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**Technology, Energy & Communications  
Committee**

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**E2SSB 5854**

**Brief Description:** Reducing climate pollution in the built environment.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Kilmer, Pridemore, Ranker, Rockefeller, Marr, Fraser, Kohl-Welles, Kline, Murray and Keiser).

**Brief Summary of Engrossed Second Substitute Bill**

- Establishes performance standards, benchmarking, and other reporting requirements for public buildings.
- Requires utilities to record and upload energy consumption data for public buildings and non-residential buildings.
- Provides that residential and non-residential construction permitted under the 2031 State Energy Code must achieve a 70 percent reduction in annual net energy consumption, using the 2006 State Energy Code as a baseline.

**Hearing Date:** 3/18/09, 3/19/09

**Staff:** Kara Durbin (786-7133)

**Background:**

State Energy Code.

The State Energy Code (Code) is part of the State Building Code, which sets the minimum construction requirements for buildings in the state. The Code provides a minimum level of energy efficiency for residential and non-residential buildings, but allows flexibility in building design, construction, and heating equipment efficiencies.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The State Building Code Council (Council) maintains the Code and may amend the Code by rule. The Code was last amended in 2006. The deadline for the proposed 2009 changes to the Code is March of 2009.

### Energy Star.

In 1992 the U.S. Environmental Protection Agency introduced Energy Star as a voluntary labeling program designed to identify and promote energy efficient products. Since its inception in 1992, the Energy Star program has expanded to include technical information and energy management tools.

One of the energy management tools offered by Energy Star is called the Portfolio Manager program. The Portfolio Manager program is used to track and assess energy and water consumption for an individual building or an entire building portfolio. Energy consumption and cost data can be entered into a Portfolio Manager account to track energy performance, assess energy management goals, and identify areas for savings.

Another tool offered by Energy Star is the National Energy Performance Rating System. This rating system is a type of external benchmark that assesses how efficiently a particular building uses energy, as compared to similar buildings nationwide. The rating system ranges from one to 100. A rating of 50 indicates average energy performance, while a rating of 75 or better indicates above-average energy performance.

### Climate Action Team.

The Climate Action Team (CAT), a broad-based group of Washington business, academic, tribal, state and local government, labor, religious, and environmental leaders worked throughout 2007 and 2008 to develop a comprehensive set of state-level policy recommendations that are intended to help meet the state's mandatory requirements for reducing greenhouse gas emissions to 1990 levels by 2020, and 50 percent below 1990 levels by 2050.

The CAT focused its efforts in four areas through Implementation Work Groups: the built environment, transportation, reducing the waste stream, and the role of the State Environmental Policy Act.

The Energy Efficiency and Green Buildings (EEGB) Implementation Work Group's objective was to identify actions that could result in significant emission reductions in Washington's built environment, both directly through reduced use of fossil fuel-based energy and indirectly by reducing the use of greenhouse gas emissions intensive products.

The EEGB made three recommendations to the CAT in its final report:

1. Incentive-based approaches should be established to encourage the design, construction, and operation of buildings with superior energy performance, as well as to encourage the use of combined heat and power, distributed electricity generation, and other distributed and district energy and water systems.
2. The energy efficiency of public buildings should be upgraded through performance standards, benchmarking requirements, and other measures.

3. The State Energy Code should be revised to achieve a 30 percent reduction in new building energy use, and a long-term state building and carbon reduction strategy should be established.

### **Summary of Bill:**

#### State Energy Code.

The State Energy Code (Code) for residential and non-residential buildings must reflect the 2006 edition of the Code, or as it may be amended by the State Building Code Council (Council) by rule. Existing technical standards for residential buildings, which have been superseded by rule, are removed.

Residential and non-residential construction permitted under the 2031 Code must achieve a 70 percent reduction in energy use, using the 2006 Code as the baseline. The Council must adopt state energy codes between 2013 and 2031 that incrementally move the state towards achieving the 2031 Code standards. If the Council determines that economic, technological, or process factors would significantly impede adoption of or compliance with the proposed energy codes, the Council may defer implementation.

#### Energy Efficiency Strategic Plan.

The Department of Community, Trade and Economic Development (CTED) must develop and implement a strategic plan for enhancing energy efficiency and reducing greenhouse gas emissions from homes, buildings, districts and neighborhoods. This plan must be used to direct future increases in the Code. The plan will identify barriers to achieving net zero energy use in homes and buildings and identify how to overcome those barriers in updated energy codes and policies. The Council and the CTED must convene a work group to inform the initial development of the strategic plan. The plan must be completed by December 31, 2010.

#### Energy Consumption Data.

Beginning January 1, 2010, qualifying utilities must maintain records of energy consumption data for all non-residential and qualifying public agency buildings for which they provide service. Upon receiving authorization from a non-residential building owner or operator, the qualifying utility must upload all of the energy consumption data associated with that building to the Portfolio Manager. Non-public, non-residential building performance data must be uploaded either in 2011 or 2012, depending on the size of the building. This data must be disclosed to a prospective buyer, lessee, or lender.

#### Energy Benchmarks.

By January 1, 2010, the Department of General Administration (GA) must establish a State Portfolio Manager Master Account.

By July 1, 2010, each qualifying public agency must: (1) create an energy benchmark using a portfolio manager; (2) report the rating for each reporting public facility; and (3) link all portfolio manager accounts to the State Portfolio Manager Master Account.

Any reporting public facility with a National Energy Performance Rating score below 50 must undertake a preliminary energy audit by July 1, 2011. If potential cost-effective energy savings are identified, an investment grade energy audit must be completed by July 1, 2013, with implementation of the cost-effective energy conservation measures by July 1, 2016.

The GA must review the viability of relocation for any facility leased by the state that has a National Energy Performance Rating (Rating) score below 50. Buildings that are not covered by the Rating score must undertake a preliminary energy audit by July 1, 2012. If cost-effective energy savings are identified, an investment grade energy audit must be completed by July 1, 2013.

**Appropriation:** None.

**Fiscal Note:** Available on substitute bill. New fiscal note on engrossed second substitute bill requested on March 13, 2009.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.