

SENATE BILL REPORT

2SHB 1433

As of March 24, 2023

Title: An act relating to energy labeling of residential buildings.

Brief Description: Concerning energy labeling of residential buildings.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Duerr, Ramel, Fitzgibbon, Berry, Reed and Doglio).

Brief History: Passed House: 3/1/23, 57-39.

Committee Activity: Environment, Energy & Technology: 3/22/23, 3/24/23.

Brief Summary of Bill

- Directs the Department of Commerce to adopt by rule the asset-based Home Energy Score developed by the United States Department of Energy as the primary home energy performance scoring system by which a person may evaluate the energy efficiency and relative greenhouse gas emissions of a building.
- Directs the Department of Licensing to adopt rules and implement a program for the licensing of home energy assessors.
- Prohibits, beginning March 1, 2026, a person from holding themselves out as a home energy assessor without first obtaining a license.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Staff: Angela Kleis (786-7469)

Background: Federal. The Home Energy Score was developed by the United States Department of Energy (USDOE) to provide home owners, buyers, and renters directly comparable and credible information about a home's energy use. The Home Energy Score report estimates home energy use, associated costs, and provides energy solutions to cost-

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effectively improve the home's efficiency.

State. The Department of Commerce (Commerce) must develop and implement a strategic plan for enhancing energy efficiency in reducing greenhouse gas emissions from homes, buildings, districts, and neighborhoods.

The state Department of Licensing (DOL) regulates a number of businesses and professions and issues licenses and ensures compliance with professional standards and laws. The Uniform Regulation of Business and Professions Act governs the licensure and discipline of certain business professions licensed by DOL, and consolidates disciplinary procedures for those businesses and professions.

Home inspectors must be licensed under the rules adopted by the Home Inspector Advisory Licensing Board, which is a seven-member board appointed by the director of DOL that develops standards of professional conduct, practice, and ethics for licensed home inspectors.

The Business and Professions Account (Account) is held in the State Treasury. Specified receipts collected by DOL in conjunction with the licensing of certain specified professions must be deposited into the Account. Expenditures from the Account may be used only for expenses incurred in carrying out these business and professions licensing activities of DOL.

Summary of Bill: Asset-Based Home Energy Score. By June 30, 2024, Commerce must adopt by rule the asset-based USDOE Home Energy Score as the primary home energy performance scoring system by which a person may assign a residential building a score for the purpose of evaluating the energy efficiency and relative greenhouse gas emissions of the building.

The rules must include specified elements for labeling graphics and information, such as the current home energy score and a statement indicating that the report meets state assessment standards, and may require licensed home energy assessors to report home energy scores. The rules may not allow for reporting of individual residential addresses or the names of homeowners; however, they may allow for the reporting of jurisdictional and utility information, any energy efficiency features, and other information that allows for an aggregated evaluation of energy savings attributable to energy efficiency. Commerce must maintain a database of reported information.

Cities and counties, either by themselves or in partnership with other cities and counties, may promote or administer home energy score programs.

Home Energy Assessor Licensing Program. DOL, in cooperation with Commerce, must, by June 30, 2025, adopt rules and establish procedures for the licensing of home energy assessors that will be conducting home energy assessments.

The director of DOL must begin issuing licenses for home energy assessors on July 1, 2025. Beginning March 1, 2026, a person may not hold themselves out as acting in the capacity of a home energy assessor within the state without first obtaining a license. Persons licensed as home energy assessors in other states may become licensed in Washington if the other state has licensing requirements that meet or exceed those required under the Washington home energy assessor licensing program (program).

A licensed home energy assessor is responsible for assigning a home energy score according to rules adopted by Commerce. The Home Inspector Advisory Licensing Board (Board) must establish any standards of practice necessary to be used as the minimum standards for an home energy score assessment.

In administering the program, the director of DOL must adopt rules, training, and professional standards approved by the Board and adopt fees to cover the of administering the program. The Board must establish minimum licensing qualifications, approve required training, and establish standards of professional conduct for adoption.

To become licensed as a home energy assessor, an applicant must submit to DOL an application on a form, proof of training, and the required fee. Licenses issued under the program are valid for a period of two years.

All advertising and documents incidental to a home energy assessor must include a required label and the assessor's license number. However, businesses and organizations that conduct national or interstate general marketing and advertising campaigns may omit the license number in advertising as long as it is included on all documents.

A licensed home energy assessor must provide a specified written report of the home energy assessment to each person for whom the inspector performs a home inspection within a time period set by the Board by rule.

The Uniform Regulation of Business and Professions Act governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under the program. All fees collected under the program, as well as fines and penalties collected or assessed for regulatory actions taken by DOL, must be deposited into the Account.

Appropriation: None.

Fiscal Note: Available.

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: There is more transparency on the operating costs of vehicles than houses. The home energy assessments will provide owners information on how to increase home efficiency and helps people with fixed incomes know the operating costs of homes. The bill is permissive and builds on initiatives already available. Jurisdictions are looking and ready to implement this program. Home energy scores can be available in a couple days of requesting one while the federal program takes longer. There is a need for a state standard framework; this bill is the only way to ensure that need is met. Licensing of home energy assessors is critical for reliable, consistent service. Oregon already has a similar program. With that program, there is reported success and no problems finding a workforce.

CON: A home energy score is not the right vehicle for understanding the efficiency of a home. The Oregon program has not been successful because the home energy score is oversimplified with the 1-10 rating. The State Building Code Council is working on a rating system with multiple data points that is more accurate. That score which will qualify for energy tax credits while the home energy score under this bill would not afford that incentive.

Persons Testifying: PRO: Court Olson, Shift Zero and also People for Climate Action; David Godfrey, People for Climate Action; Neal Black, Kirkland City Councilmember; Dr. Pamela Braff, City of Olympia.

CON: Daimon Doyle.

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