

**Energy Efficiency Task Force
Draft Summary of Discussions on Framework
Single Family Owner Occupied and Rental Properties**

This document is intended to be a summation and distillation of various comments and suggestions made by Task Force members regarding the proposed framework that has been distributed at each of the last several Task Force meetings. It should not be viewed as a proposal from staff, the Chair, Austin Energy, or the City. The Task Force's discussions have been very active and many good points have been raised.

THE TASK FORCE HAS NOT MADE ANY FINAL DECISIONS OR
RECOMMENDATIONS.

Definitions: For the sake of clarity in Task Force discussions the following definitions will be used:

Energy Audit or Audit. A process of evaluating the energy efficiency and/or condition of energy systems in a home or building that includes a visual inspection of certain elements (weather stripping, insulation R-value, etc.) and the testing of the mechanical or air conditioning system air leakage and air balancing using methods and standards approved by the City of Austin Energy Code (duct blaster test, blower door subtraction test, etc.). This inspection must be conducted by a person certified by ResNet or the Building Performance Institute as a Building Performance Analyst or equivalent.

~~**Checklist Protocol**—The menu of energy efficiency upgrades tentatively approved by the Task Force on May 7, 2008.~~

Paybacks. Payback periods will be calculated after applying available rebates for audit measures.

Phase 1: Energy Audit Disclosure, Voluntary Participation Targets and Performance Measurement

The initial phase will require an Energy Audit and disclosure of the results of that Audit as part of the existing seller's disclosure process. ~~Homes that meet the checklist protocol requirements, as verified by the Audit, or that are upgraded to meet the requirements within one year following the closing will be designated as an Energy Saver Home.~~

A mechanism will be established to measure voluntary participation ~~in the Energy Saver Home program.~~ Voluntary participation in the program shall be; ~~performing an:~~ **following the** Energy Audit and Disclosure, ~~and~~**the** installation of energy efficiency upgrades recommended by the audit that have a simple payback period of 5 years or less. **up to the 1% spending cap. Homes that receive those upgrades either before closing or up to one year following closing will be considered to have met the Energy Savings goals.** If the targets are not met in any two consecutive years, energy upgrades would automatically become mandatory.

Targets:

- Year 1: 25% of non-exempt sales ~~receive an Energy Saver Home designation~~ are homes that meet the energy savings goals
- Year 2: 45% of non-exempt sales ~~receive an Energy Saver Home designation~~ are homes that meet the energy savings goals
- Year 3: 65% of non-exempt sales ~~receive an Energy Saver Home designation~~ are homes that meet the energy savings goals
- Year 4 and thereafter: 85% of non-exempt sales ~~receive an Energy Saver Home designation~~ are homes that meet the energy savings goals

Possible Phase 2: Mandatory Energy Efficiency Upgrades if Voluntary Targets Not Met

If the targets of the Phase 1 voluntary participation phase are not met in any two consecutive years, Phase 2 would automatically begin in the next year. Phase 2 would require performance and disclosure of the Energy Audit, as in Phase 1, but would also require compliance in performing all upgrades specified in the Energy Audit that have a simple payback period of 5 years or less up to the 1% spending cap.

If upgrades become mandatory, they could be performed either before, or up to one year after, the date of closing. Sellers would not be required to perform the upgrades before closing but would be free to do so. If the parties negotiate for the buyer to be responsible for the upgrades, then the buyer must perform the upgrades within one year of the date of closing.

Homes that meet the requirements of the program, either through a voluntary or mandatory compliance, will be ~~issued an Energy Saver Home certificate~~ deemed to meet the energy savings goals.

Limits of Responsibility:

In no instance will a home buyer or seller be required to make Energy Efficiency improvements that have a total cost of more than 1% of the escrowed sales price of the home. Total cost is defined as the total cost of the upgrades performed, regardless of any rebates or incentives that may have been involved. The cost of the initial energy audit shall not be applied to total cost. If the audit and upgrades are performed before the property is listed for sale the 1% spending cap for upgrades shall be based on the gross current year property tax appraisal appraised value before exemptions.

Incentives:

Austin Energy has provided financial incentives including cash rebates or low interest loans for the installation of energy efficient equipment and systems for more than 25 years. It can be assumed that these incentives will continue and will reduce the cost of many, and possibly most, of the measures covered by an audit. Other utilities serving customers in Austin also provide incentives for upgrades.

An Energy Saver ~~Home~~ **Saving Goals** designation will be valid for the longer of the time: the current owner owns the home, or ten years. This allows homeowners to perform the energy efficiency upgrades at any time, reap the financial and comfort benefits of having an energy efficient home and to know that they will be exempt from further requirements of the program when they decide to sell their home.

Exemptions:

Home sales falling under any of the following categories will be exempt from program requirements:

1. Homes built within the 10 years prior to the date of the sales contract.
2. All homes having participated in the Austin Energy Home Performance with Energy Star Program within the previous 10 years that performed three (3) or more Home Performance with Energy Star energy efficiency measures or that received a Home Performance with Energy Star rebate of \$500 or more.
3. Homes which qualify for Austin Energy Free Weatherization Program are exempt. For this exemption the home must be below the threshold value (currently \$150,000) and the buyer must meet income guidelines of 80% of Median Family Income.
4. Other types of transfers to be determined by the Task Force, such as transfers (i) due to: court order, probate proceedings, or foreclosure, (ii) as a result of a default, (iii) to a spouse or certain relatives, (iv) that are testamentary transfers (but not sales by an independent executor of an estate).
5. Manufactured housing built on a permanent chassis and designed to be used as a dwelling without a permanent foundation.
6. Historic structures or structures contributing to local or national historic districts shall be exempt from any requirement to perform upgrades or alterations to character defining features.

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