

1 S.143

2 Introduced by Senator Illuzzi

3 Referred to Committee on

4 Date:

5 Subject: Energy; public service; energy efficiency; heating and cooling

6 Statement of purpose: This bill proposes to require the seller of a building to
7 disclose, at a prospective buyer's request, the building's energy performance.

8 It also proposes to require the department of public service to study and
9 recommend funding and financing options to promote thermal energy
10 efficiency in Vermont.

11 An act relating to disclosing building energy performance and promoting
12 thermal energy efficiency

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 Sec. 1. 30 V.S.A. chapter 2 is added to read:

15 CHAPTER 2. BUILDING ENERGY PERFORMANCE

16 § 51. DEFINITIONS

17 As used in this chapter:

18 (1) "Btu" means a British thermal unit.

1 (2) “Building” means any enclosed structure created for use as a
2 residence, a place of business, or any other activities, whether commercial or
3 noncommercial in character.

4 (3) “Buyer” means a person to whom a building, real property
5 containing a building, or a unit is or is to be sold or who makes an offer to
6 purchase the building, real property, or a unit, and the person’s agent, if any.

7 (4) “Conditioned space” means space within a building that is heated or
8 cooled or both by one or more physical systems.

9 (5) “Department” means the department of public service under
10 section 1 of this title.

11 (6) “Low energy use building” means a commercial building or
12 residential building whose peak energy usage design rate for all purposes is
13 less than 3.4 Btus per hour, per square foot, or less than one watt per square
14 foot of floor area.

15 (7) “MMBtu” means one million Btus.

16 (8) “Sale” means a transfer of all or any part of the ownership of a
17 building, real property that contains a building, or a unit.

18 (9) “Seller” means a person whose building, real property, or unit is or is
19 to be transferred by sale or who offers to make the transfer, and the person’s
20 agent, if any.

1 (10) "Unit" means each of the following, except when the context
2 clearly refers to a unit of measurement:

3 (A) A separately enclosed space within a building that meets or is
4 intended to meet the living needs of one or more individuals.

5 (B) A part of a commercial building which is occupied by or intended
6 for occupation by an individual owner or tenant.

7 § 52. SELLER'S ENERGY DISCLOSURE

8 (a) Duty of seller. At the request of a prospective buyer of a building or
9 unit, a seller shall provide the prospective buyer with an energy disclosure
10 using the applicable tool developed by the department under section 53 of this
11 title.

12 (b) Applicability. This section applies to all new and existing buildings
13 and units and real property containing buildings or units, but does not apply to
14 any of the following:

15 (1) A transfer or change of title to real property or the right to possess
16 real property by reason of inheritance, gift, marriage, or divorce.

17 (2) An involuntary transfer of title resulting from default on an
18 obligation secured by real property.

19 (3) A low energy use building.

20 (4) A building that does not contain conditioned space.

21 (5) The sale of real property that does not contain a building.

1 (6) A building that is not habitable year-round.

2 (7) A building that is under construction and is not used, occupied, or
3 habitable.

4 (8) A farm structure as defined in 24 V.S.A. § 4413(d)(1).

5 § 53. ENERGY DISCLOSURE TOOL

6 (a) Development. The department shall develop one or more energy
7 disclosure tools for use by a seller under section 52 of this title. The
8 department shall ensure that each tool developed under this subsection meets
9 each of the following:

10 (1) The tool shall be readily and publically available at no cost to the
11 end user.

12 (2) The tool shall be available on the Internet and shall be capable of
13 being completed and saved by a person using a web browser.

14 (3) The tool shall result in a rating that can be presented as a single
15 number to allow comparison with other buildings or units rated with the same
16 tool. The output of the tool shall:

17 (A) Present the rating as a single number on a visual scale.

18 (B) Compare the rating to other buildings or units of the same type as
19 the building or unit being rated (e.g., an average building of the same type in
20 Vermont or a building that meets the energy standards under Title 21
21 applicable to the type of building being rated).

1 (C) Produce an estimate, in MMBtu, of the energy consumption of
2 the building or unit based on standardized weather and occupancy conditions.

3 (D) State the square footage of the building or unit and the energy
4 consumed (in MMBtu) per square foot.

5 (E) State an estimated annual energy cost.

6 (F) Itemize the data supplied by the user to reach the rating.

7 (b) Process to adopt. The department shall select or develop an energy
8 disclosure tool under this section after complying with each of the following:

9 (1) The department shall post a copy of the proposed tool on its web
10 page and shall provide for broad public notice of the proposed tool, including
11 notice to mortgage lenders, persons licensed to engage in the business of
12 selling or appraising real property, home inspectors, the Vermont Bar
13 Association, each entity appointed to deliver energy efficiency under
14 subdivision 209(d)(2) of this title, and energy efficiency experts and
15 businesses. Notice also shall be given to the advisory committees described in
16 21 V.S.A. §§ 266(c) (residential building energy standards) and 268(c)
17 (commercial building energy standards).

18 (2) The department shall provide a reasonable opportunity for the
19 submission of written comments and to request a public hearing on the
20 proposed tool. The department shall hold a public hearing on the proposed

1 tool if so requested by 25 or more persons, a governmental subdivision or
2 agency, or an association having 25 or more members.

3 (3) Following the actions described in subdivisions (1) and (2) of this
4 subsection, the department shall adopt the tool, as it may be revised based on
5 the comment and hearing process, for effect 90 days after the date of adoption.
6 Immediately on adoption, the department shall post the adopted tool on its
7 website and shall send a copy to each person who submitted comments on the
8 proposed tool, to each person licensed to sell or appraise real property in
9 Vermont and each association of such persons, to the Vermont Bar
10 Association, and to each entity appointed to deliver energy efficiency under
11 subdivision 209(d)(2) of this title.

12 (c) Using the procedures described in subsection (b) of this section, the
13 department may from time to time revise or replace an adopted tool.

14 Sec. 2. STUDY AND REPORT; FUNDING AND FINANCING THERMAL
15 ENERGY EFFICIENCY

16 (a) No later than December 1, 2012, the department of public service (the
17 department) created under 30 V.S.A. § 1 shall complete and submit to the
18 general assembly the report and recommendations required under this section.

19 (b) The department shall study, report on, and recommend potential
20 methods to fund and finance thermal energy efficiency and improve the energy

1 fitness of buildings in Vermont, taking into consideration the provisions of
2 10 V.S.A. § 581 (building efficiency goals).

3 (1) Potential funding mechanisms to be considered by the department
4 under this section shall include the use of the fuel gross receipts tax under
5 33 V.S.A. § 2501; use of the electric energy efficiency charge under 30 V.S.A.
6 § 209(d)(3); and establishing a tax or charge on the storage in the state of waste
7 or other by-products from the generation of electricity.

8 (2) Potential financing mechanisms to be considered by the department
9 shall include use of on-the-bill tariff financing (OTF) and encouraging or
10 requiring lenders to promote the energy efficiency mortgage developed by the
11 Federal Housing Administration or similar products. In evaluating OTF, the
12 department shall evaluate the potential use of OTF on electric bills to support
13 thermal energy efficiency.

14 (3) As part of the study and report required by this section, the
15 department shall evaluate the relationship of thermal energy efficiency,
16 including efficient space cooling, to electric system benefits.

17 (4) As part of the study and report required by this section, the
18 department shall work with the commissioner of buildings and general services
19 to identify, evaluate, and recommend methods to increase the energy efficiency
20 of state buildings. Options to be considered under this subdivision shall
21 include a potential inventory by Efficiency Vermont of the energy fitness of

1 state buildings and the development of a capital plan that treats energy
2 efficiency as an investment.

3 (5) In performing the study and report required by this section, the
4 department shall consult with the agency of administration, the agency of
5 natural resources, the agency of transportation, the public service board, all
6 regulated electric and natural gas utilities in Vermont, Efficiency Vermont, and
7 other relevant stakeholders and entities, such as the High Meadows Fund.

8 Sec. 3. EFFECTIVE DATES

9 (a) This section and Sec. 2 of this act shall take effect on passage.

10 (b) Sec. 1 of this act shall take effect on July 1, 2013, except that effective
11 on passage, the department of public service shall have full authority to
12 develop one or more energy disclosure tools in accordance with the provisions
13 of Sec. 1. By April 1, 2013, the department of public service shall complete
14 adoption of such tool or tools for implementation commencing on July 1, 2013.