



Increasing Energy Code Stringency in a Free Market Economy

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The Advanced Building Coalition

- Advanced Building Coalition (also known as ABC) is an energy conservation advocacy group
- Members
- ABC's Mission: To promote a cost effective increase of 30% or more in the model energy codes in this and the next development cycles.



The Advanced Building Coalition (con't)

- What sets ABC apart?
 1. **whole building approach,**
 2. **cost effective energy conservation,**
 3. **life safety** , and
 4. **never** promote an anti-competitive marketplace.
- Why are these important ?



A “Whole Building” Approach to Energy Conservation

- Model energy codes:
 - Many increases to the stringency only apply to new construction
 - Existing buildings are usually unaffected
 - Focus almost exclusively on the building envelope
 - Envelope regulated by model codes usually consists of the opaque building materials used in walls, floors and roofing and the glass that is used in windows and doors
- Model energy codes do not currently regulate:
 - Furnaces, air conditioners, lighting, and hot water heaters

A “Whole Building” Approach to Energy Conservation (con’t)

- Buildings last a very long time
 - Median life of a commercial building is 65-80 years
 - 25% of America’s homes were built before 1950
 - The efficiency of furnaces, air conditioners, and lighting will have a dramatic impact on the energy used over the life of the building.
- A “whole building” basis approach, **INCLUDING energy efficient equipment** is critical to real energy conservation.

Cost Effectiveness and a Free Market Economy

- What does cost effective mean?
- The National Institute of Building Sciences recently reported to Congress and DOE that “cost is the common metric for all high-performance building features and goals”
- A free market economy = freedom of choice and government regulation is imposed only when justified
- To be justified, energy conservation measures must be cost effective

Life Safety

- Is life safety relevant to the energy code?
- Model codes must address the “whole building.”
- The codes exist to ensure that buildings are safe, both structurally and from the risk of fire
- Buildings must withstand:
 - hurricanes,
 - earthquakes,
 - floods
 - other natural disasters

Energy Codes and Competition

- **Never** use the energy codes to promote an anti-competitive marketplace
 - ABC's membership list is public
 - Even energy advocates have to eat.
 - "Following the Money" often reveals a true agenda.

Competition and Cost Effectiveness

- Competition and cost effectiveness go hand-in-hand in a Free Market
 - alternate paths
 - “hard limits”
 - The fewer “hard limits” and the more alternate paths mean there will be a greater number of products available in the marketplace to achieve code compliance.
- The greater the number of products available to comply with the codes = greater consumer choice
- Greater consumer choice = lower prices
- Lower prices = affordable code compliance
- Affordable code compliance = cost effective improvements to the energy codes

Conclusion

- ABC endorses and supports:
 - An Increased stringency in the energy codes by 30% or more
- ABC opposes:
 - The use of a “30% increase in stringency” as a mantra to introduce changes that are unsafe, anti-competitive or unable to demonstrate cost effectiveness.
- No easy solutions for a 30% increase in stringency
 - National Appliance Energy Conservation Act (NAECA)
 - Look behind easy “solutions” and ask:
 1. Does the proposed “solution” address life safety?
 2. Will the proposed “solution” eliminate competitive products?
 3. Is the proposed “solution” cost effective?
 4. Will the proposed “solution” actually be enforced in the field?

Conclusion (con't)

- There is more than one “solution” to increased energy conservation.
- In our free market economy, energy efficiency at any cost is not a “solution.”
- ABC urges you to select those energy conservation proposals that are:
 - **safe,**
 - **cost effective, and**
 - **promote competition in the marketplace.**