

Building Energy Code Working Group Meeting #2 Notes

Department of Public Service, GIGA Conference Room, 112 State Street, Montpelier
 Virtual via Teams Meeting
 September 10, 2024
 9:30-12:00 pm

Attendees

Name	Organization
<i>Committee Members</i>	
Scott Campbell	VT House of Representatives
Christopher Bray	VT Senate
Kelly Launder	VT Department of Public Service
Craig Peltier	VT Housing and Conservation Board
Mike Desrochers	VT Department of Public Safety – Division of Fire Safety
Matt Sharpe	Efficiency Vermont
Tim Perrin	Vermont Gas Systems
Jennifer Colin	Office of Professional Regulation
Richard Wobby	VT Association of General Contractors
Chris Burns	Burlington Electric Department
Chris Company	Vermont Association of Planning and Development Agencies
Peter Tucker	Vermont Association of Realtors
Matt Bushey	American Institute of Architects - VT
Jim Bradley	Vermont Builders and Remodelers Association
<i>Public/Other</i>	
Keith Levenson	VT Department of Public Service
Matt Musgrave	Associated Builders and Contractors of NH and VT
William Nash	International Code Council
Michelle Farnham	Primmer Piper Eggleston & Cramer
Karen Horne	Vermont Gas Systems
Andrew Brewer	Downs, Rachlin, and Martin
Collin Frisbie	Sterling Homes
Rebecca Pfeiffer	Vermont Agency of Natural Resources
Josh Hanford	VT League of Cities and Towns
<i>Consulting Team</i>	
Richard Faesy	Energy Futures Group
Zack Tyler	Energy Futures Group

Meeting Agenda

1. Approval of Meeting Minutes – Chairs and Group Discussion (5 minutes)
2. Update on Division of Fire Safety (DFS) Working Group and potential adoption of the International Residential Code (IRC) – Mike Desrochers, DFS (25 minutes)
3. Discuss estimated costs of a comprehensive program for the RBES and CBES and for buildings under the jurisdiction of DFS– Mike Desrochers, DFS (25 minutes)
4. Overview of draft Energy Code Administration funding model– Zack Tyler, EFG (15 minutes)
5. Discuss potential comprehensive program for the RBES and CBES at the DFS including potential funding sources based on cost estimates– Group discussion (30 minutes)
6. Flood hazard permitting and RBES – Rebecca Pfeiffer, Vermont Agency of Natural Resources (20 minutes)
7. Update on data and research needs from Working Group meeting #1 – Richard Faesy and Zack Tyler, EFG (15 minutes)
 - RBES cost and savings review from LCAR process
 - Operational costs of baseline vs. code compliant new homes
8. Stakeholder/Public comments (15 minutes)

Key Takeaways

- The group did not get through the full agenda. Items #5 and #7 to be addressed at a future meeting.
- DFS does not currently have jurisdiction over single family owner-occupied homes. These projects do not require a permit.
- DFS estimates that instituting a comprehensive plan for energy code administration for buildings currently under DFS jurisdiction (i.e., excluding single-family owner-occupied dwellings) would cost an estimated \$1.5 million.
- Initial estimates from the EFG funding model estimate the costs for instituting a comprehensive plan for energy code administration for one and two-family dwellings to be \$550k-\$3.5M in annual costs depending on staffing approach, scope of inspections, and the number of new housing units completed per year.

Topics

Vote on previous meeting minutes

- No edits to the minutes
- Motion to approve minutes from Richard Wobby, unanimous approval.

DFS Overview, IRC working group update, costs for energy code administration.

- DFS Overview
 - DFS regulates commercial buildings, rental properties, cannabis facilities, etc.
 - Does not regulate single-family owner-occupied homes.
 - Licenses/certifies trade professionals (electricians, plumbers, etc.)
 - Uses a combination of NFPA and ICC codes, amended for Vermont.
- IRC working group update
 - Held an initial meeting on August 27, 2024, to discuss whether the division should adopt the International Residential Code (IRC)
 - 14 participants in attendance
 - DFS provided an overview of codes and some of the challenges associated with adopting codes.
 - A statutory change is not required to adopt the IRC.
 - Challenges with the administration of the IRC would require a substantial read-through for conflicts with existing code.
- Costs for DFS to inspect buildings currently under their jurisdiction for the energy code
 - Would require ~\$1.5M annually for staff, equipment, administration of RBES and CBES for buildings currently under the jurisdiction of DFS (i.e., excluding single-family owner-occupied homes)
 - DFS is not seeking to extend authority to single-family homes currently.
 - Challenges include enforcement, appeals, legal/administrative burdens.

- Could provide accountability and level playing field for contractors.

EFG Draft Energy Code Administration Funding Model

- Under the DOE RECI grant, EFG is building a funding model to explore different funding models for energy code administration.
- EFG presented draft estimates for the costs of energy code administration for one and two-family dwelling units.
- Assumes 1,400-2,500 new one and two-unit homes annually (business-as-usual to aggressive growth scenarios)
- Estimated \$550k-\$3.5M annual costs depending on staffing approach, scope of inspections, and the number of new housing units completed per year.
- Initial revenue generation estimates looked at the impacts of different permit costs.
- Suggestion to consider looking at permit fees based on \$/square foot vs. \$1/\$1,000 of construction costs.
 - Make sure the funding model is clear about what is being considered as ‘construction cost’. The current version is based on VHFA home sales data.

Flood Hazard Permitting and Energy Code Intersection

- Towns enforcing National Flood Insurance Program (NFIP) requirements are often unaware of energy code.
- Energy upgrades (e.g., RBES compliance) could factor into substantial damage/improvement calculations.
- Opportunity to align flood resilience and energy efficiency guidance.
- Challenges implementing additional requirements during disaster recovery.
- Building code adoption considerations
 - Could help towns achieve higher NFIP Community Rating System levels.
 - May provide flood insurance discounts, but limited impact currently.
 - Some states incorporate flood standards into building codes vs zoning.

Next Steps

- Committee members should review last year's report and materials on DPS website and be prepared to discuss potential findings/recommendations at the next meeting.
- Department of Public Service to share a SharePoint link with committee members
- Next meeting October 11th, 9:30am-12pm
- An additional meeting may be needed before the Nov 15 legislative report deadline.