

## CLIMATE SOLUTIONS PORTFOLIO

### #9: Upgrade Buildings for Energy Efficiency at Point of Sale

#### Proposed Measure

A commitment to introduce a Green Building Code was made in the Throne Speech, and is being developed through the office of Housing and Construction Standards. An equally important challenge is how to make BC's existing building stock more energy efficient.

In 1982, San Francisco introduced a Residential Energy Conservation Ordinance (RECO), under which a seller, before transfer of title can occur, must have an energy inspection verifying that all applicable conservation applications have been installed to meet or exceed California's Title 24 Energy Codes.

Sellers are not required to spend more than 1% of the purchase price or assessed value, and buyers and sellers may negotiate the responsibility for the upgrade, as long as the changes are made within 180 days of transfer of title. RECO's mild regulatory approach has been successfully normalized in the Bay Areas housing market, and has been highly effective at reaching older housing stock and marginal elements of the private rental market. Using RECO, since 1987 Berkeley (pop'n 104,000) has reduced its residential energy consumption by 13%, saving 5,098 tons of CO<sub>2</sub> a year, saving households up to \$450 a year on their energy with payback in two years.

To accelerate the energy efficiency upgrading of BC's existing building stock, the BC government could:

- (a) Phase in a province-wide RECO, making the energy/water efficiency aspects of the Green Building Code mandatory for all residential and commercial buildings upon sale, transfer, or renovation exceeding a total permit value of \$20,000. Start in CRD, GVRD, FVRD, Nanaimo, Kelowna, and Kamloops.
- (b) Make the RECO performance-based as well as prescriptive, allowing the use of EnerGuide as a tool.
- (c) Match all federal ecoENERGY grants, as in Ontario, where (eg) the installation of a ground-source heat pump earns a grant of \$7,000. Do not limit the investment to 1% of the assessed value (as above)
- (d) Extend the PST exemption on alternative energy equipment to equipment associated with an upgrade.
- (e) Create a loan guarantee fund enabling private financial institutions to offer energy upgrade loans.
- (f) Empower BC Hydro to issue energy upgrade loans.

#### Benefits

- (a) Greenhouse gas emissions associated with buildings would be steadily reduced.
- (b) BC businesses offering building efficiency technologies and services would expand to meet the demand.
- (c) Home-owners and landlords would feel supported in the process of upgrading, and enjoy lower energy bills following the upgrade.
- (d) Businesses would have lower ongoing fuel costs, allowing them to be more successful in the market.
- (e) The RECO itself carries no cost to government.

#### Execution Plan

##### Actions by staff:

- Building and Safety Policy Branch: Study Berkeley's RECO, and prepare recommendations for Cabinet

##### Areas for Cabinet approval:

- Agreement in principle that this approach should be supported.
- Empower BC Hydro to issue energy upgrade loans

**Resources:** [www.ci.berkeley.ca.us/sustainable/residents/ResSidebar/RECO.html](http://www.ci.berkeley.ca.us/sustainable/residents/ResSidebar/RECO.html)  
[www.nycclimatesummit.com/casestudies/building/bldg\\_berkeley.html](http://www.nycclimatesummit.com/casestudies/building/bldg_berkeley.html)