



Home Energy Score ***Proposed Policy***

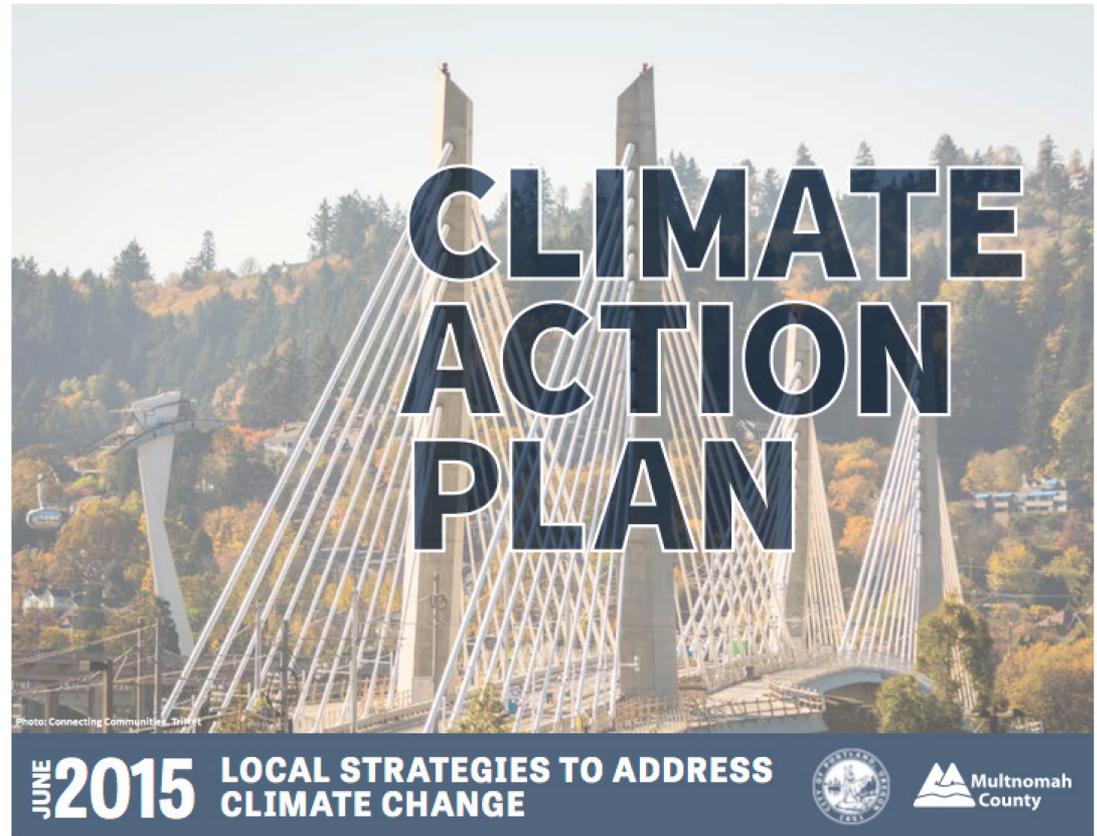
Michael Armstrong and Andria Jacob
Planning and Sustainability Commission
October 11, 2016

Why Require Home Energy Scores?

Objective 1

Reduce energy
use from
existing
buildings

25% by 2030



Climate Action Plan Priority

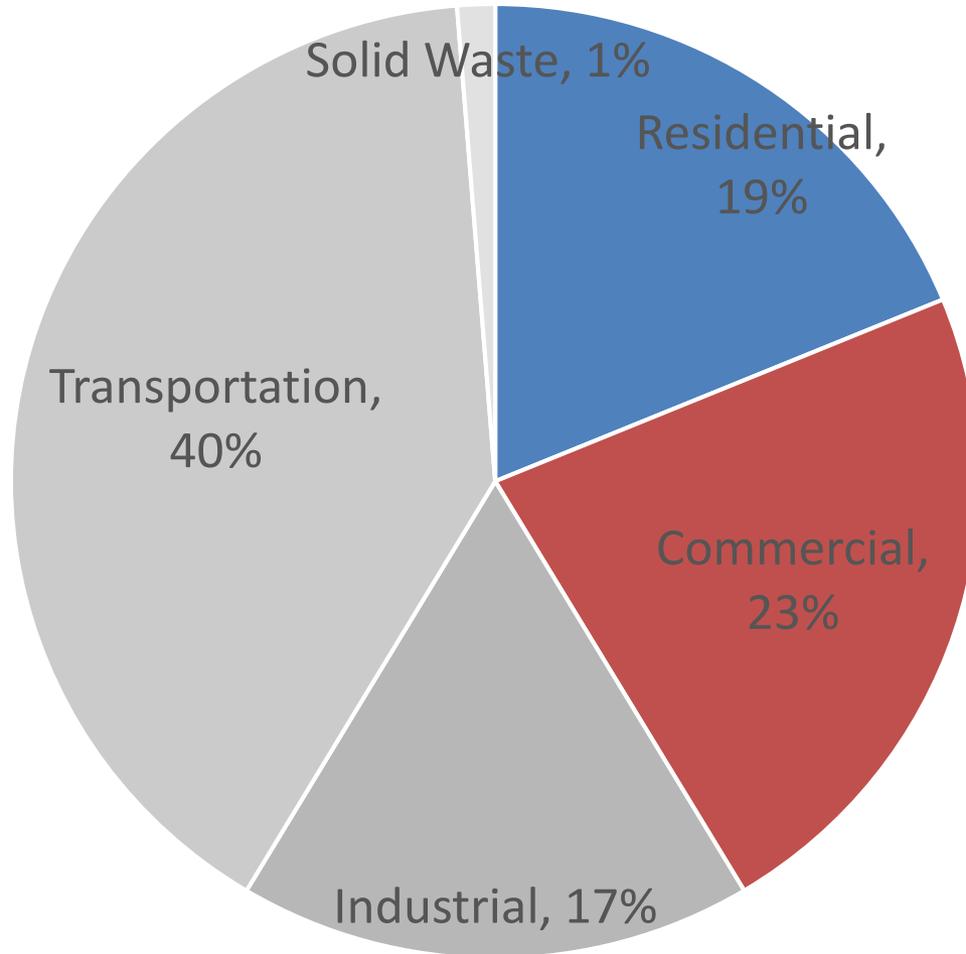
Action 1B

Require **energy performance ratings** for all homes so that owners, tenants and prospective buyers **can make informed decisions** about energy costs and carbon emissions

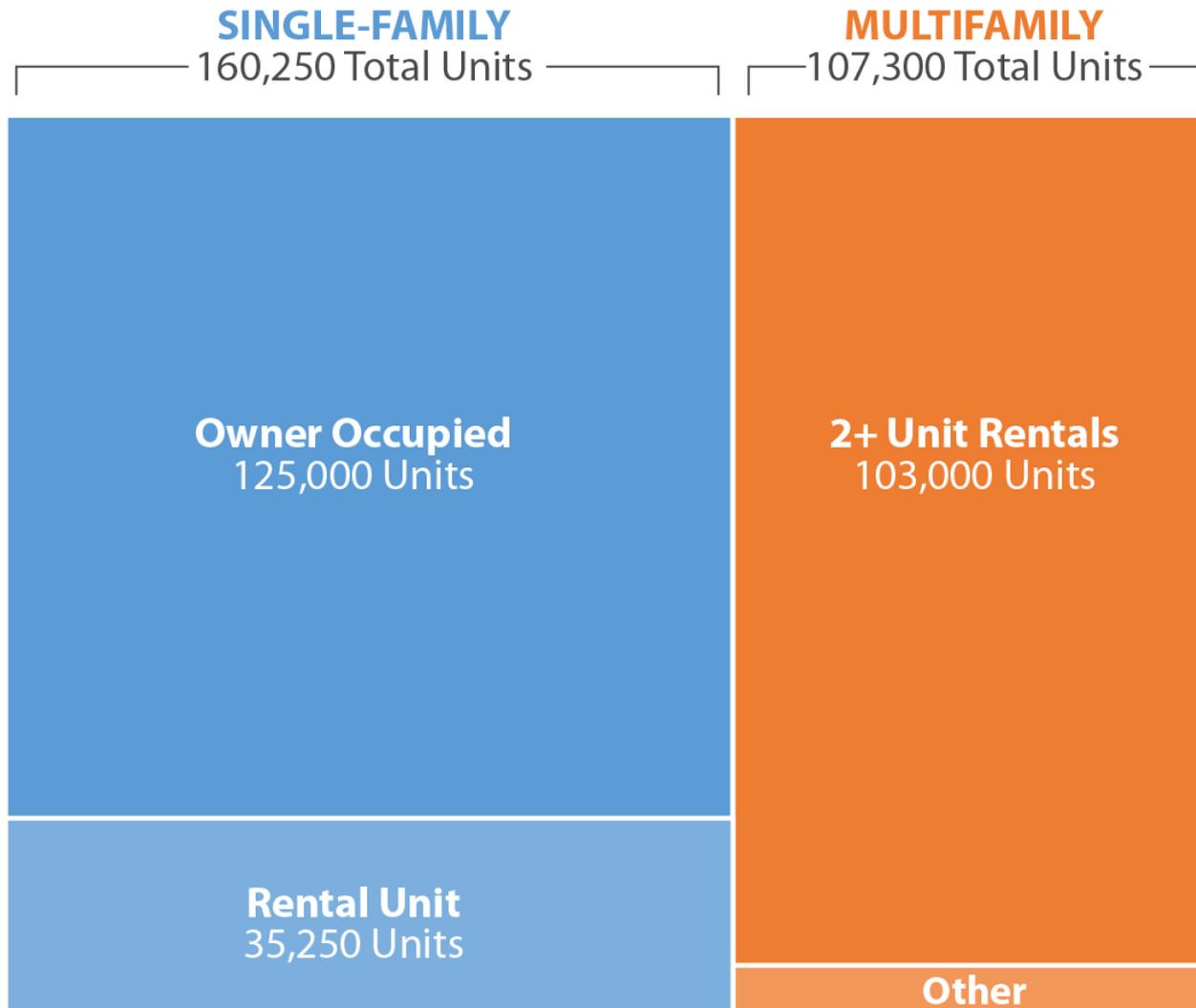


Carbon Emissions by Sector

(for Multnomah County, 2014)



Portland Housing Units



**Over time, cost savings from energy efficiency can be substantial.
A more efficient home can save a homeowner almost \$10,000 over 10 years.**



**House #1
NE 71st Ave.**

**House #1
NE 80th Ave.**

**House #3
SE 74th Ave.**

	House #1 NE 71st Ave.	House #1 NE 80th Ave.	House #3 SE 74th Ave.
Year built	1922	1913	1912
Size (sq. ft.)	1,383	1,270	1,320
Annual energy cost	\$1,000	\$1,686	\$1,947
10-year energy cost	\$10,000	\$16,860	\$19,147

Photos are illustrative of each location but are not the actual homes associated with this data for privacy purposes.

Benefits to Portlanders

- ✓ Better insight into the full costs of owning a home.
- ✓ Ability to compare energy costs and performance between homes.
- ✓ Knowledge of home improvements in advance of purchase.
- ✓ Access to specialized mortgage products
- ✓ Long-term operational savings from purchase of an energy-efficient home.

Policy Recommendation for Existing and New Homes

Information disclosed

- Home energy performance report (defined by state law)

Regulated party

- Seller or homebuilder

Time of disclosure

- At or before listing

Recipient of disclosure

- The City, prospective buyers

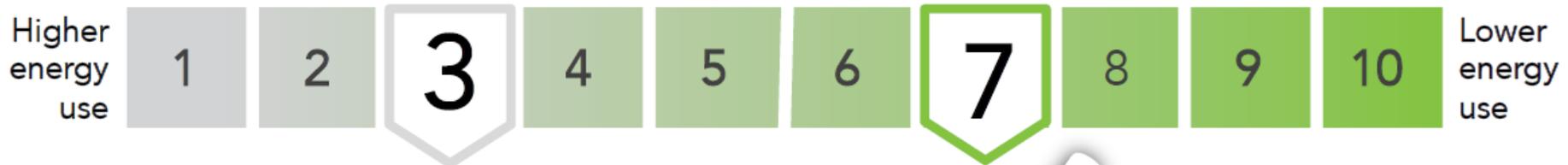


[Your State] Home Energy Score

1234 Your Road,
Your Town, YS 00000

SCORE TODAY **3**

Average Home Score



SCORE TODAY

Estimated annual energy cost:
\$1,600

Score basis:
80 MBTU

SCORE WITH IMPROVEMENTS

Potential annual energy cost:
\$1,239

Score basis:
49 MBTU

The U.S. Department of Energy's Home Energy Score assesses the energy efficiency of a home based on its structure, heating, cooling, and hot water systems.

Address: **12345 Honeysuckle Lane**
Smithville, AR 72466



Repair now: These improvements will save you money, conserve energy, and improve your comfort now

Estimated utility bill savings (\$/year)

Attic 1 / Increase attic floor insulation to at least R-49	187
Ducts 1 / Add insulation around ducts in unconditioned spaces to at least R-6	71
Ducts 1 / Have your ducts professionally sealed to reduce leakage	171



Replace later: These improvements will help you save energy when it's time to replace or upgrade

Estimated utility bill savings (\$/year)

Furnace 1 / Pick one with an ENERGY STAR label	106
Central Air 1 / Pick one with an ENERGY STAR label	80
Water heater / Pick one with an ENERGY STAR label	34



With these improvements
reduce your home's carbon
footprint by: **27%**



The Home Energy Score recommendations for efficiency improvements are based on selected data from the home's assets, not information from a complete energy audit. When making energy related upgrades, homeowners should consult with a certified energy professional or other technically qualified contractor to ensure proper sizing, installation, safety, and adherence to code.

Exemptions

- Foreclosure sales.
- Trustee's sales.
- Deed-in-lieu of foreclosure sales.
- Short sales.
- Temporary waiver for homebuilders using scoring products that are not compliant with State code for home energy scoring systems.



Low-Income Seller Deferral

- Income-qualified sellers may defer the requirement to the buyer.
- Buyer must comply within 6 months.
- Low-income qualified sellers will submit a notice of deferral in writing to BPS.

Policy Recommendation for Rental Homes at Time of Lease

- Work with stakeholders to better understand the dynamics in the single-family rental market.
- Establish metrics and targets to monitor over time.
- Establish a stakeholder committee to work with BPS on developing this aspect of the policy?



Policy Development Process (2016)

January – April

Research and scoping: energy efficiency industry best practices, experience in other cities, data gathering on real estate market trends

May – August

Stakeholder engagement and equity analysis

September – November

Public comment period and legislative process

Public Comment

- Equity concerns
- Housing affordability
- Preference among real-estate professionals for a “voluntary” approach and “incentives.”
- Support for consumer protection and climate protection benefits

For PSC Consideration

1. What is the appropriate frequency for renewing the score?
2. Should Council establish a committee to identify appropriate market conditions for a policy addressing single-family rental housing?

