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## efficiency news

Oregon tightens building code by Mark Anderson - 7.31.07

While the U.S. housing market is in a lull, the Northwest housing market is still going strong. And with both Seattle's and Portland's regional multiple listing services recognizing homes' energy-efficient attributes, homebuyers are paying more attention than ever to the value of energy efficiency [see "Portland plugs energy-efficient homes," nwcurrent, October

Proposed changes to the Oregon building code could mean, Oregon homebuyers may begin seeing new houses built with energy-efficient upgrades that pay for themselves by next summer. The proposed changes would reduce energy use in new homes by about 15 percent, and homebuyers could more than offset any added costs, starting with the second year of 30-year mortgages.

"On a cash-flow basis, it turns positive the year after you move in," says Tom Eckman, manager of conservation resources for the Northwest Power and Conservation Council. "The reason it's not positive the first year is because your house down payment is rather significant, and the energy savings aren't large enough to offset that."

If passed by the Oregon Building Codes Division in September 2007, as widely expected, the changes would go into effect April 1, 2008. New houses permitted before April 2008 could be built to existing code.

Eckman notes that since 1990, when the last code analysis was performed, natural gas prices have risen 50 percent even after adjusting for inflation, while post-inflation electricity prices are up 11 percent - not counting the recent increase added to PacifiCorp and Portland General Electric customer bills due to a ruling by the 9th Circuit Court of Appeals [see "Ruling raises slew of questions," nwcuurent, June 2007].

"When you take down the cost of borrowing, and the cost of heating and cooling your home goes up, all of a sudden doing something more than you used to do 15 years ago turns out to be the answer," Eckman says. "Not only in the long run is this a good deal, but in the short run it's a good deal."

Builders could achieve a portion of the efficiency increases with improved building shell insulation. They will be required to choose from a menu of high-efficiency options that includes furnaces, heat pumps, ducts, windows, water heaters, lighting and photovoltaic panels.

"We knew we couldn't go all the way to 15 percent just on shell improvements," says Betty Merrill, Oregon Department of Energy's building technologies manager, "So we have a list of additional items, and they'll have to choose one. We're trying to increase the code, provide flexibility and encourage new technology."

Jeff Harris, senior planning manager for Northwest Energy Efficiency Alliance (NEEA), was among those who crafted the new code proposal.

"The building industry takes time to adapt to code changes, and builders have thousands of decisions to make," Harris says. "The easier you make the process, the more likely it is to happen when you want it to happen. This new proposal, even though it's a big jump, is simple enough that we should have stability for some time to come."

to homebuyers, will add only a few thousand dollars to a \$300,000 or \$400,000 home, according to Harris.

Implementation costs, which will ultimately fall

"We're talking about half a percent of the price of a new home, if that," says Harris. "Consumers definitely come out ahead here."

In essence, the code upgrades will rise to the current level set by Energy Star Homes, the U.S. Environmental Protection Agency's benchmark system for certifying homes that achieve energy savings of 15 percent above state codes. Energy Star must now recast its Oregon standards to return to 15 percent beyond the proposed code.

"If the Oregon code changes, we're planning to adjust Energy Star," says Kendall Youngblood, residential sector manager for the Energy Trust of Oregon. "It would go into effect in January of 2009, and builders would have a year to work with us, learn about the code change, learn about Energy Star and get themselves up to speed."

Energy Trust and NEEA are among the organizations that would work on the new Energy Star proposal. According to the Environmental Protection Agency, fewer than 12 percent of new single-family homes built in Oregon in 2006 qualified for the Energy Star rating. The proposed changes to Oregon's Energy Star for Homes standard concerns Sean Penrith, executive director of Portland-based Earth Advantage, which offers its own certification system for green home design to homebuilders.

"If Energy Star doesn't have a clear direction, we want to be flexible enough to continue to offer the Earth Advantage program with our own energy path," says Penrith. "It's a complicated discussion because we work almost hand in hand with the Energy Star program and the Energy Trust of Oregon."

According to NEEA's Harris, building codes and Energy Star requirements are more stringent in the West than the rest of the country - and what happens in Oregon, Washington, California, Idaho and Montana sets the pace for the rest of the country.

"Now Oregon will have upped the ante," he

says. "It's a little friendly competition from state to state here. But I fully expect that once this code takes effect in Oregon that similar provisions will be introduced into the Washington code-change process. The larger impact is that it will eventually have a ripple effect nationally."



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Tom Eckman, Northwest Power and Conservation Council



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