

SENATE BILL REPORT

ESHB 1770

As of February 17, 2022

Title: An act relating to strengthening energy codes.

Brief Description: Strengthening energy codes.

Sponsors: House Committee on Local Government (originally sponsored by Representatives Duerr, Ramel, Berry, Dolan, Fitzgibbon, Ryu, Wylie, Berg, Davis, Goodman, Macri, Peterson, Slatter, Valdez, Pollet, Hackney, Kloba and Frame; by request of Office of the Governor).

Brief History: Passed House: 2/12/22, 51-47.

Committee Activity: Environment, Energy & Technology: 2/17/22.

Brief Summary of Bill

- Requires new buildings to be net-zero ready.
- Requires each city, town, and county to enforce the Washington State energy code for residential buildings or adopt the statewide residential reach code.
- Requires the State Building Code Council to adopt a statewide residential reach code.
- Requires a home affordability cost analysis to be conducted for any change to the Washington State energy code for residential buildings.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Staff: Ashley Trunnell (786-7278)

Background: State Energy Code. The State Energy Code is part of the State Building Code, which sets the minimum construction requirements for buildings in the state. The

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

State Energy Code provides a maximum and minimum level of energy efficiency for residential buildings and the minimum level of energy efficiency for nonresidential buildings.

The State Building Code Council (SBCC) maintains the State Energy Code. SBCC reviews, updates, and adopts model state building codes every three years. The State Energy Code must be designed to:

- construct increasingly energy efficient homes and buildings that help achieve the broader goal of building zero fossil-fuel greenhouse gas emission homes and buildings by the year 2031;
- require new buildings to meet a certain level of energy efficiency, but allow flexibility in building design, construction, and heating equipment efficiencies within that framework; and
- allow space heating equipment efficiency to offset or substitute for building envelope thermal performance.

SBCC must adopt state energy codes that require buildings constructed from 2013 through 2031 to move incrementally toward a 70 percent reduction in energy use by 2031. The State Energy Code must consider regional climatic conditions. SBCC may amend the State Energy Code by rule if the amendments increase energy efficiency in the affected buildings.

Reach Code. A reach code is an energy code that goes beyond the state minimum requirements for energy use.

Summary of Bill: Net Zero Ready Requirements. All new buildings are required to be net-zero ready by December 1, 2034. New buildings must also include a reduction of at least 80 percent in annual net energy consumption using the 2006 Washington State energy code as a baseline. The reduction does not apply to increased load for electric vehicle charging. New buildings must also include wiring for photovoltaic panel installation under the residential and nonresidential state energy codes.

SBCC is required to define and include net-zero ready measures in the code adoption process. The measures must include exemptions for either construction sites or buildings, or both, that do not have adequate solar exposure to justify the installation of solar ready measures.

Washington State Energy Code for Residential Buildings. Each city, town, and county is required to enforce the Washington State energy code for residential buildings or adopt the statewide residential reach code. Any other local residential energy code is preempted.

The allowance for space heating equipment efficiency to offset or substitute for building envelope thermal performance is removed.

Statewide Residential Reach Code. SBCC must adopt by rule a statewide residential reach

code for optional adoption and enforcement by any city, town, or county as an appendix to the 2021 residential energy code and must be effective by July 1, 2024. The statewide residential reach code must achieve the 70 percent reduction in energy consumption and greenhouse gas emissions required in the 2030 energy code for residential buildings in incremental steps by the 2027 energy code. The reach code may not require more annual renewable production than a residential building is predicted to use. The Department of Commerce must develop a proposal covering the technical provisions of the reach code and rule-making documents.

Home Affordability Cost Analysis. A home affordability cost analysis is required to be conducted for any change to the Washington State energy code for residential buildings. The analysis must determine if changes to code will increase or decrease the cost of accessing housing. SBCC is authorized to contract with a public or private organization to conduct the cost analysis.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 15, 2022.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This bill is needed to meet the state's statutory requirements to lower greenhouse gas emissions. Increasing the energy efficiency of new buildings will decrease utility bills for building owners and tenants. The costs of increasing energy efficiency in new buildings is a fraction of the lifetime costs of a building and it is cheaper to upgrade efficiency while the building is built, rather than as a retrofit. The reach code that would be developed under this bill would provide options and flexibility for local governments.

CON: The requirement for net-zero ready buildings and homes increases the cost of construction and will drive up the cost of housing. There are existing supply chain issues and the increase in demand for products that are not widely used will make it harder to source those goods. The current workforce is also not equipped to handle an increased demand for specialized positions.

The bill does not provide a definition of net-zero or net-zero readiness and the requirements to meet net-zero readiness are not clear. The current building and energy codes are difficult to meet and the requirements in this bill will make it harder.

The decisions about specific energy sources for a building should be left to the owner, including the decision to install solar panels or the use of alternative heating sources.

The Legislature should prioritize the use of data on these topics and study the effect this bill would have on housing prices before implementing the changes in this bill.

OTHER: Current building codes already have high efficiency standards for buildings. This bill would create multiple codes and redundancies with the current code. School districts should be exempt from the requirements under this bill.

Persons Testifying: PRO: Anna Lising, Governor's Office; Emily Salzberg, Department of Commerce; Duane Jonlln, City of Seattle; Ty Stober, City of Vancouver; Chris Hellstern, The Miller Hull Partnership; Bill Will, Washington Solar Energy Industries Association; Geoff Glass, Providence; Aaron Fairchild, Green Canopy NODE; Matthew Hepner, IBEW/ceww; Breean Beggs, Spokane City Council.

CON: Brent Ludeman, Building Industry Association of Washington; Kurt Wilson , Soundbuilt Homes ; Aaron Marvin, ACT Builders; Carolyn Logue, WA Air Conditioning Contractors Assn & NW Hearth, Patio & Barbecue Association; Jeff Pack, Washington Citizens Against Unfair Taxes; William Hughbanks, Associated Builders & Contractors, Inland Pacific Chapter; Troy Schmeil, Sapphire Homes; Rex Habner, IBEW LOCAL 77; John Rothlin, Avista; Peter Godlewski, Association of Washington Business; Neil Hartman, WA Association Of UA Plumbers, Pipefitters and HVAC/R Service Technicians; Billy Wallace, WA and Northern ID District Council of Laborers; Judith Elenes, International Brotherhood of Electrical Workers Local 77; Dan Kirschner, Northwest Gas Association; Charlie Brown, Cascade Natural Gas and NW Natural; Jeanette McKague, Washington REALTORS.

OTHER: Brian Buck, Puget Sound School Coalition and Lake Washington School District.

Persons Signed In To Testify But Not Testifying: No one.