

GRU100

100 YEARS of SERVICE | 1912-2012

RUC
July 9th, 2012

Energy Efficiency Standards & Requirements



GRU Initiatives

- Landlord Focus Group
- Landlord Website
- toolsfortenants.com
- gainesville-green.com



Current State/City Requirements

- Building inspections are for structure & safety – heating, roof, windows, walls, plumbing
- No requirements to either inspect or enforce energy efficiency
- The code when the home was built or when the last renovation permit was issued is what the home is required to have



Point of Sale: Prescriptive Option

- Prescriptive path to efficiency – think checklist
- Recommend a minimum of:
 - Weatherization (caulk/weather strip/seal cracks & openings) ~\$200
 - Duct inspection & sealing ~\$800
 - SEER 13 AC system (heat pump or furnace) ~\$3500
 - R-19 insulation levels (space allowing) ~\$700
 - Water heater EF 90+ ~\$800
- This would be a cost to the seller/buyer of approximately \$6,000 per home
- This brings the home to the 2004 Florida Building Code
- Annual cost to GRU in rebate monies of \$450,000 – 465,000
 - Estimating 30% of 2000 home sales/year would take advantage of rebates

Point of Sale: Prescriptive Example

- 1968 Home, 1500 square feet, SEER 10 AC heat pump, R-11 attic insulation
 - \$6,000 to bring to base recommended efficiency levels
 - Rebates from GRU: \$750
- Homeowner payback period: 10 (HVAC), 22 (WH) & 5 (Ins) years
- Annual utility reduction: 6197 kWh
 - 3146 kWh (HVAC) + 340 (WH) kWh + 2693 kWh (Ins)

*Similar to Boulder

Point of Sale: Percent of Sales Option

- Upgrades are done to the amount of a percent of the sales price of the home
 - \$170,000 home, would require 1-3% (\$1,700 – 5,100) worth of EE upgrades each time the home is sold
 - List of possible recommended upgrades provided
 - Can be built into the final cost of the home
- More flexible for the owner and less costly
- Much easier to track at the point of sale
 - Receipt(s) showing upgrades performed submitted at closing

Landlord: Prescriptive Option

- Require a minimum of:
 - Weatherization (caulk/weather strip/seal cracks & openings) ~\$200
 - Duct inspection/seal ~\$800
 - R-19 insulation levels (space allowing) ~700
- Cost to the property owner of approximately \$1,700
- Cost in rebate monies of approximately \$7.13 – 7.37 million annually (assuming 30% of 31,700 rentals/year would take advantage of rebates)

Landlord: Prescriptive Example

- 1971 Apartment Complex, 132 units, SEER 8 AC w/ resistance heating, R-11 attic insulation
 - 162,621 Sq Ft conditioned space, 126,711 Sq Ft attic
- \$2,000 per apartment to bring to base recommended efficiency levels from 1993 (\$264,000)
- Undetermined payback period
- Rebates from GRU of \$750 per unit (\$99,000)
- Annual electric reduction: 3546 kWh/unit (468,072 kWh)
 - 1328 kWh (Insulation)
 - 2218 kWh (estimated 30% reduction in duct leaks)

Landlord: Percent of Sales Option

- Upgrades are done to the amount of a percent of the sales price of the complex
 - \$4,120,000 complex with 132 units, would require 3% (\$123,600 or \$936 per unit) worth of EE upgrades each time it is sold
 - Can be built into the closing cost of the complex
 - List of possible recommended upgrades provided
- Once again, this is more flexible for the owner and less costly
- Easier to track at the point of sale
- Similar to Burlington, VT program
- Complexes with 50+ units in Gainesville have an average of 30% annual turn in management and a 20% turn in ownership

Another Option...

- Consider a yearly reduction in the \$195 Landlord Permit/License (10%) if the unit/structure meets and provides proof of minimum recommendations for:
 - Weatherization (caulk/weather strip/seal cracks & openings)
 - Duct inspection/seal
 - SEER 13
 - R-19 insulation levels (space allowing)
- This would not need to be checked yearly (Aug 1 – Jul 31), perhaps a 5-year certificate or allowance

Items for Consideration: Enforcement

- Per the 2011 Census data - the City has 57,576 Housing Units and of those, 55% are multi-unit structures (31,667, using 31,700 in examples)
- SFD only or any attached - how many sales occur yearly in GRU service territory (2071 in 2011, 220 were new homes)
- All apartments or all rentals - how many rentals occur yearly in GRU service territory
 - Older Apartments usually have lower rents, longer occupancy (5-10 years), older or original equipment...

Items for Consideration: Overall Cost

- Cost of the inspection?
- Landlord Licensing fee
- Additional staffing
- Training
- Time requirements



Items for Consideration: Costs to Programs

- 2000 home sales & 30,000 rentals
- Assuming 30% need upgrades the first year,
- With current rebate amounts would equate to 10,110 duct and insulation rebates either a la carte, HPwES or a combination thereof
 - A la carte costs $10,110 \times \$750 = \7.58 million
 - HPwES $10,110 \times \$775 = \7.83 million

Items for Consideration...

- Legal determination
- Applies to the City only
- Real estate impact
- Landlord impact





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Thank you



Residential Energy Conservation Ordinances

- San Francisco, CA (<http://www.sfbaywindow.com/articles/1/4/146.html>)
- Berkley, CA (<http://aceee.org/sector/local-policy/case-studies/berkeley-california-residential-energ>)
- Boulder, CO
(http://www.bouldercolorado.gov/files/PDS/rentalhousing/Energy_Efficiency_Project/handbook_final_12.13.2010.pdf)
- Ann Arbor, MI
- Iowa Association of Municipal Utilities
- The State of Wisconsin
- Burlington, VT
- Maine Public Utilities
- Memphis, TN – amended their housing code for rental units