American Council for an Energy-Efficient Economy
529 14th Street, N. W., Suite 600 Washington, D.C. 20045 202.507.4000 202.429.2248 www.aceee.org

Excerpted from Jennifer Amann's 02/26 Testimony to the Senate Energy and Natural Resources Committee

***Building Energy Disclosure**:* Building owners and potential purchasers and renters rarely have access to the information they need to understand the energy efficiency of a given building and opportunities for improvement. This information can motivate owners to upgrade their buildings, and help prospective buyers and tenants select more efficient buildings. Through the Energy Star buildings and new homes programs, EPA has a good track record in this area. Moving forward, a more comprehensive and effective building energy use disclosure program can have a much greater impact.

We recommend that EPA and/or DOE develop a rating system designed primarily to help home buyers and renters compare the energy efficiency of homes, and rating systems to help buyers and tenants compare the energy efficiency of commercial buildings of the same type. The rating systems should include an operational component based on estimated or actual source energy use (adjusted for weather and operating conditions) and an asset component based on the construction, envelope and major energy systems. The rating methods may be different for new and existing buildings but should attempt to yield comparable ratings. Existing ratings such as the Home Energy Rating System and the Energy Star benchmarking system for commercial buildings may be the basis for these ratings. To ease comparisons, the rating systems should include the efficiency of a similar building that meets the model building energy code as of the date of the rating and of a similar building that meets Energy Star criteria.

These rating systems should form the basis for building energy disclosure requirements. Rating and public disclosure of building energy consumption should be required for all public buildings. For privately-owned buildings, disclosure should be encouraged for the parties to a purchase, finance or lease transaction along with annual disclosure of operational ratings to tenants of large buildings. The program should include provisions for DOE and EPA to work with states, counties and local governments to implement programs that encourage building owners to have publicly accessible certificates showing the individual building's performance relative to similar buildings, the building's energy efficiency potential, and the location and type of transit services within walking distance of the building.

If implemented, building disclosure will directly save approximately 8.2 billion kWh of electricity and 68 billion cubic feet of direct natural gas, with carbon emissions reductions totaling approximately 2.7 million metric tons in 2030. The policy would also yield significant direct economic benefits including energy bill savings for customers of $580 million in 2030. These are only direct benefits from assessments conducted under the program. In addition, the increased number and quality of building engineers and technicians will enable substantial additional energy savings which we have not attempted to quantify.