

# SENATE BILL REPORT

## E2SHB 1747

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As Reported by Senate Committee On:  
Environment, Water & Energy, March 24, 2009

**Title:** An act relating to reducing climate pollution in the built environment.

**Brief Description:** Reducing climate pollution in the built environment.

**Sponsors:** House Committee on Ways & Means (originally sponsored by Representatives Rolfes, Chase, Upthegrove, Hasegawa, Eddy, Liias, Ormsby, Pedersen, Dunshee, McCoy, Morris, Carlyle, Dickerson, Hudgins, Moeller, Sells, Kenney, White and Nelson).

**Brief History:** Passed House: 3/09/09, 70-25.

**Committee Activity:** Environment, Water & Energy: 3/24/09 [DPA-WM, DNP, w/oRec].

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### SENATE COMMITTEE ON ENVIRONMENT, WATER & ENERGY

**Majority Report:** Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Rockefeller, Chair; Pridemore, Vice Chair; Fraser, Hatfield, Holmquist, Marr and Ranker.

**Minority Report:** Do not pass.

Signed by Senators Delvin and Morton.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Honeyford, Ranking Minority Member.

**Staff:** Jan Odano (786-7486)

**Background:** In 1992 the U.S. Environmental Protection Agency (EPA) introduced Energy Star as a voluntary labeling program designed to identify and promote energy-efficient products. The Energy Star label is found on major appliances, office equipment products, and residential heating and cooling equipment, lighting, and home electronics. EPA has also extended the label to cover new homes and commercial and industrial buildings.

To meet Energy Star qualifications a new home must meet guidelines for energy efficiency set by the EPA. These homes are at least 15 percent more energy efficient than homes built to the 2004 International Residential Code, and include additional energy-saving features that typically make them 20–30 percent more efficient than standard homes.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Energy Star program provides guidelines to assist with energy and financial performance. The Energy Star portfolio manager provides energy management tools and resources for building and plant owners to track and assess energy and water consumption, performance, and cost information. Energy Star uses a national energy performance rating based on a scale of 1 to 100 to assess a building's energy performance. This rating system provides a benchmark to assess building efficiency relative to similar buildings nationwide. A rating of 50 indicates average energy performance, while a rating of 75 or better indicates top performance. The rating is calculated based on elements such as building size, location, number of occupants, and equipment used. The rating system estimates how much energy the building would use if it were the best performing, the worst performing, and levels in between.

The State Building Code is comprised of national model codes adopted by reference and amended to meet the state's needs. The State Building Code includes the 2006 International Fire Code, Uniform Plumbing Code, Washington State Ventilation & Indoor Air Quality Code, International Building Code, and Residential Code. It also includes the Washington State Energy Code which is a state-written, state-specific code. The State Energy Code provides a minimum level of energy efficiency, but allows flexibility in building design, construction, and heating equipment efficiencies. The State Building Code Council (council) reviews, updates, and adopts new model state building codes every three years.

**Summary of Bill (Recommended Amendments):** The council must adopt state energy codes that require homes and buildings constructed from 2013 through 2031 to incrementally move towards a 70 percent reduction in energy use by 2031. If economic, technical, or process factors impede adoption of or compliance with the energy reduction targets, the council must report its findings to the Legislature the year before the code would otherwise be enacted. The State Energy Code for residential and nonresidential buildings must reflect the 2006 edition of the State Energy Code, or as amended by rule by the council.

The Department of Community, Trade and Economic Development (CTED) must develop a strategic plan for enhancing energy efficiency and reducing greenhouse gases (GHG) in homes, buildings, districts, and neighborhoods. The strategic plan must be used to direct increases in energy efficiency in the State Building Code. CTED must complete the strategic plan by December 21, 2010, and provide updates every three years. The strategic plan must identify barriers to achieving net zero energy use and ways to overcome these barriers in updated energy codes. The council and CTED must convene a workgroup to inform the initial development of the strategic plan.

By January 1, 2010, qualifying utilities must maintain energy consumption data for all nonresidential and qualifying public agency buildings to which they provide service. Upon written authorization of a nonresidential building owner or operator, a qualifying utility must upload all of the energy consumption data to a portfolio manager. By January 1, 2011 or 2012, depending on building size, the property owner or operator of a nonresidential building must disclose energy performance data to prospective buyers, lessees, or lenders.

Qualifying public agencies must create an energy benchmark and report the performance rating for each reporting public facility. By January 1, 2010, the Department of General

Administration (GA) must establish a state Portfolio Manager Master Account to provide shared reporting for all public facilities. The reports from reporting public facilities must be made available to the public through the Portfolio Manager website. GA must prepare a biennial report summarizing the statewide Portfolio Manager Master Account, with the first report due December 1, 2012. By July 1, 2011, reporting public facilities with a performance rating score below 50 must conduct a preliminary energy audit. An investment grade audit must be completed by July 1, 2013, if potential cost-effective energy conservation measures are identified. The energy conservation measures must be implemented by July 1, 2016.

The director of GA, in consultation with the Office of Financial Management and affected state agencies, must review the cost and delivery of agency programs to determine the viability of relocating from buildings leased by the state with a national energy performance score below 50.

CTED must recommend to the Legislature by December 31, 2009, an energy performance score for residential buildings.

**EFFECT OF CHANGES MADE BY ENVIRONMENT, WATER & ENERGY COMMITTEE (Recommended Amendments):** Removes the specified membership of the workgroup and directs the Department of Community, Trade and Economic Development and State Building Code Council to convene the workgroup with the affected parties.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Engrossed Second Substitute House Bill:** PRO: Mitigating the effects of climate change and increasing energy efficiency should be done as soon as possible. This bill will save residents and businesses money and increases the energy that is available. The bill promotes energy efficiency in new and existing buildings. This is an important bill for moving the state forward in energy efficiency measures. The bill provides important tools to meet conservation, efficiency, and greenhouse gas reduction goals. The standards are reasonable and achievable.

**OTHER:** To inform the strategic plan the workgroup should include more representation of the different trades. This may provide disincentives to developers because of costs. The State Energy Code is preferred over the International Energy Conservation Code.

**Persons Testifying:** PRO: Representative Rolfes, prime sponsor; Tim Gugerty, city of Seattle; Mary Y. Moore, League of Women Voters; Richard King, IBEW, Building Trades Council; Carrie Dolwick, NW Energy Coalition; Stan Bowman, American Institute of Architects, Washington Council.

OTHER: Larry Stevens, Mechanical Contractors Association, National Electrical Contractors Association.