LEGISLATIVE INITIATIVE

GENERAL SUBJECT AREA -- TITLE OF PROPOSAL:

Mandate revised statewide building energy efficiency standards or allow local jurisdictions to set stronger building energy efficiency standards and require commercial buildings and multi-unit residential facilities to publicly report energy use intensity.

PROPOSAL:

To mandate revision of the Uniform Statewide Building Code (USBC) to adopt the most current International Construction Code building energy efficiency standards, or to permit local jurisdictions to set more stringent standards than the USBC for new construction and major renovation of commercial and multi-unit residential buildings, and to require energy intensity benchmarking of commercial and multi-unit residential buildings..

SOURCE:

EQAC July 2024

Other sources:

Fairfax county's 2022, 2023 and 2024 <u>legislative agenda</u> called for either statewide adherence to the most current building energy efficiency codes or to permit local jurisdictions to require more stringent codes within their jurisdiction. The 2024 legislative agenda asks for local authority to require more stringent energy efficiency and climate standards for new commercial construction and major commercial building renovation.

 The state should modernize state building codes by adopting the International Green Construction Code (IgCC), the full provisions of the International Energy Conservation Code (IECC), and the energy provisions of the International Residential Code (IRC) without weakening amendments. Additionally, the state should provide localities more flexibility to increase energy efficiency and improve resilience to climate change impacts, by adopting stronger local standards and implementing energy efficiency and utilization disclosure/benchmarking.

<u>SB 409</u> Energy efficiency and climate standards; more stringent energy efficiency and climate requirements. Introduced 2024, defeated in Senate Committee on Local Government

Energy efficiency and climate standards; more stringent energy efficiency and climate requirements. Allows a locality by ordinance to adopt and require compliance with stretch codes, as defined in the bill, for the construction or rehabilitation of buildings within the locality that are in addition to or more stringent than those in the Uniform Statewide Building Code and use them as an alternative means of compliance with a

locality's building requirements. The bill requires periodic review of the codes and allows the locality to make amendments.

<u>SB 452</u> Local governments; additional powers, energy efficiency of buildings. Introduced 2022, defeated in Senate Committee on Local Government

Requires the Board of Housing and Community Development to adopt optional building energy efficiency standards and allows localities to adopt and enforce these standards. The bill allows localities to require disclosure of energy use intensity (EUI) information to prospective buyers, lessees, and lenders at the point of sale, and to require an energy audit for the building prior to the completion of the sale if there is insufficient available data or upon request. The bill allows localities to implement energy benchmarking, requiring utilities to collect and report energy use data for covered buildings to owners, and to require utilities to maintain 12 months of aggregated data for any building with an active utility account. The bill permits localities to create a scorecard program using Energy Star Portfolio Manager and require owners to disclose data to it, subject to program guidelines. The bill allows localities to incentivize owners, operators, and agents of certain buildings to report EUI information and reduce EUI amounts. The bill allows localities to set EUI requirements for certain buildings and develop local incentive programs.

<u>HB 905</u> Energy efficiency standards; more stringent energy efficiency requirements. Introduced in 2022, left in House Committee on Counties, Cities and Towns.

Allows a locality by ordinance to create and require stretch codes, defined in the bill as energy efficiency standards that are in addition to or more stringent than those in the Uniform Statewide Building Code, and use them as an alternative means of compliance with a locality's building requirements. The bill requires periodic review of the codes and allows the locality to make amendments.

BACKGROUND:

The Uniform Statewide Building Code, (VA Code section 36-97 et seq,) does not sufficiently emphasize energy conservation and efficiency in new construction. Buildings in the US are estimated to produce 40% of US carbon dioxide emissions and are responsible for 41% of energy consumption. Reducing these numbers will make it easier to achieve VA Clean Economy Act goals, as well as local goals such as Fairfax County's Climate-wide Energy and Climate Action Plan (CECAP). This proposed legislation would require that the Department of Housing and Community Development (DHCD) to adopt the most current International Construction Codes for building energy efficiency, such as those of the International Green Construction Code (IgCC). The International Green Construction Code is a collaborative effort of several professional organizations, including the American Institute of Architects (AIA); the American Society of Heating, Air Conditioning Engineers (ASHRAE), the International Code Council (CIC), the Illuminating Engineering Society (IES); and the US Green Building Council (USGBC).

Fairfax's Communitywide Energy and Climate Action Plan (CECAP) found that 48% of the county's greenhouse gas emissions come from buildings. **Strategy 3: Implement Green**

Building Standards for New Buildings, specifically calls for (Action 3a) Increase Building Code Stringency for Residential and Commercial Buildings. It notes that energy codes provide an extremely fast payback (often under 1 year).

Other considerations: Virginia adopts new building energy codes at the state **Building energy codes** set minimum efficiency requirements for new and renovated buildings. By establishing baseline requirements during building construction, buildings use less energy, are more comfortable, and cost less to operate. It is also easier to increase the efficiency of a building during its construction than to try and do so after the fact.

Benchmarking building energy use intensity.

Benchmarking is the practice of collecting building energy use data, tracking energy use over time, and using this data to compare a building's energy use to that of a similar structure. When combined with transparency laws requiring this information to be shared with prospective buyers, benchmarking becomes a valuable resource to spur owners to make their buildings more efficient and help purchasers and renters make smart, energy-efficient decisions about where to live and what properties to buy.

PROS/CONS OF THE ISSUE:

Requiring State-wide implementation of the most current ICC building energy efficiency codes for new commercial and multi-unit residential buildings would create a level field for all builders. Maryland and DC already meet these standards, so most builders are familiar with and have experience building to these codes. No builder is placed at a competitive disadvantage by building to enhanced environmental standards, even if such may initially increase construction costs. Any additional costs to the consumer due to higher construction costs should be offset by savings in utility bills over the life of the building, as well as by assisting in lowering the potential financial impact that climatic change can cause (e.g., from storm damage.) If legislation mandating statewide codes, an alternative supported by Fairfax county's 2022, 2023 and 2024 legislative agendas is legislation authorizing local jurisdictions to adopt standards more stringent than the USBC. Legislation proposed in 2024 and 2022 would have required the DHCD to establish a "stretch" energy efficiency standard that local jurisdictions could adopt. That way, all local jurisdictions that adopted the stretch codes would be uniform. Benchmarking the energy intensity of commercial buildings is widely used nationwide and has been shown to reduce average energy use in benchmarked buildings.

POSSIBLE SUPPORT OR OPPOSITION BY ORGANIZATIONS:

Environmental groups actively support this legislation. The Virginia Conservation Network, which includes over 150 Network Partners across the Commonwealth (<u>full list of Network Partners</u>), supported these legislative proposals. Environmental groups in Fairfax, the Sierra Club Great Falls and Faith Alliance for Climate Solutions, have led local and state-wide efforts. Associations of government building inspectors support such laws and regulations. Fairfax county and the Virginia Association of Counties have supported such laws and regulations.

Builders will object to having to change building practices, as well as to possible increased construction costs. The greatest pushback against past proposed legislation in Virginia has

come from home builders. The proposed legislation does not cover single family residential buildings. This should reduce the opposition of the home builders, who have successfully blocked past legislative proposals to incorporate more rigorous building energy efficiency standards for all new construction.

STAFF RECOMMENDATION:

(Do not fill out-- This will be indicated by the Legislative Director and County Executive)