

## STATE OF MAINE OFFICE OF THE GOVERNOR 1STATE HOUSE STATION AUGUSTA, MAINE 04333-0001

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## TESTIMONY BEFORE THE ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE

An Act to Support Lower Home Energy Costs by Establishing a Home Energy Scoring System L.D. 1101

## GOVERNOR'S ENERGY OFFICE March 30, 2023

Senator Lawrence, Representative Zeigler, and Members of the Joint Standing Committee on Energy, Utilities and Technology (EUT): My name is Caroline Colan, and I am the Legislative Liaison for the Governor's Energy Office (GEO).

The GEO supports the general concept behind this bill: to develop or adopt a home energy scoring or labeling system for residential buildings in Maine that can be used to evaluate a building's energy efficiency and relative greenhouse gas emissions. A tool that can provide a clear picture of a building's energy assets and usage and that is easily comparable across markets, may motivate homeowners, buyers, and sellers to improve home energy performance and achieve lower energy costs. The GEO would like to work with the sponsor, the Efficiency Maine Trust, and others to ensure such a system is developed in a manner that does not create additional barriers or increased costs to entry to existing efficiency and weatherization programs offered by Maine organizations, and suggests making the use of such a scoring or labeling system voluntary.

There are several existing tools and models designed for these efforts in use today. The U.S. Department of Energy (DOE), in collaboration with the national laboratories, developed the Home Energy Score through its Better Buildings program. A Home Energy Score Report presents an easy to navigate score on a one-to-ten scale—with ten being the most efficient—that estimates home energy use, emissions, associated costs, and provides suggested energy solutions to cost-effectively improve home efficiency. The intent of this tool was to create a system that allows homeowners, buyers, and renters to directly compare credible information about a home's energy usage across the housing market. There are also other models designed to increase awareness of a home's efficiency, such as the RESNET HERS Index which has broad use across the country. An empirical study published by ACEEE has shown that including home energy efficiency scores in online real estate listings leads buyers to choose more efficient homes with lower energy costs.<sup>2</sup>

The GEO suggests the following considerations regarding the design and implementation of a home energy scoring or labeling system in Maine:

• Existing tools with broad national usage, such as DOE's Home Energy Score and the RESNET HERS index should be evaluated for use in Maine. Adoption of one of these tools, rather than a

<sup>&</sup>lt;sup>1</sup> https://www.energy.gov/eere/buildings/articles/home-energy-score

<sup>&</sup>lt;sup>2</sup> https://www.aceee.org/research-report/b2002

new tool used only in Maine, would allow for valuable data collection and comparison to other states.

- The proposed legislation would require an energy auditor to conduct a home energy score as part of a home energy audit. Today, energy auditors and home inspectors, among others, can participate in DOE's Home Energy Score Assessors training to be able to provide the DOE Home Energy Score. The GEO suggests maintaining flexibility regarding the entity that could perform a home energy score assessment, seeking ways to ensure those conducting energy assessments are properly trained on the systems by which a score is provided.
- Currently, prospective tenants in Maine have the right to obtain energy consumption and cost data for a unit if they will be paying utility costs,<sup>3</sup> but it's unknown how frequently this information is shared. There is a particularly clear energy information gap between landlords and tenants. Development and use of a score should take this gap into consideration.
- The GEO would discourage requiring energy audits as a prerequisite to participating in existing
  efficiency and weatherization programs offered in Maine. Though not disputing the value an
  energy audit can provide, they can add an additional cost and barrier to entry to completing an
  efficiency or weatherization project in a home, particularly for low- and moderate-income
  dwelling occupants.

A home energy scoring or labeling system could provide important baseline and standardized information that may better inform state policy regarding home efficiency and weatherization programming and goals, as well as provide comparable information to homeowners, buyers, and renters that may facilitate lower energy costs. The GEO would like to work with the sponsor, Efficiency Maine Trust, and other interested parties to identify a voluntary system that could provide this type of information.

Thank you for your consideration.

Caroline Colan, Legislative Liaison

Governor's Energy Office

<sup>&</sup>lt;sup>3</sup> https://www.mainelegislature.org/legis/statutes/14/title14sec6030-C.html