

Fact Sheet: HB10-1331 this creates a green building incentive pilot program
Background

HB10-1331 directs the Governor's Energy Office to create a pilot incentive program for home buyer's to make improvements to increase energy efficiency to a primary home. The pilot program is intended to be for both new construction and retrofitting of existing homes. The bill also states that the funds for this program are to be from federal funds that that GEO already has though hasn't allocated.

AIA should support this bill for multiple reasons:

- It helps to promote the energy efficiency aspects of construction which is directly in line with the feelings of AIA and specifically COTE.
- It will not cost the state any more money. The money for this bill is already available.
- The Colorado Home Builders Association is behind this bill and by supporting it we will hopefully be creating a better relationship with them for the future. They came to us to ask us to support this.
- It gives us an opportunity to support Rep. Gerou.

Pros: This bill would be a benefit to the profession by increasing the energy efficiency of homes it has the possibility of increasing the passive energy strategies that homes use and from that increase work done by architects.

Cons: N/A

Colorado Association of Home Builders
Legislative Proposal – Outline

October 3, 2008 – updated on December 16, 2009

GOAL:

- 1) Provide a mechanism for homeowners who are buying “qualified” new energy-efficient residential construction (both multi-family & single-family detached) to receive assistance from GEO to retrofit/upgrade re-sale home to make energy efficiency improvements. The energy-efficiency programs would seek to reduce electric, gas and water use in older homes, while providing an incentive for customers to purchase new construction that meets stringent energy-efficiency standards.
- 2) Create a pilot program administered by Governor’s Energy Office (GEO) with \$1 million annual appropriations, requiring annual review of program goals, successes and challenges in meeting goals, and making appropriate adjustments in program.
- 3) Create partnership between builders and GEO to educate public about energy efficiency of new construction and market pilot program.

PROGRAM OUTLINES:

Qualified homebuyers would be required to meet the following criteria:

- Purchasing new construction (multi-family or single-family detached) that is: 1) located in Colorado; 2) intended to be the homebuyer’s primary residence; and 3) is certified to meet a stringent energy efficiency standard, i.e. Built Green, E-Star, LEED residential, etc. Single-family detached would be required to have a confirmed HERS Index of 75 or below. Multi-family would be required to have a confirmed HERS Index of ___ or below.
- Selling an existing primary residence (multi-family or single-family detached) that is 1) located in Colorado; and 2) below acceptable energy efficiency standards; has a HERS index above 100 on an energy audit. GEO assistance would be awarded on a sliding scale, as described below.

Once a homebuyer meets the above criteria, the builder would be able to submit forms and paperwork to GEO (on behalf of the homebuyer) to enroll homebuyer in program.

GEO will process application from builder and confirm that homebuyer is eligible. Homebuilders anticipate assisting homebuyers with energy audits on existing homes and providing other incentives for homebuyers to participate in program.

Upgrade/retrofit funds from GEO would be awarded based on HERS Index of residence being resold.

- \$3,000 for homes with HERS Index of 101 – 110
- \$6,000 for homes with HERS Index of 111 – 125
- \$10,000 for homes with HERS Index of 126+

Funds from GEO will prioritize problem areas identified by home energy rater. Homebuyer will work with GEO to arrange for home energy efficiency improvements. Homebuyer is required to use contractors approved by GEO. Payment for improvements is transmitted from GEO directly to contractor – homebuyer does not receive payment directly.

ACCOUNTABILITY MEASURES:

Application to GEO must include documentation from builder that new construction has projected rating at or below the minimum level. Application must include an expected completion date of new construction.

Application to GEO must include documentation from homebuyer that residence being sold has a confirmed energy rating above the minimum level.

Work on re-sale residence must be completed before closing.

Within 60 days of expected completion date of new construction, builder (or homebuyer) must submit to GEO documentation of closing. If construction is delayed, builder (or homebuyer) may request a waiver from GEO and receive an extension.

If the new construction sale is not finalized, including cancellation by homebuyer or failure to secure financing, homebuyer will be required to reimburse GEO for the actual cost of energy efficiency improvements made to re-sale residence.

STAKEHOLDERS:

- GEO
- Realtors
- Electric Utilities (Xcel, munis, REAs)
- Environmentalists
- Land Title Association
- Energy Raters
- Mixed-Use developers/NAIOP

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 10-0760.01 Esther van Mourik **HOUSE BILL 10-1331**

House Committees	Senate Committees
Transportation & Energy	

A BILL FOR AN ACT

CONCERNING THE ESTABLISHMENT OF A GREEN BUILDING INCENTIVE PILOT PROGRAM ADMINISTERED BY THE GOVERNOR'S ENERGY OFFICE TO INCENTIVIZE THE MAKING OF ENERGY EFFICIENCY IMPROVEMENTS TO EXISTING RESIDENCES WITH CURRENT HOME ENERGY RATINGS BELOW MINIMUM STANDARDS FOR PEOPLE WHO PURCHASE HIGHLY EFFICIENT NEW RESIDENTIAL CONSTRUCTION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill requires the governor's energy office to create a green building incentive pilot program whereby the governor's energy office awards grants to qualified homebuyers who are selling current primary residences with home energy ratings below minimum standards and purchasing highly efficient new residential construction. The purpose of the grant is to allow the qualified homebuyer to make improvements to his or her current primary residence for purposes of increasing the home's energy efficiency. The bill specifies that the governor's energy office is to award these grants from federal funds transferred to the governor's energy office, including but not limited to those provided by the federal "American Recovery and Reinvestment Act of 2009" that the governor's energy office has already received, or may receive in the future.

Be it enacted by the General Assembly of the State of Colorado:

1.SECTION Article 38.5 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

PART 2

GREEN BUILDING INCENTIVE PILOT PROGRAM

24-38.5-201. Legislative declaration. (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) AN INCENTIVE-BASED GREEN BUILDING PILOT PROGRAM WILL STRIVE TO REDUCE ELECTRIC, GAS, AND WATER USE IN OLDER HOMES, WHILE PROVIDING AN INCENTIVE FOR HOMEBUYERS TO PURCHASE NEW CONSTRUCTION THAT MEETS STRINGENT ENERGY EFFICIENCY STANDARDS;

(b) PROVIDING INCENTIVES FOR NEW RESIDENTIAL CONSTRUCTION THAT MEETS STRINGENT ENERGY EFFICIENCY STANDARDS AND IMPROVING ENERGY EFFICIENCY IN EXISTING RESIDENCES CAN STIMULATE LOCAL AND STATE ECONOMIES AND PROVIDE OPPORTUNITIES FOR JOB GROWTH IN GREEN JOBS AND INDUSTRIES THAT ARE FOCUSED ON IMPROVING ENERGY EFFICIENCY OF BOTH NEW AND EXISTING RESIDENCES;

(c) AN INCENTIVE-BASED GREEN BUILDING PILOT PROGRAM WILL BENEFIT HOMEBUYERS WHO ARE ATTEMPTING TO PURCHASE HIGHLY ENERGY EFFICIENT NEW RESIDENTIAL CONSTRUCTION AND

RETROFIT EXISTING HOMES IN AN ATTEMPT TO REDUCE ENERGY AND WATER CONSUMPTION.

24-38.5-202. Definitions. AS USED IN THIS PART 2, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "ENERGY CODE" MEANS THE 2006 INTERNATIONAL ENERGY CONSERVATION CODE, OR ANY SUCCESSOR EDITION, PUBLISHED BY THE INTERNATIONAL CODE COUNCIL OR ANY STATE OR LOCAL ENERGY CODE THAT HAS MORE RECENT OR MORE STRINGENT REQUIREMENTS.

(2) "ENERGY EFFICIENCY IMPROVEMENT" MEANS:

(a) AN UPGRADE TO A STRUCTURE, APPLIANCE, FIXTURE, PLUMBING, HEATING OR COOLING SYSTEM, OR WATER HEATER IN ANY EXISTING RESIDENCE THAT IS INTENDED TO REDUCE THE CONSUMPTION OF ELECTRICITY, NATURAL GAS, WATER, OR ANY OTHER FUEL OR ENERGY SOURCE;

(b) THE INSTALLATION OR UPGRADE OF BUILDING INSULATION, AIR SEALING MEASURES, AND DUCT SEALING, IN ANY EXISTING RESIDENCE; AND

(c) IMPROVEMENTS TO AN OUTDOOR WATER IRRIGATION SYSTEM OF ANY EXISTING RESIDENCE.

(3) "EXISTING RESIDENCE" MEANS A RESIDENCE, EITHER SINGLE-FAMILY DETACHED OR MULTI-FAMILY, THAT:

(a) IS LOCATED IN COLORADO;

(b) IS USED AS THE QUALIFIED HOMEBUYER'S PRIMARY RESIDENCE; AND

(c) HAS A CURRENT HOME ENERGY RATING, AS DETERMINED BY A RECOGNIZED GREEN BUILDING RATING SYSTEM, THAT IS BELOW MINIMUM STANDARDS, AS DETERMINED BY THE ENERGY CODE.

(4) "GREEN BUILDING INCENTIVE PILOT PROGRAM" OR "PILOT PROGRAM" MEANS THE GREEN BUILDING INCENTIVE PILOT PROGRAM DESCRIBED IN SECTION 24-38.5-203.

(5) "HIGHLY EFFICIENT NEW RESIDENTIAL CONSTRUCTION" MEANS A NEW SINGLE-FAMILY DETACHED RESIDENCE OR NEW MULTI-FAMILY RESIDENCE LOCATED IN COLORADO THAT IS DESIGNED AND CONSTRUCTED TO BE AT LEAST TWENTY-FIVE PERCENT MORE EFFICIENT THAN THE ENERGY CODE, AS DOCUMENTED BY A RECOGNIZED GREEN BUILDING RATING SYSTEM.

(6) "HOME ENERGY AUDIT" MEANS AN INSPECTION, SURVEY, AND ANALYSIS OF A HOME'S STRUCTURE AND SYSTEMS IN ORDER TO QUANTIFY THE BUILDING'S PROJECTED ENERGY CONSUMPTION.

(7) "HOME ENERGY RATING" MEANS AN OBJECTIVE AND STANDARD MEASUREMENT OF A HOME'S ENERGY EFFICIENCY, RELATIVE TO STANDARDS SET BY AN ENERGY CODE, SUCH AS THOSE DEVELOPED BY THE RESIDENTIAL ENERGY SERVICES NETWORK, OR ANY SUCCESSOR ORGANIZATION.

(8) "QUALIFIED HOMEBUYER" MEANS A PERSON THAT HAS SIGNED A SALES CONTRACT TO PURCHASE HIGHLY EFFICIENT NEW RESIDENTIAL CONSTRUCTION AND WILL BE SELLING HIS OR HER EXISTING RESIDENCE IN ORDER TO PURCHASE THE HIGHLY ENERGY EFFICIENT NEW RESIDENTIAL CONSTRUCTION AS HIS OR HER PRIMARY RESIDENCE.

(9) "RECOGNIZED GREEN BUILDING RATING SYSTEM" MEANS A SYSTEM OF RULES FOR COMPARING THE PERFORMANCE OF A WHOLE BUILDING OR BUILDING SYSTEM TO THE ENERGY CODE, TO A PROBLEM, OR TO A TEST CASE THAT SERVES AS A BASIS FOR EVALUATION OR COMPARISON. "RECOGNIZED GREEN BUILDING RATING SYSTEM" INCLUDES, BUT IS NOT LIMITED TO:

(a) THE FEDERAL ENERGY STAR PROGRAM, JOINTLY OPERATED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND THE UNITED STATES DEPARTMENT OF ENERGY, OR ITS SUCCESSOR PROGRAM;

(b) THE JANUARY 2008 VERSION, OR ANY SUCCESSOR STANDARD, OF THE LEED FOR HOMES RATING SYSTEM ADMINISTERED BY THE UNITED STATES GREEN BUILDING COUNCIL OR ITS SUCCESSOR ORGANIZATION;

(c) THE NATIONAL GREEN BUILDING STANDARD, COMMONLY CITED AS ANSI/ICC 700-2008, ESTABLISHED BY THE NATIONAL

ASSOCIATION OF HOME BUILDERS AND THE INTERNATIONAL COUNCIL CODE, OR ANY SUCCESSOR STANDARD; AND

(d) ENERGY AUDITS THAT ARE PERFORMED BY THE ELECTRIC UTILITY, OR ITS DESIGNEE, PROVIDING SERVICE TO THE RESIDENCE.

24-38.5-203. Green building incentive pilot program.

(1) ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, THE GOVERNOR'S ENERGY OFFICE SHALL ESTABLISH AND ADMINISTER A GREEN BUILDING INCENTIVE PILOT PROGRAM IN ACCORDANCE WITH THE REQUIREMENTS ESTABLISHED IN THIS PART 2.

(2) (a) A QUALIFIED HOMEBUYER MAY SUBMIT AN APPLICATION, PROVIDED BY THE GOVERNOR'S ENERGY OFFICE, TO THE GOVERNOR'S ENERGY OFFICE FOR A GRANT TO MAKE ENERGY EFFICIENCY IMPROVEMENTS TO HIS OR HER EXISTING RESIDENCE THAT HE OR SHE IS SELLING IN PREPARATION FOR PURCHASING A HIGHLY EFFICIENT NEW RESIDENTIAL CONSTRUCTION.

(b) THE GOVERNOR'S ENERGY OFFICE SHALL AWARD GREATER GRANTS TO QUALIFIED HOMEBUYERS WITH RESIDENCES THAT HAVE HOME ENERGY RATINGS OR HOME ENERGY AUDITS SHOWING GREATER INEFFICIENCY.

(3) THE ENERGY EFFICIENCY IMPROVEMENTS SHALL BE PERFORMED BY CONTRACTORS APPROVED BY THE GOVERNOR'S ENERGY OFFICE AS SPECIFIED IN SUBSECTION (6) OF THIS SECTION.

(4) THE GOVERNOR'S ENERGY OFFICE SHALL REQUIRE THE QUALIFIED HOMEBUYER TO SUBMIT DOCUMENTATION:

(a) THAT THE ENERGY RATING OF THE QUALIFIED HOMEBUYER'S EXISTING RESIDENCE IS BELOW THE ENERGY CODE;

(b) THAT THE QUALIFIED HOMEBUYER HAS ENTERED INTO A CONTRACT TO PURCHASE A HIGHLY EFFICIENT NEW RESIDENTIAL CONSTRUCTION;

(c) OF THE ESTIMATED COMPLETION DATE OF THE QUALIFIED HOMEBUYER'S HIGHLY EFFICIENT NEW RESIDENTIAL CONSTRUCTION;

(d) OF THE NAME OR NAMES OF THE CONTRACTORS THAT WILL PERFORM THE ENERGY EFFICIENCY IMPROVEMENTS; AND

(e) THAT THE HIGHLY EFFICIENT NEW RESIDENTIAL CONSTRUCTION MEETS THE DEFINITION SPECIFIED IN SECTION 24-38.5-202 (5). THE HOMEBUYER MAY SEEK SUCH DOCUMENTATION FROM THE HOMEBUILDER, WHO MAY THEN SUBMIT THE DOCUMENTATION ON BEHALF OF THE QUALIFIED HOMEBUYER.

(5) ENERGY EFFICIENCY IMPROVEMENTS MADE TO AN EXISTING RESIDENCE SHALL BE COMPLETED IN A MANNER THAT IS CONSISTENT WITH A HOME ENERGY RATING OR A HOME ENERGY AUDIT. RETROFITS AND UPGRADES TO IMPROVE THE ENERGY EFFICIENCY OF A QUALIFIED HOMEBUYER'S EXISTING RESIDENCE SHALL BE COMPLETED BEFORE THE CLOSING OF THE SALE OF SAID RESIDENCE.

(6) THE GOVERNOR'S ENERGY OFFICE SHALL CREATE A LIST OF CONTRACTORS ELIGIBLE TO PERFORM THE ENERGY EFFICIENCY IMPROVEMENTS TO THE QUALIFIED HOMEBUYER'S EXISTING RESIDENCE.

(7) IN ORDER TO CONFIRM THAT THE QUALIFIED HOMEBUYER MET THE REQUIREMENTS OF THE PILOT PROGRAM, THE QUALIFIED HOMEBUYER SHALL SUBMIT TO THE GOVERNOR'S ENERGY OFFICE COPIES OF CLOSING DOCUMENTATION FOR THE HIGHLY EFFICIENT NEW RESIDENTIAL CONSTRUCTION NO LATER THAN THIRTY DAYS AFTER THE CONSTRUCTION IS COMPLETE. IF CONSTRUCTION IS DELAYED AND NOT COMPLETED BY THE ESTIMATED COMPLETION DATE, THE GOVERNOR'S ENERGY OFFICE MAY GRANT A WAIVER OR EXTENSION FOR THE PRODUCTION OF THIS DOCUMENTATION.

(8) IF THE PURCHASE OF THE HIGHLY EFFICIENT NEW RESIDENTIAL CONSTRUCTION IS NOT FINALIZED, INCLUDING BUT NOT LIMITED TO THE CANCELLATION OF THE SALE BY THE QUALIFIED HOMEBUYER OR THE FAILURE OF THE QUALIFIED HOMEBUYER TO SECURE FINANCING, THE QUALIFIED HOMEBUYER SHALL REIMBURSE THE TOTAL AMOUNT OF THE GRANT TO THE GOVERNOR'S ENERGY OFFICE WITHIN THIRTY DAYS AFTER SUCH CANCELLATION OR FAILURE.

(9) FUNDING FOR THE PILOT PROGRAM SHALL BE PROVIDED FROM FEDERAL FUNDS TRANSFERRED TO THE GOVERNOR'S ENERGY OFFICE, INCLUDING, BUT NOT LIMITED TO, THOSE PROVIDED BY THE

FEDERAL "AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009",
PUB.L. 111-5, THAT THE GOVERNOR'S ENERGY OFFICE HAS ALREADY
RECEIVED PRIOR TO THE EFFECTIVE DATE OF THIS SECTION OR WILL
RECEIVE AFTER THE EFFECTIVE DATE OF THIS SECTION. THE
GOVERNOR'S ENERGY OFFICE MAY REQUIRE ADDITIONAL
DOCUMENTATION OR INFORMATION FROM THE QUALIFIED HOMEBUYER
AS REQUIRED TO SECURE ANY ADDITIONAL FEDERAL FUNDS.

2.SECTION Safety clause. The general assembly hereby
finds, determines, and declares that this act is necessary for the
immediate preservation of the public peace, health, and safety.