# ACT 151 BUILDING ENERGY CODE WORKING GROUP REPORT TO THE VERMONT LEGISLATURE

November 15, 2024

# **Table of Contents**

Table of Contents	2
Acknowledgements	3
Committee Members	3
List of Acronyms	4
Executive Summary	1
Introduction and Background	1
Act 151 Legislation	1
Progress on Act 47 Recommendations	2
Legislative Directive	3
Response to Legislative Directive	3
Charge #1	3
Recommendation 1.1	3
Recommendation 1.2	4
Recommendation 1.3	4
Charge #2	5
Recommendation 2.1	5
Recommendation 2.2	5
Recommendation 2.3	6
Recommendation 2.4	6
Recommendation 2.5	7
Charge #3	8
Recommendation 3.1	7
Recommendation 3.2	8
Topics for 2025 BECWG Consideration	9
Conclusion	9
Appendix A: Status of Act 47 Recommendations	10

Review Draft 10/28/24 11/15/2024

# Acknowledgements

This report was primarily authored by Zack Tyler and Richard Faesy of Energy Futures Group for the Act 151 Building Energy Code Working Group (BECWG), based on the extensive research, input, discussions, suggestions, and drafting by the engaged BECWG members listed below in addition to those who testified and otherwise shared their expertise and information with the Working Group.

# **Working Group Members**

Christopher Bray - Vermont Senate, BECWG Co-Chair

Scott Campbell - Vermont House of Representatives, BECWG Co-Chair

Kelly Launder - Department of Public Service

Michael Desrochers - Department of Public Safety - Division of Fire Safety

Peter Tucker – Vermont Association of Realtors

Craig Peltier - Vermont Housing and Conservation Board

Matt Bushey - American Institute of Architects Vermont

Matt Sharpe - Efficiency Vermont

Richard Wobby - Association of General Contractors of Vermont

Jim Bradley - Vermont Builders and Remodelers Association

Chris Burns - Burlington Electric Department

Timothy Perrin - Vermont Gas Systems

Ted Brady - Vermont League of Cities and Towns

Jennifer Colin – Office of Professional Regulation

Chris Campany - Regional Planning Commission - Windham Regional Commission

# **List of Acronyms**

BECWG Building Energy Code Working Group
BECSC Building Energy Code Study Committee
CBES Commercial Building Energy Standards

DOE Department of Energy
DFS Division of Fire Safety
EEU Energy Efficiency Utility

EVT Efficiency Vermont

ICC International Code Council

IRC International Residential Code

NFIP National Flood Insurance Program

OSHA Occupational Safety and Health Administration

PSD Department of Public Service

RBES Residential Building Energy Standards

RECI Residential and Efficient Codes Implementation

VAPDA Vermont Association of Planning and Development Agencies

VHC Vermont Homebuilders Coalition

# **Executive Summary**

The Act 151 Building Energy Code Working Group (BECWG) was convened by the 2024 Vermont Legislature to address issues related to declining compliance rates with Vermont's mandatory energy codes, known as the Residential Building Energy Standards (RBES) and Commercial Building Energy Standards (CBES). Specifically, the Working Group was asked to examine three "charges":

- Recommend strategies and programs to increase awareness of and compliance with the RBES and CBES, including the use of appropriate certifications for contractors trained on the energy codes.
- 2. Develop plans and recommendations for a potential transition to a comprehensive program for the RBES and CBES at the Division of Fire Safety, including potential funding sources.
- 3. Consider whether or not the State should adopt a statewide building code.

The Working Group met five times between August and November of 2024 to address the charges above, review the recommendations in the previous Act 47 report, and compile the following recommendations detailed in

-

<sup>&</sup>lt;sup>1</sup> The terms "energy codes", "energy code", "RBES" and/or "CBES" are used interchangeably in this document, unless noted otherwise explicitly or in context of a specific discussion. Energy codes are a subset of building codes, which regulate all aspects of construction.

TABLE 1. The Working Group voted on each recommendation and is reporting only on those that had a majority vote. Members of the Working Group with dissenting opinions are documented in

Table 1; details associated with the rationale for dissenting opinions are provided in the Response to Legislative Directive section of the report. Recommendations with a single asterisk (\*) are carryover recommendations from the Act 47 report, recommendations with two asterisks (\*\*) have been updated from the Act 47 report, and recommendations with red shading are those associated with legislative action.

Table 1: Summary of Act 151 Building Energy Code Working Group Recommendations

Recommendation	Next Steps (Initiate prior to 2025 BECWG)	Responsible Entity	Funding Source	Dissent ers	
	Charge #1: Recommend strategies and programs to increase awareness of and compliance with RBES and CBES, including the use of appropriate certifications for contractors trained on the energy codes.				
1.1. Support OPR with the rulemaking process to establish voluntary specialty certifications for residential contractors that are registered in the OPR contractor registry.	<ul> <li>Stand up RBES training and exam process</li> <li>Stand up further training and exam certifications in building science and OSHA</li> <li>Respond to inquiries from OPR</li> </ul>	EFG, EVT, ICC, VHC	EFG's DOE Grant		
1.2. Support OPR for website improvements	<ul> <li>Add filtering capability         <ul> <li>(e.g., service territory,</li> <li>specialties, certifications)</li> </ul> </li> </ul>	OPR	Identify		
1.3. Work with lenders, attorneys, real estate professionals, and home inspectors to include acknowledgement of RBES in the residential real estate transaction process. **	<ul> <li>Coordinate with real estate groups to establish a process for integrating RBES into real estate transactions</li> <li>Develop targeted training and education materials for these market actors</li> </ul>	EFG, EVT	EFG's DOE Grant		
1.4. Include municipal floodplain administrators in RBES and CBES education and outreach efforts.	<ul> <li>Ensure floodplain         administrators have access         to municipal training         materials</li> <li>Draft custom training         materials for flood plain         administrators</li> </ul>	EFG, VAPDA	EFG's DOE Grant		
Charge #2: Develop plans and recommendations for a potential transition to a comprehensive program for the RBES and CBES at the Division of Fire Safety, including potential funding sources.					
2.1 Incorporate RBES and CBES certificates, for buildings currently under DFS jurisdiction, into the DFS permit database expansion.  **	Provide an opportunity for stakeholder feedback on the database structure	DFS	DFS & PSD		

2.2 Ensure that the detailed inputs from RBES and CBES certificates are logged as unique data points in the database to ensure the data are accessible for future analyses.	Develop a fillable form for RBES and CBES certificates to ease integration into the database	DFS	DFS & PSD	
2.3 Establish a process to transition away from municipal staff filing RBES and CBES certificates in town records and towards a process where certificates are filed directly with the state. **	<ul> <li>Determine an appropriate timeline to transfer this responsibility from municipal staff to the state</li> <li>Update statutory language that requires Town Clerks to include RBES certificates in the land records once a timeline and process have been established to file certificates with the state</li> </ul>	DFS, Legislature	DFS & PSD	
2.4 Establish a role for EEUs to play in supporting energy codes compliance, including how EEU efforts could be used to collaboratively support a comprehensive RBES and CBES program at the DFS. **	<ul> <li>Establish a framework for the EEUs to claim savings for energy code compliance support</li> <li>Determine how EEU activities would integrate with AHJ energy code oversight</li> <li>As part of tracking energy code compliance, EEUs should establish an approach to identify the percentage of new construction projects that have filed RBES and CBES certificates; this could include leveraging new septic, well water, or permanent electric service requests to identify new construction projects. Projects lacking certificates could be the focus of future EEU compliance support activities.</li> </ul>	EEUs, PSD, DFS	EEUs	

2.5 Create a comprehensive document detailing the costs associated with RBES and CBES energy code administration at DFS and calculate the incremental permit fees that would be required to support ongoing energy code administration.	Leverage the work done     by the DFS (for buildings     currently under DFS     jurisdiction) and EFG (for     owner-occupied single- family) to put energy code     administrative costs into     one accessible document	EFG with input from DFS	EFG's DOE Grant	
2.6 Designate the DFS as the statewide "authority having jurisdiction" over all building construction – public, private, commercial, residential. *	Update statute such that the DFS is listed as the AHJ for all building construction	Legislature	DFS	
Charge 3: Consider whether or not the State should adopt a statewide building code.				
3.1 Provide the necessary resources to ensure the DFS and the IRC Working Group can answer key questions about the costs and impacts associated with adopting the IRC.	<ul> <li>Identify any funding or staffing resource gaps</li> <li>Source outside consulting services as needed</li> </ul>	DFS	DFS and Legislature	

<sup>\*</sup>Repeat recommendations from Act 47.

Red Shading = Recommendations for legislative action.

<sup>\*\*</sup> Updated recommendations from Act 47.

## Introduction and Background

This report builds on the work completed in 2023 by the Act 47 Building Energy Code Study Committee (BECSC), which met ten times in 2023 and produced a report detailing a variety of recommendations, both legislative and non-legislative, that would help increase awareness of and compliance with the RBES and CBES.<sup>2</sup> The Act 47 report provides a comprehensive summary of the history associated with Vermont's energy codes and the relevant actions the State has taken to develop safe and energy-efficient new construction.

# Act 151 Legislation

Governor Scott signed Act 151, "An Act relating to building energy codes", into law on June 3, 2024.<sup>3</sup> Section 1 of Act 151 details the General Assembly findings as it pertains to building energy codes. Act 151 states the following:

"The General Assembly finds that:

- (1) According to the 2020 State of Vermont Greenhouse Gas Emissions Inventory Update and Forecast, home and business heating and cooling is the second largest source of greenhouse gas (GHG) emissions in Vermont.
- (2) Under 10 V.S.A. § 578, the State has an obligation to meet named GHG reduction requirements. In order to attain these reductions, GHG emissions from the thermal sector, that is, the heating and cooling of homes and businesses, must be reduced.
- (3) One method of reducing thermal sector emissions is to increase the energy efficiency of Vermont's homes and businesses through building to an energy-efficient building energy standard.
- (4) Vermont established the Residential Building Energy Standards (RBES) in 1997 and the Commercial Building Energy Standards (CBES) in 2007. The Department of Public Service is responsible for adopting and updating these codes regularly but does not have the capacity to administer or enforce them.
- (5) The RBES and CBES are mandatory, but while municipalities with building departments handle some aspects of review and inspection, there is no State agency or office designated to interpret, administer, and enforce them.
- (6) The Division of Fire Safety in the Department of Public Safety is responsible for development, administration, and enforcement of building codes but does not currently have expertise or capacity to add administration or enforcement of energy codes in buildings.
- (7) Studies in recent years show compliance with the RBES at about 54 percent and CBES at about 87 percent, with both rates declining. Both codes are scheduled to become more stringent with the goal of "net-zero ready" by 2030."

<sup>&</sup>lt;sup>2</sup>https://publicservice.vermont.gov/sites/dps/files/documents/Act%2047%20Building%20Energy%20Code%20Study%20Committee%20Report%2012-1-23A.pdf

https://legislature.vermont.gov/Documents/2024/Docs/ACTS/ACT151/ACT151%20As%20Enacted.pdf

Section 2 of the Act 151 legislation calls for the creation of a Building Energy Code Working Group to recommend strategies for increasing compliance with the RBES and CBES. The Working Group is directed to provide reports to the Senate Committee on Natural Resources and Energy and the House Committee on Environment and Energy, one by November 15, 2024 and another by November 15, 2025. This document represents the first of these two reports.

## **Progress on Act 47 Recommendations**

The BECWG is pleased to report that progress has been made on many of the recommendations from the Act 47 BECSC report to the legislature. The list below provides a high-level summary of the key status updates while

APPENDIX A: STATUS OF ACT 47 Recommendations provides a detailed status update for each of the recommendations from the Act 47 report.

- The Office of Professional Regulation (OPR) is actively engaged in promoting increased compliance with the energy codes.
  - OPR is in the process of developing voluntary specialty certifications for residential contractors that are registered through the OPR contractor registry; this includes voluntary certifications for RBES, building science, and Occupational Safety and Health Administration (OSHA) standards/residential construction. Rulemaking is expected in the first quarter of 2025.
  - OPR has updated their contract templates for contractors and consumers to reference compliance with RBES and CBES.
- A Department of Energy (DOE) Residential and Efficient Codes Implementation (RECI) grant, being led by Energy Futures Group (EFG), is being used to support energy code education, training, and awareness efforts with multiple stakeholder groups.
  - Activities include remote and in-person presentations, onsite technical assistance with a "circuit rider", and the development of energy code education materials.
  - Stakeholder groups include builders and contractors, energy professionals, municipal staff, real estate professionals, lenders, and attorneys, among others.
- The Department of Public Service (PSD) and the Energy Efficiency Utilities (EEUs) have started conversations regarding the EEUs ability to claim energy savings for supporting energy code compliance. (Savings claims are one basis for payments to the EEUs under contracts with PSD.)
- The Division of Fire Safety (DFS) has developed a first draft of the costs associated with energy code administration for buildings currently under DFS jurisdiction. Energy Futures Group, through the DOE RECI grant, is developing a comparable set of costs for owner-occupied singlefamily homes.
- In addition to forming this BECWG, Act 151 also amended the energy code enabling statute to change the energy code update cycle by replacing "shall" with "may" to allow for flexibility in the timing of subsequent versions of RBES and CBES.
- The Division of Fire Safety (DFS) has established a study committee on adopting a statewide residential building code (e.g., IRC).

# Legislative Directive

Act 151 established three charges for the BECWG:

- Recommend strategies and programs to increase awareness of and compliance with the RBES and CBES, including the use of appropriate certifications for contractors trained on the energy codes.
- 2. Develop plans and recommendations for a potential transition to a comprehensive program for the RBES and CBES at the Division of Fire Safety, including potential funding sources.
- 3. Consider whether or not the State should adopt a statewide building code.

The BECWG reviewed and discussed these charges across five separate meetings. The recommendations of the Working Group, organized by "charge", are presented in the next section.

# Response to Legislative Directive

This section presents the BECWG responses to the legislative directive, including recommendations associated with each of the three charges detailed above. Recommendations with a single asterisk (\*) are carryover recommendations from the Act 47 report, recommendations with two asterisks (\*\*) have been updated from the Act 47 report, and recommendations with red shading are those associated with legislative action.

## Charge #1

Recommend strategies and programs to increase awareness of and compliance with the RBES and CBES, including the use of appropriate certifications for contractors trained on the energy codes.

In many ways, Charge #1 is a continuation of the following charge from Act 47:

"Consider and recommend strategies to increase awareness of and compliance with the RBES and CBES, including the potential designation of the Division of Fire Safety (DFS) in the Department of Public Safety as the statewide authority having jurisdiction (AHJ) for administration, interpretation, and enforcement, in conjunction with DFS' existing jurisdiction, over building codes."

The Act 47 BECSC provided detailed recommendations regarding potential activities that could be used to increase awareness of and compliance with the RBES and CBES. The detailed progress associated with these recommendations can be found in

APPENDIX A: STATUS OF ACT 47 Recommendations.

The BECWG recommendations below build upon those provided by the Act 47 BECSC.

#### Recommendation 1.1

Support OPR with the rulemaking process to establish voluntary specialty certifications for residential contractors that are registered in the OPR contractor registry.

OPR provided an update to the BECWG that they are working towards rulemaking for voluntary specialty certifications to begin in the first quarter of 2025. With that in mind, the BECWG recommends that relevant stakeholders provide the necessary support for OPR to fulfill these plans. This includes standing up a specific exam that can be used as part of an RBES specialty certification and providing feedback on existing training and certification programs that OPR might reference for specialty certifications focused on building science principles and OSHA standards/residential construction practices, in addition to RBES. To date, this work has been supported by EFG, EVT, ICC, and the Vermont Homebuilders Coalition (VHC), which is comprised of Vermont residential construction industry stakeholders.

EVT, ICC, and EFG should continue to support OPR as they work toward the upcoming rulemaking process; this work can be funded through EFG's DOE RECI grant. The BECWG also recommends that members of the VHC continue to provide feedback to OPR as needed.

#### Dissenting comments:

#### Recommendation 1.2

#### Support OPR for website improvements.

The BECWG discussed adding capabilities to the OPR website that would allow for additional functionality when reviewing the registered contractor list. The OPR website currently includes a map of registered contractors as well as a downloadable list. The BECWG acknowledges that OPR oversees many professions and is not in a position to build out customer-focused materials for each specific profession. That said, within reason, the BECWG recommends that OPR include filters that would allow consumers to filter contractors by service territory, areas of practice, and specialty certifications.

#### **Dissenting comments:**

## Recommendation 1.3

Work with lenders, attorneys, real estate professionals, and home inspectors to include acknowledgement of RBES in the residential real estate transaction process. \*\*

The BECWG recommends that training and education activities be developed explicitly for lenders, attorneys, real estate professionals, and home inspectors. These materials should focus on the statutory requirements associated with RBES and the benefits of RBES compliant homes. The goal of these efforts is to further integrate RBES compliance and certificates into the real estate process, particularly for new construction.

EFG and EVT should develop training materials for these market actors through EFG's DOE RECI grant.

EFG and EVT should work with relevant real estate groups to identify the forums that are most appropriate for reaching a wide audience of real estate professionals. The BECWG recommends that EFG monitor any new developments with federal secondary mortgage providers (e.g., FHA, VA, FHFA) associated with minimum energy efficiency standards for new construction mortgages and bring that information back to the Vermont real estate and mortgage markets.

#### Dissenting comments:

#### Recommendation 1.4

Include municipal floodplain administrators in RBES and CBES education and outreach efforts.

The BECWG identified and discussed the potential overlap of RBES and CBES requirements with the work of municipal floodplain administrators. The BECWG discussed the potential for the National Flood Insurance Program (NFIP) to trigger RBES and CBES requirements as part of flood rehabilitation projects. The BECWG acknowledged that there is potential to align flood resilience and energy efficiency guidance moving forward. For now, the BECWG recommends that municipal floodplain administrators be included in municipal outreach and training activities that are being planned under EFG's DOE RECI grant. EFG should coordinate with VAPDA, who is leading municipal outreach efforts, to ensure that floodplain administrators are captured in municipal activities taking place under the grant.

#### **Dissenting comments:**

## Charge #2

Develop plans and recommendations for a potential transition to a comprehensive program for the RBES and CBES at the Division of Fire Safety, including potential funding sources.

As was the case with Charge #1, Charge #2 has some overlap with the following charge from Act 47:

"Consider and recommend strategies to increase awareness of and compliance with the RBES and CBES, including the potential designation of the Division of Fire Safety (DFS) in the Department of Public Safety as the statewide authority having jurisdiction (AHJ) for administration, interpretation, and enforcement, in conjunction with DFS' existing jurisdiction, over building codes."

The BECWG recommendations build upon the work done by Act 47 BECSC as it pertains to considering a comprehensive RBES and CBES program and the DFS.

#### Recommendation 2.1

Incorporate RBES and CBES certificates, for buildings currently under DFS jurisdiction, into the DFS permit database expansion. \*\*

The BECWG recommends that the current permit database expansion being undertaken by DFS be expanded to incorporate RBES and CBES certificates. DFS acknowledged that they are open to including RBES and CBES certificates in their permit database revisions. DFS has also indicated that they are open to stakeholder feedback as part of the database development process. The BECWG recommends that

DFS provide a forum for relevant stakeholders to provide feedback on the incorporation of RBES and CBES certificates prior to the database being finalized.

#### Dissenting comments:

#### Recommendation 2.2

Ensure that the detailed inputs from RBES and CBES certificates are logged as unique data points in the database to ensure the data are accessible for future analyses.

The BECWG discussed the need for any database tracking RBES and CBES certificates to include unique data fields for each entry in the RBES and CBES certificates. This approach will allow the maximum value to be extracted from the certificates on an ongoing basis. By including unique data fields for each entry on the certificates, the permit database will be functional for analyses leveraging key data points such as compliance pathway, fuel type, and efficiency specifications. These data points can be used to refine training and education materials, technical assistance approaches, and policy recommendations moving forward. The BECWG recommends that a fillable PDF be created for the current RBES and CBES certificates to facilitate integration into the expanded DFS database. Funding for this additional functionality should be included in future database development budgets.

#### Dissenting comments:

#### Recommendation 2.3

Establish a process to transition away from municipal staff filing RBES and CBES certificates in town records and towards a process where certificates are filed directly with the state. \*\*

The BECWG recommends that the DFS establish a timeline and process to transition away from the requirement that municipal staff incorporate RBES certificates in the land records. As the permit database is developed and RBES and CBES certificates are tracked in a central database, there will be an opportunity to eliminate the role--and cost--of municipalities in logging certificates. This will only be possible after a process is set up to ensure that certificates are filed directly with the State and incorporated into a central database. This process will require legislative action as Act 89 currently specifies the following:

"The person certifying under this subsection shall provide a copy of each certificate to the Department of Public Service and shall assure that a certificate is recorded and indexed in the town land records."

The BECWG recommends that the requirement associated with recording certificates in the land records be removed from statute once the alternate process is set up.

The current proposal from the BECWG is that the DFS incorporate RBES and CBES certificates into their database expansion *for buildings currently under the DFS jurisdiction*; this excludes owner-occupied single-family homes. Municipalities will need to record owner-occupied single-family certificates until those projects are incorporated into the statewide database. The BECWG recommends that a timeline be developed to transition owner-occupied single-family homes into the central RBES certification tracking process.

#### **Dissenting comments:**

## Recommendation 2.4

Establish a role for EEUs to play in supporting energy codes compliance, including how EEU efforts could be used to collaboratively support a comprehensive RBES and CBES program at the DFS. \*\*

The BECWG discussed the important role that the EEUs could play in supporting RBES and CBES compliance moving forward. The Working Group discussed developing a collaborative work environment in which the energy code expertise housed within the EEUs can be used to support the implementation of comprehensive RBES and CBES programs at the DFS as AHJ.

The BECWG recommends that the EEUs and PSD continue discussions and work to establish a framework under which the EEUs could claim savings from energy code compliance support. Relatedly, the BECWG recommends that the EEUs and the DFS determine what a collaborative energy code environment looks like and how the EEUs efforts can best support both key market actors and the DFS.

Lastly, the BECWG recommends that the EEUs establish a methodology to quantify the percentage of new construction projects that have filed RBES and CBES certificates. This could involve reviewing new septic permits, well water permits, or new permanent electric service requests to identify new construction activity and compare it to a list of RBES and CBES certificates from the DFS database. The BECWG acknowledges that it may not make sense to conduct this analysis until the permit database is in place but recommends that a methodology be put in place in the interim. The BECWG recommends the EEUs lead this task as 1) this could generate leads for EEU code compliance support activities — any contractors/developers whose projects are consistently lacking energy code certificates would be good candidates for technical assistance and 2) the EEUs have access to new permanent electric service data that might be the best source to cross-check against a database of energy code certificates.

#### Dissenting comments:

#### Recommendation 2.5

Create a comprehensive document detailing the costs associated with RBES and CBES energy code administration at DFS and calculate the incremental permit fees that would be required to support ongoing energy code administration.

During the BECWG meetings there were two presentations associated with the costs of energy code administration. The DFS led a presentation on the costs of a comprehensive energy code administration program for buildings currently under DFS jurisdiction; DFS currently requires state construction permits for all buildings outside of owner-occupied single-family. FFG led a similar presentation, which was developed under the DOE RECI grant, focused on the estimated costs of energy code administration for owner-occupied single-family homes. The BECWG recommends that the costs and assumptions associated with these presentations be combined in a single document that covers the estimated energy code administration costs for all buildings. This document will be valuable to the 2025 BECWG as they

<sup>&</sup>lt;sup>4</sup> https://firesafety.vermont.gov/sites/firesafety/files/documents/dfs\_codesheet\_state%20permits%20poster.pdf

continue to explore the future of energy code administration in Vermont. The Working Group recommends that EFG lead the development of this document, with funding through EFG's DOE RECI grant, and that they coordinate with DFS to ensure all the details are reasonable and accurate.

#### **Dissenting comments:**

#### Recommendation 2.6

Designate the DFS as the statewide "authority having jurisdiction" over all building construction – public, private, commercial, residential. \*

This recommendation is a repeat of one offered by the Act 47 BECSC. The BECWG believes this recommendation bears repeating as it was the first recommendation coming out of the Act 47 report and it is directly related to the charge of considering whether or not the State should adopt a statewide building code.

As stated in the Act 47 report:

"This would be the most significant immediate structural change that can be made to positively impact Vermont's energy code environment and a foundational change in Vermont's code environment but would provide the necessary structure that the state is currently lacking. It would bring Vermont's practice in line with other states. This expanded role for DFS would require time to plan, develop systems, staff up, and prepare for offering these services. It will be important to phase in the authority over time commensurate with available budgets and staffing, but as quickly as constraints allow."

The DFS made it clear throughout the BECWG meetings that there are many questions that need to be answered before they are in a position to consider whether or not to adopt the International Residential Code (IRC). However, the BECWG believes there is value in designating the DFS as the statewide AHJ for all building construction, regardless of whether the IRC is adopted. As building code administration evolves, a unified authority overseeing all sectors will help with issues of confusion and will provide a central resource for market actors engaged in construction activities.

The BECWG acknowledges that the scope of the DFS as an AHJ for all buildings would evolve over time. Designating the DFS as the AHJ for all buildings now will simplify future discussions as important building code topics are explored, such as the adoption of the IRC.

#### **Dissenting comments:**

## Charge #3

Consider whether or not the State should adopt a statewide building code.

The BECWG developed the following recommendations and rationale in response to Charge #3.

#### Recommendation 3.1

Provide the necessary resources to the DFS to ensure the IRC working group can answer key questions about the costs and impacts associated with adopting the IRC.

The DFS has formed an IRC Working Group to thoroughly evaluate the impact of adopting the IRC. The IRC Working Group will seek to answer the following questions, among others, over the coming months.

- Who is a design professional in the context of the IRC? How does this affect the plan review process?
- What impact would the IRC have on housing affordability?
- IRC and associated efficiency standards don't align with RBES how is that handled?
- How are conflicts between the ICC and NFPA handled? Vermont uses both.
- Is the entire IRC adopted or just certain chapters?
- Can the industry handle the sprinkler requirements associated with the IRC?
- Can the market build to IRC standards?
- How is the contractor/inspection process managed?
- Is inspection authority extended into single-family jurisdictions?

The BECWG recommends that the DFS be provided with the necessary support and resources to answer these questions in a reasonable and timely fashion. The BECWG anticipates addressing this item in 2025 and would benefit from having these questions answered in the interim. The BECWG acknowledges that there are staff and budgetary restrictions that may make it challenging for the DFS to resolve each of these items absent additional support and outside resources.

#### Dissenting comments:

# **Topics for 2025 BECWG Consideration**

There were a number of items that were raised throughout the 2024 BECWG meetings that the Working Group either did not have time to fully address or agreed to defer to the 2025 Working Group sessions. Below is a list of topics that should be considered by the 2025 BECWG.

- 1. Moving the authority of RBES/CBES from the PSD to the DFS.
- 2. Establishing a timeline and process for owner-occupied single-family RBES certificates to be included in the statewide database.
- 3. Providing clarity for business vs. individual registrations/certifications and determining responsibility for all of the building trades between DFS and OPR.
- 4. Clarifying the use of OPR's "license" term in registration documents.
- 5. Discussing the future of a residential building code and permitting process at DFS that includes owner-occupied single-family homes.

## Conclusion

The Working Group engaged in a series of productive and respectful meetings while representing a wide range of interests and perspectives. We believe that the recommendations outlined above will help the construction industry evolve along with the importance of energy efficiency and resiliency in our built environment.

The Working Group acknowledges that there is more work to be done and looks forward to reconvening in 2025.

# Appendix A: Status of Act 47 Recommendations

TABLE 2 provides a detailed status update for each of the recommendations for Charges 2 and 3 developed by the Act 47 BECSC.<sup>5</sup>

Table 2: Status Update on Act 47 Recommendations

Charge 2: Strategies to increase awareness of and compliance with RBES and CBES including the potential designation of DFS as the statewide AHJ.

designation of DFS as the statewide AHJ.			
Recommendations for Immediate Legislative Action			
Recommendation	Dissenters	Status	
A. Make structural, statutory, policy, and programmati	c changes to \	/ermont's energy code environment.	
<ul> <li>A.1. Designate the DFS as the statewide "authority having jurisdiction" (AHJ) over all building construction – public, private, commercial, residential.</li> <li>A.1.a. Clarify the chain of authority from the General Assembly, through DFS, to municipalities.</li> <li>A.1.b. Establish an advisory committee to advise on the overall transition to a new AHJ, help with future code revisions and examine building failure cases to improve building science and future codes.</li> <li>A.1.c. PSD continue in role administering the energy codes in support of the AHJ</li> <li>A.1.d. Develop a certification designation for contractors trained on the energy codes and include the certification on the OPR Contractor Registry and DFS website</li> </ul>	DFS PSD AGC	In progress with exceptions: DFS has not been designated as the statewide AHJ, they currently do not have any jurisdiction over owner-occupied single-family homes. OPR is actively working on a voluntary contractor certification for contractors that have been trained on the residential energy code.	
A.2. Amend the energy code update cycle by changing "shall" in the energy code enabling statue to "may".		Complete: This was completed by language included in Act 151 (S.253) of 2024. The language was amended as follows: "After January 1, 2011, the Commissioner shall ensure that appropriate revisions are made promptly may direct the timely and appropriate revision of the RBES after the	
		issuance of updated standards for	

<sup>&</sup>lt;sup>5</sup> The table details recommendations and status updates for Charge 2 and 3 from the Act 47 report. Charge 1 asked the study committee to 'Assess how the building energy codes interact with the fire and building safety codes." The results of that research are presented in the Act 47 report.

Review Draft 10/28/24

		residential construction under the IECC"	
A.3. Establish a study committee on adopting a statewide residential building code (e.g., IRC)		In progress: DFS has convened a working group to consider the adoption of a statewide residential building code. This work will continue into 2025.	
A.4. Require OPR to update contractor registry (A) so contractors explicitly acknowledge RBES/CBES legal requirements, and (B) to alert consumers to RBES/CBES and provide filtering functionality, e.g., by specialties, location, and certifications.	DFS VBRA	Complete/Under consideration: Part A has been completed and is now part of the contractor certification process. Part B is has been recommended as part of the Act 151 BECWG report.	
A.5. Authorize OPR to update their contract requirements and template for contractor-owner agreements to include a clause acknowledging that energy codes are mandatory.		Complete: The contract template on the OPR website has been updated to include the suggested clause.	
A.6. Develop a certification designation for contractors trained on the energy codes and include the certification on the OPR Contractor Registry and DFS website		In progress: OPR is working on developing a contractor certification focused on the Residential Building Energy Standards (RBES) among other voluntary certifications.	
B. Improve the process for filing and tracking energy co	ode certificate	es.	
<ul> <li>B.1. Expand DFS's current database redesign to incorporate a statewide, central, publicly accessible repository for all Vermont buildings (including all residential) that includes energy code data.</li> <li>B.1.a. Eliminate filing certificates in town records and the notarization requirement.</li> <li>B.1.b. Establish a certificate application tool for both CBES and RBES that generates an energy code "permit" before construction and a final certificate upon completion that is part of the DFS database.</li> </ul>	DFS PSD	In progress with exceptions: As part of the Act 151 BECWG process, DFS has agreed to include RBES and CBES certificates, for buildings currently under their jurisdiction (i.e., excluding owner-occupied single-family), in their database redesign. Eliminating the filing of certificates in town records and an application tool are items that continue to be discussed but do not have planned actions associated with them at this point in time.	
Non-Legislative and Longer-Term Recommendations			
C. Improve workforce training and support.			
<ul> <li>C.1. Coordinate and support energy code trainings and certifications.</li> <li>C.1.a. Develop training materials</li> <li>C.1.b. Conduct regular trainings</li> </ul>	DFS AIA-VT	In progress: The DOE RECI grant is supporting the development and delivery of energy code training materials for various market actor groups.	
C.2. Develop "circuit rider" on-site energy code services statewide.		In progress: The DOE RECI grant will support multiple circuit riders that will provide technical on-site assistance to	

	residential builders and contractors.		
C.3. Increase training and support for Energy Consultants.	In progress: The DOE RECI grant will include a plan focused on the role of energy professionals. The training materials mentioned above will be available for all energy professionals.		
C.4. Increase and coordinate building science and energy code trainings including weatherization.	In progress: The Vermont Office of Economic Opportunity (OEO) has selected a contractor to develop a Vermont-based training center that will provide training on building science and weatherization. As part of the DOE RECI grant, EVT is providing trainings to the construction and housing industries on energy codes and building science.		
C.5. Coordinate the Energy Code Support Center (call center) with other code support efforts.	In progress: EVT continues to offer Energy Code Assistance Center services. EVT is in discussion with the PSD to determine an expanded role of the EEUs to support energy code compliance activities while also claiming savings.		
D. Increase awareness of building energy codes and re	quirements.		
D.1. Develop and mail out bill stuffers reminding about energy codes	Not started		
D.2. Work with lenders and attorneys to include energy information on loan closing checklists	In progress: The DOE RECI grant will include coordinating with lenders and attorneys to see if energy code information can be included on loan closing checklists.		
D.3. Use state, regional, and municipal websites to reinforce energy code requirements.	In progress: Numerous state, regional, and municipal websites reference energy code requirements. This list will continue to evolve as materials are developed and released through the DOE RECI grant.		
D.4. Create a radio show on building science and energy codes to educate the public	Not started		
E. Establish a plan for funding for base-code and above-base code compliance.			
E.1. Develop a funding plan to pay for start-up and ongoing costs to support the AHJ and energy code administration.	In progress: DFS has estimated the costs associated with energy code implementation for buildings under their jurisdiction. EFG, through the DOE RECI		

		grant, has developed estimated costs associated with owner-occupied single-family homes.		
E.2. Establish a role for EEUs to play in supporting energy codes compliance and incentives.		In progress: The EEUs and the PSD are in ongoing negotiations surrounding the EEUs ability to claim energy savings for supporting energy code compliance.		
F. Coordinate code compliance grant efforts in Vermon	t.			
F.1. Coordinate with the U.S. Department of Energy's (DOE) grant to Energy Futures Group for the "Vermont Energy Code Administration Project" to support these strategies.		In progress: As detailed in other status updates the DOE RECI grant is being used to support residential energy code compliance through training, education, and on-site technical assistance, among other activities.		
F.2. Continue the role of the Act 47 Building Energy Code Study Committee as the "Phase 2" Advisory Committee to EFG's DOE grant.		Not started: The DOE RECI grant includes a unique Advisory Committee that includes many of the Act 151 BECWG members, but it also includes regional and national experts and representatives from traditionally underserved community members. EFG is relaying information between the DOE RECI grant Advisory Committee and the BECWG.		
Charge 3: Evaluation of cost-effectiveness analysis for RBES and CBES.				
Continue calculating energy code "cost effectiveness" as has been done historically.		Resolved: For future updates of the energy codes, energy code cost effectiveness will continue to be calculated as has been done historically.		
2. Establish a new committee of energy, economic, and housing experts to research and address whether and how to best include the cost of carbon and non-energy benefits in building energy codes for new and existing buildings.	PSD DFS VBRA	Not started		