

Testimony of Environment Northeast (ENE) in support of L.D. 2179

L.D. 2179

An Act To Promote Residential and Commercial Energy Conservation
before the

**Business, Research and Economic Development Committee
of the Maine Legislature**

February 28, 2008

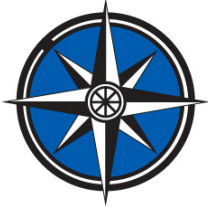
Augusta, Maine

by

Michael Stoddard, Deputy Director and Attorney



**Environment
Northeast**



- **Policy Research and Advocacy**
 - Non-profit, non-partisan
 - Incorporated in Maine, 1998
 - Offices in Rockport, ME / Portland, ME / Boston, MA / Providence, RI / Hartford, CT / Charlottetown, PEI
- **Policy Solutions for:**
 - Energy
 - Transportation
 - Forest Practices and Land Use
 - Climate Change
- **Mission**
 - To address large-scale environmental challenges that threaten regional ecosystems, human health, or the management of significant natural resources

A Problem that Needs Fixing (1)

- Energy costs are through the roof
 - fuel oil = \$3.37/gal, up \$1 since last year, 3X since 2000
 - elec = 10 cents/kWh, up from 4 cents/kWh in 2000
 - most of what we pay for oil and elec goes out of state
- Climate Change and clean air objectives require a transition to vastly more efficient use of energy
- Energy efficiency is the preferred energy resource
 - cheaper than the cost of supply (electricity, fuel oil)
 - home grown, investments and savings stay in local economy
 - avoid emissions of Carbon, NOx, SOx, mercury
 - policy priority of every governor in the region, of federal policymakers, of climate change advocates, and of business community



A Problem that Needs Fixing (2)

- The cheapest opportunity to make buildings efficient is during initial design and construction
 - If you get it wrong, once construction is complete it becomes much more expensive to make it right
- Yet ...
 - Energy efficiency codes for new residential construction are optional and voluntary in Maine
 - Inspection of code compliance is optional in Maine
 - There is no certification for building energy code inspectors in Maine
 - Only 14% of new homes recently built in Maine would meet the basic minimum standards of the model building energy code
 - Consumers have no information about the energy performance of residential or commercial buildings
 - The legislature and state agencies have been working on this issue since at least 2003



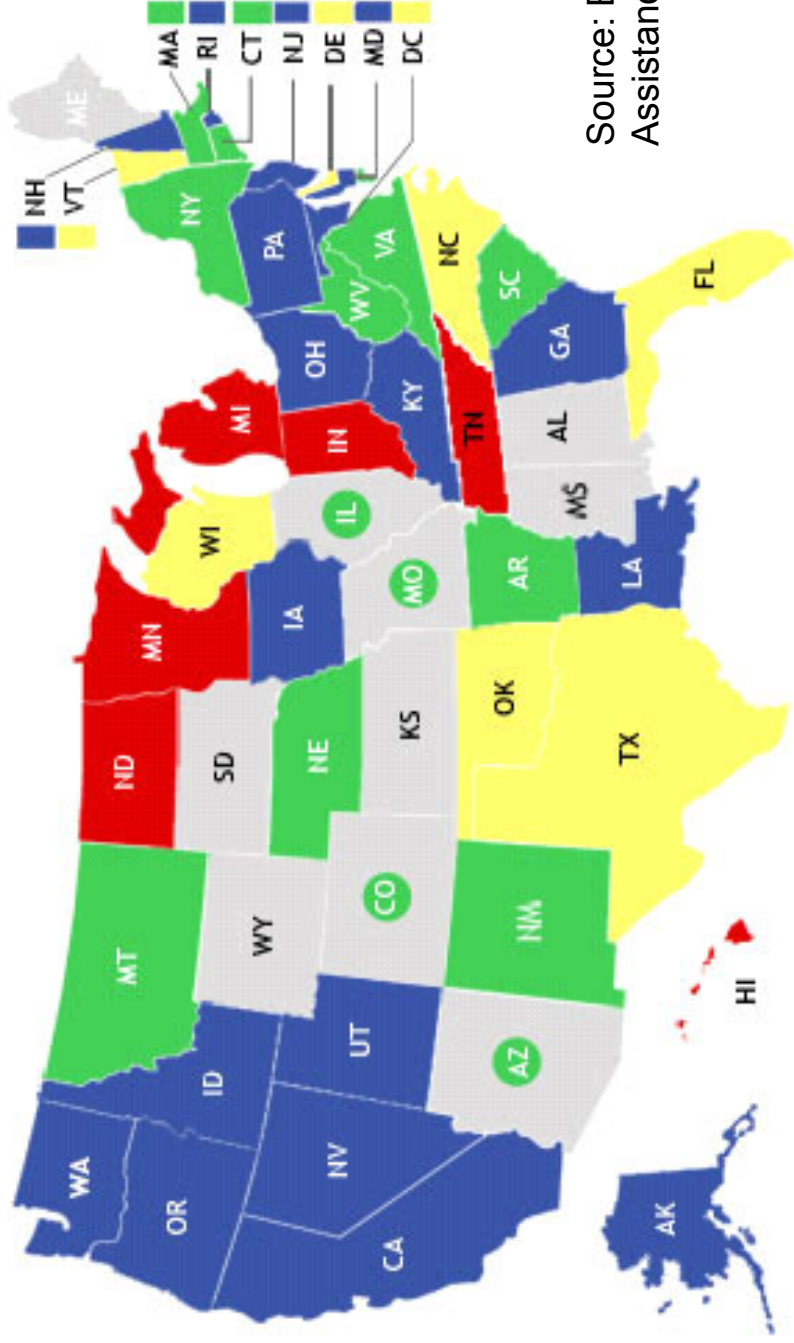
A Problem that Needs Fixing (3)

PUC Resolve Ch. 93 Report – Feb 15, 2008

- **Baseline Construction in Maine**
 - 84% of newly built homes would not pass the Maine Model Building Energy Code;
 - 81% of new homes would not pass the Maine Ventilation Code;
 - Ceiling insulation effectiveness was compromised and resulted in low R-values due to
 - poor quality of installation
 - areas of missing insulation
 - Only 23% of foundation walls were insulated



ME, AL, MS – Only 3 states east of the Miss. River with no statewide residential building energy code



Source: Building Code Assistance Project

February 28, 2008



**Environment
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LD 2179 – First, make codes uniform for all towns, apply to all building types

- Sections 1 & 2 –
 - Makes Maine’s mandatory building energy code applicable to ALL residential construction
 - including 1- and 2-family homes (previously excluded)
 - Effective 1/1/2010
 - Make Maine’s building energy code uniform across all jurisdictions in the state
- **ENE Comment:**
 - Fairness and efficiency for business and local government
 - Creates a level playing field for developers, builders bidding on jobs
 - Saves time and money for builders, code enforcement officers, architects
 - Consumer protection
 - Ensures basic quality of product and avoids unnecessary operating costs for heating/cooling/lighting buildings

LD 2179 – Second, protect current and future consumers

- Section 3 – for both residential and commercial
 - Step 1 – provide energy inspector plans showing intended compliance with energy code
 - Step 2 – get certificate of compliance from energy inspector once construction is finished
 - same as for electrical code inspections in Maine
 - New - indicate estimated or measured energy performance
 - Step 3 – disclosure
 - report compliance and energy performance info in real estate disclosure documents and registry of deeds
 - report recent energy/utility bills
- **ENE Comment:**
 - special inspector process and reporting to registry modeled on Maine electrical and plumbing inspections, instrumental for better compliance
 - similar “time of sale” disclosure requirements currently apply to apartment buildings in Maine (see also, cars, appliances)



LD 2179 – Third, give incentives to go beyond the basic code

- Energy Audit
 - tax credit to seller (Sec. 3, sub-3)
- Construction / renovation achieving high-efficiency performance standard
 - Tax credit to seller (Sec. 9)
 - Rebate of building permit fees (Sec. 10)
- ENE Comment:
 - tax credits and rebates similar to policies in Minnesota and Colorado
 - innovative ways to generate financial incentives
 - at the state and local level,
 - with nexus between objective (higher energy efficiency, consumer protection) and decision-maker (seller, buyer)



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