

# BEND HOME ENERGY SCORE PROGRAM DETAILS –

As part of the 2019 Bend Community Climate Action Plan to reduce community greenhouse gas emissions, the City of Bend is developing a Home Energy Score Program. This document outlines additional details about the program and how it will work.

## Background

The Bend Community Climate Action Plan (CCAP), adopted in 2019, created a roadmap to achieve the City of Bend’s greenhouse gas reduction goals of 40% by 2030 and 70% by 2050. Energy in buildings contributes 54% of emissions in Bend, making it the largest area of opportunity for greenhouse gas reductions and a top priority for climate action. Residential energy use contributes the majority of building emissions in Bend at 29% of the total greenhouse gas emissions in the community. Encouraging residential energy efficiency and renewable energy is critical achieving Bend’s climate action goals.

One of the key actions in the CCAP to promote residential energy efficiency is action EB3A: Develop a home energy score (HES) program that allows homes to be compared based on their energy use and energy efficiency, leveraging industry stakeholders, the US Department of energy standard home energy scoring tools, and industry best standards.

### Energy in Buildings

Table 2. Energy in Buildings - Climate Action Strategies

Implementation Actions	Implementation Responsibilities	Progress Metric	Target	Cumulative Emission Reductions Potential* <small>(each circle below represents 200,000 metric tons of emissions)</small>	Savings or Expenditure Range <small>(per metric ton of emissions reduced)</small>	Co-benefits
<b>STRATEGY: EB3 - Implement benchmarking and disclosure programs for energy performance</b>						
<b>EB3A – Develop a home energy score program</b> that allows homes to be compared based on their energy use and energy efficiency, leveraging industry stakeholders, the U.S. Department of Energy standard home energy scoring tools, and industry best practice.	Lead:  Partners: 	<ul style="list-style-type: none"> <li>Number and percentage of housing units with energy scores available.</li> <li>Trend of average Home Energy Score.</li> </ul>				
<b>EB3B – Develop voluntary disclosure and benchmarking programs</b> for public and commercial buildings that allow them to track, report, and make their energy use public. Develop rules and requirements with input from industry stakeholders and community.	Lead:  Partners: 	<ul style="list-style-type: none"> <li>Number and percentage of buildings participating in the program.</li> <li>Average energy trends of buildings participating in the program.</li> </ul>	Annual reduction of 3,000 MWh and 200,000 therms.			
<b>EB3C – Support and expand low cost energy audit programs.</b> Identify barriers to utilizing existing programs and ways to address them.	Lead:  Partners: Not yet identified	<ul style="list-style-type: none"> <li>Baseline number of audits per year.</li> <li>Number and percent growth in baseline number of audits delivered.</li> </ul>				

A home energy score is a numerical energy performance rating that assesses the energy efficiency of a home that accounts for a home’s assets, including its physical properties, equipment, and building envelope. Like a miles per gallon rating for a vehicle, a home energy score provides information about how efficiently the home uses energy to homebuyers, which can inform their purchase decision. As energy and utility costs are a significant portion of cost of living, transparency around the energy performance of a home is an important factor in ensuring residents are selecting homes that will be affordable to live in over time. While



consumers can request utility cost data about the current homeowners energy costs, this information is much less useful than an energy score, as occupant energy use behavior varies greatly and the home energy score eliminates the impact of occupant behavior. Analogously, the miles-per-gallon rating on a car is much more informative than the volume of gasoline the previous owner bought per month. Home energy score report cards also include information about upgrades consumers can make to improve the efficiency of the home, providing a low-cost, streamlined way for sellers and buyers to consider making energy efficiency improvements.

## **The Rating System**

The U.S Department of Energy (US DOE) designed and launched the federal Home Energy Score Program in 2012 as part of the Better Buildings Initiative, recognizing the need in the marketplace for a consistent and reliable label to compare the efficiency of homes. After extensive consumer research, software development, pilot studies, and focus groups, the US DOE established a standardized methodology and tools for analyzing, scoring and reporting home assets. Communities around the country can establish a partnership with US DOE to create a local Home Energy Score program and leverage the standard tools and process that US DOE has created. However, in Oregon, the Oregon Department of Energy (ODOE) established a partnership with the US DOE an effort to streamline the various energy scoring efforts in Oregon and develop a statewide framework for consistency and to bring the benefits of the Home Energy Score to all Oregon communities with minimal barriers. ODOE has entered into an agreement with the US DOE as a proxy partner for Oregon communities and is responsible for meeting the requirements of the partnership, eliminating those requirements for smaller cities. ODOE also partners with Earth Advantage to serve all assessor onboarding, training, quality assurance, and data hosting services as part of the partnership requirements. For these services, Earth Advantage receives \$25 of the home energy assessment cost, paid through the assessment fee collected by the assessors. Currently, three other cities in Oregon (Hillsboro, Portland, and Milwaukie) have home energy score programs that include mandatory disclosure of the HES report at the time of sale of a home.

## **Home Energy Score Program Details**

### *Home Energy Score Requirement*

All covered buildings that are being listed publicly for sale are required to obtain a home energy score from a state licensed home energy assessor. A copy of the home energy score must be provided to all licensed real estate agents and brokers working on the sale of the building on the seller's behalf. During the time that the covered building is listed publicly for sale, the home energy score must be included in all real estate listings and made available to all prospective buyers who visit the building. The home energy score of a building will be valid for eight years. Title transfers that do not include publicly listing the home for sale (i.e transfer of title pursuant to inheritance, change of title pursuant to marriage or divorce, etc.) are not required to obtain the home energy score.

A covered building includes any residential structure containing a single dwelling unit, regardless of size, on its own lot, or any attached single dwelling unit, regardless of whether it is located on its own lot, where each unit extends from foundation to roof, such as a row house, attached house, common-wall house, duplex, or townhouse. "Covered building" does



not include detached accessory dwelling units, manufactured dwellings, stacked condominiums or dwelling units where the unit does not extend from foundation to roof, or single dwelling units used solely for commercial purposes.

### Exemptions

Certain sales of covered buildings are exempt from the requirement of obtaining a home energy score, including sales that occur through involuntary change of titles (i.e. transfer of title pursuant to inheritance, change of title pursuant to marriage or divorce, etc.) or where compliance would cause undue hardship (i.e. trustees sale, deed-in-lieu of foreclosure sale, etc.)

### Newly constructed identical covered buildings

A unique Home Energy Score Report will be produced by the assessor for each new house constructed in the same geographic area and with identical design documents and features. However, since only the unique elements of the home will need to be changed for each report (i.e. address, building direction), getting many assessments at once for identical homes can typically be streamlined to realize efficiencies in the cost and time to receive scores.

### New Construction Assessments

New construction has the option of obtaining and using a pre-construction Home Energy Score, since much of new construction sells before the home is complete. Authorized home energy assessors are trained in a new construction assessment protocol that uses the construction documents to get the information needed for the Score.

### Low Income Assistance

The City may cover the cost of obtaining a home energy score if the seller has been deemed eligible to participate in a low-income assistance program offered by the City or another governmental entity. The City will make this program as low barrier as possible to participate in for the seller or their broker. The City will try and establish a program that allows the City to directly pay the contractor for the assessment, eliminating the need for the seller to provide the cost upfront. Alternatively, the City will try to establish a partnership with a trusted third party to manage reimbursements if it can do so more easily for the seller.

### Trigger Event

Options to trigger the home energy score requirement include a time-of-listing or time-of sale. A time-of-listing policy, which requires the home energy score to be obtained before listing and made publicly available at the time of listing is recommended as it has several advantages. The primary advantage of a time-of-listing policy is that provides residents greater power to make an informed choice when deciding which homes to consider purchasing, since the information is available before committing to making an offer, and all potential homes can be compared side-by-side. Another advantage is that requiring the home energy score at the time of listing necessitates obtaining the score in advance of the real estate transaction, ensuring the home energy score assessment does not impact the timing or logistics of the transaction process itself.



Because the trigger event is at the time-of-listing, homes that undergo ownership transfer but are never listed publicly for sale are not subject to the home energy score requirement.

### Data Access and Infrastructure

There are several platforms across the nation that host energy scores, and the Pacific Northwest is served by the [Green Building Registry](#), which is owned and operated by Earth Advantage. Once a home energy score assessment is complete from a licensed home energy assessor, the score gets uploaded to the Green Building Registry automatically. The registry is public and any address can be searched to access its home energy score. It can be used in partnership with the local Multiple Listing Service (MLS) to populate real estate listings on the MLS with the required home energy score information.

### Home Energy Assessors

Home energy assessments will be a new and widely needed service in the community, presenting new business opportunities for the real estate industry. On behalf of the Oregon Department of Energy, Earth Advantage supports Home Energy Assessor applicants through the process to become an authorized assessor for the Oregon Home Energy Score Program. Earth Advantage also maintains a list of professionals who have completed the required steps in the authorization process. There are seven steps to becoming an authorized home energy assessor with the Oregon Home Energy Score Program:

1. Obtain and verify foundational qualifying credentials, as outlined by the US DOE
2. Complete US DOE Home Energy Score Simulation training
3. Obtain and verify home energy assessor Oregon CCB certificate
4. Complete the Oregon home energy assessor participation agreement
5. Attend mandatory Oregon Home Energy Score orientation
6. Successfully complete required mentoring with Earth Advantage
7. Authorization

The US Department of Energy Home Energy Score Program requires that Quality Assurance is conducted on a minimum of 5% of all home energy scores. Earth Advantage, on behalf of the Oregon Department of Energy, conducts this quality assurance on home energy scores in Oregon. Depending on the location, Earth Advantage conducts 5% quality assurance through either in-person or remote quality assurance processes. Earth Advantage also provides an additional layer of quality assurance on assessor activity through the Green Building Registry System

Earth Advantage's home energy labeling policy impact tool estimates that the Bend market needs roughly ten licensed home energy assessors to meet the demand. In other markets, professionals who already provide services in real estate transactions, such as appraiser and inspectors, often become licensed to offer home energy assessments as well. Some professionals start businesses that solely provide home energy assessments. Because Bend is a new market for home energy assessments, it will be important to monitor the availability of assessors to perform the service to ensure there are sufficient assessors available, especially before the initial launch of the program. Staff will review the availability of assessors before the launch of the program and recommend delaying the program launch if an insufficient number of assessors are ready to offer the service.



### Cost

The cost for a home energy assessment is set by the assessors and may range depending on the business model of the assessor. In other Oregon markets, the cost ranges from \$150-\$300. Staff will monitor the cost of scores annually or more frequently to determine whether the cost is becoming a significant burden. The transaction for the assessment is between the homeowner and the assessor and the City does not collect any funds and is not involved in the transaction. Homeowners who qualify for the low-income assistance program may have the cost of the assessment covered by the City.

### Enforcement Approach

The home energy score program will be enforced through proactive enforcement by reviewing public real estate listings regularly to ensure compliance. If the City finds a home out of compliance, they will receive a notice of non-compliance and have a 15-day grace period to come into compliance. The initial notification will provide information and resources to the seller to help them come into compliance. It will be educational in tone, rather than written to be a warning, or punitive in tone. The staff person will also work with the seller to answer any additional questions or provide more resources as needed to come into compliance.

If a homeowner does not come into compliance within the grace period, the violation will be reported to code enforcement and treated as a code violation, and subject to penalties and fees as determined by the code violation process.

### Education

The City will provide good resources and information to make complying with the Home Energy Score program as easy as possible. This may include, but not be limited to, a web page that explains the program in detail, shares information about how to find an assessor, and makes clear how to participate in the low income assistance program. The staff person will be available as a contact for answering questions about the program directly.

