

Public Hearing – March 5, 2020

Energy and Technology Committee

Testimony Submitted by Commissioner Katie S. Dykes

House Bill 5008 - An Act Concerning the Establishment of High Performance Green Building Standards for Voluntary Adoption by Municipalities.

Good morning Senator Needleman, Representative Arconti, Senator Formica, Representative Ferraro and members of the Energy and Technology committee. Thank you for the opportunity to present testimony regarding House Bill 5008 - **An Act Concerning the Establishment of High Performance Green Building Standards for Voluntary Adoption by Municipalities.** The purpose of this bill is to provide Connecticut’s 169 municipalities with the option to adopt a “stretch” building code incorporating green building standards developed by the Department of Energy and Environmental Protection through regulation.

The Department of Energy and Environmental Protection **supports** this bill because it offers municipalities a tool to adopt building codes that better safeguard the environment, public health and the general welfare by improving the sustainability of buildings.

The building sector is responsible for approximately 31 percent of total GHG emissions in Connecticut. Heating, ventilation and air conditioning comprise 60 percent of all building energy consumption. Over 80 percent of our households and commercial and industrial buildings are heated with fossil fuels. According to the 2018 report of the Governor’s Council on Climate Change, *Building a Low Carbon Future for Connecticut*, emissions from the building sector must be reduced by 34 percent to meet the state’s economy-wide GHG reduction target, established by Public Act 18-82, of 45 percent below 2001 levels by 2030.

In 2019, to help the state meet these building sector emission reduction targets, the legislature directed DEEP to develop High Performance Building Standards to improve the performance of state-funded facilities. This proposed bill would allow municipalities the ability to adopt these standards—often referred to as a “stretch code”—as an addition to the Connecticut State Building Code. If a municipality adopts this stretch code, buildings in that jurisdiction would be required to comply with the stretch code.

Other States with Stretch Codes

Numerous other states have given municipalities the ability to adopt stretch codes to improve building performance. Massachusetts has had a stretch code since 2009 and 278 towns have adopted it. New York recently published its stretch code, NYStretch Energy Code 2020. In addition, Vermont, Rhode Island, District of Columbia, and Maryland also have some version of a stretch code. Maine will adopt its stretch code by July 1, 2020.

Costs

Stretch codes are designed so that incremental costs are offset by a reduction in operating costs. For example, for the stretch code adopted by New York State, the incremental cost for residential

buildings is \$1,795 per unit, with annual energy savings of \$278, for a simple payback period of 6.4 years. The analysis for New York State found that for a large office building the incremental first cost is \$0.31 per square foot with a simple payback from energy savings of 3.27 years. The analysis found that full-service restaurants have the highest incremental cost at \$4.29 per square foot, but a simple payback of 4.6 years.

Incentives

While any additional initial costs of stretch code compliance could be a burden, incentives are offered through the state's Conservation and Load Management (C&LM) Plan for both commercial and residential new construction. For residential new construction, the C&LM Plan currently has incentives of up to \$4,500 for single family residences and \$2,500 per unit for multifamily residences. For commercial new construction, the C&LM Plan currently offers assistance up to \$20,000 to do the modeling of a more efficient building and covers up to 95 percent of the incremental cost of the energy improvements.

Conclusion

This legislation is an important and cost-effective pathway to meeting the state's climate goals related to buildings sector emissions. Given the very long life of a building, it makes sense to ensure that buildings are built to be efficient and sustainable from the outset, as achieving emissions and energy savings at the beginning locks in savings over decades. We know from other jurisdictions that this type of policy is not only feasible, but also saves people and businesses money over time.

Thank you for the opportunity to present testimony on this proposal. Should you have any questions, please do not hesitate to contact Mandi Careathers, the Department's legislative liaison, at Mandi.Careathers@ct.gov.