USGBC itself have argued against imposing LEED certification through building codes.

2. LEED was intended to be a "cutting edge" standard. It was never intended as a base-line requirement or as a prerequisite for a permit. LEED was intended to "push the envelope" and highlight the best of the best. Building codes are properly intended to establish a minimum standard for safety and other purposes. It is unclear how compatible these two goals can be in the long run.

3. LEED requirements can be in conflict with building codes in critical code categories. Institutions that mandate sustainability requirements often are unaware of the unintended consequences and impacts to the design and development process, and the resulting increases in time for approval and overall project costs.

4. Final LEED Certification is granted only after the subject building's construction has been completed or even after the building's mechanical systems have been operated for some period. Exactly what should happen if the building is not ultimately certified at the mandated level is unclear. Some agencies are requiring up to a $2 million bond as a Certification Compliance Guarantee. There is no clear appeal process for disputes regarding final certification approval except through the USGBC itself.

5. Although USGBC does not charge directly for its certification standards (beyond a registration fee), the lengthy process can be an expensive one for developers. USGBC trains and licenses third party certification experts who do charge for their services. Although costs can vary greatly, achieving LEED certification can add approximately $50,000 to the development of a small retail project. This additional expense does not cover all increases including those associated with design, material or equipment changes driven by the LEED guidelines. In addition, adopting LEED certification as part of a municipal building code effectively gives a monopoly to LEED AP certified examiners.

6. In recent years, the USGBC has intensely advertised programs of building and site certification despite having only a limited capacity to handle the resulting demand. More than 14,000 projects have been registered yet only about 1,700 have been processed (certified) to date. The Certification process is now seriously overloaded and USGBC is having difficulty handling the demand even as it continues to change the rules for new projects. Because the USGBC has insufficient staff resources for the influx of new certification requests, most requests are handled by other third-party consulting firms - and their individual decisions to accept or reject various sustainable designs are effectively final. As demand increases, the USGBC process could collapse under the weight of its own success with no foreseeable agency to replace it or maintain the process.

7. LEED standards do not apply directly to all types of construction. For example, the LEED certification standards for retail buildings are only now moving beyond the pilot phase (2008). And multiple site, "portfolio" certification (which can greatly reduce the per-unit cost of certification for national chains) have yet to be approved.

8. The entire LEED certification process is undergoing significant changes for 2009. This is partially in response to the relatively poor performance of LEED certified buildings in terms of energy efficiency. But it also demonstrates that LEED certification is a moving target that can greatly complicate compliance efforts.