



Austin Energy Efficiency Ordinance



We Are Your Resource • www.alamotitle-austin.com • 512.483.6710

Recently the Austin City Council approved the Energy Conservation Audit and Disclosure Ordinance to improve the energy efficiency of homes and buildings in the City of Austin that receive electricity from Austin Energy.

In response, the Austin Board of REALTORS® worked to address private property rights and homeowner affordability issues surrounding proposed mandates at the point of sale.

Improving energy efficiency can help reduce your electric bills, whether you own a home, multifamily property, or a commercial building. The ordinance also will help meet one of the goals of the Austin Climate Protection Plan—offsetting 700 megawatts of peak energy demand by 2020 and reducing the carbon footprint of the Austin community.

The ordinance takes effect June 1, 2009.

Quick Facts on the Energy Efficiency Ordinance

What is required under the new ordinance?

Homeowners selling their homes in Austin will be required to obtain an energy audit and to disclose the findings of that audit as part of their regular seller's disclosure notice.

What is an energy efficiency inspection?

An energy efficiency inspection is an evaluation of the energy-using characteristics of a building. It involves both visual inspection (of things like windows, insulation and air barriers) and some testing of the heating and air conditioning system air leakage. The inspection report identifies specific actions or retrofits which would reduce energy use and result in lower energy bills. For a typical home, the cost would be \$200 to \$300 at most.

Who does this affect?

Homeowners with properties that lie within the Austin city limits and are serviced by Austin Energy are affected by the ordinance.

Who will conduct the audits?

Energy audits will be conducted by professionals who have been certified by either the Residential Energy Services Network (RESNET) or the Building

Performance Institute and who are registered with Austin Energy as approved contractors for this program. A list of registered professionals will be posted on the Austin Energy Web site, www.austinenergy.com, by mid-April.

When does the audit need to be completed?

The energy audit is required as a part of the seller's disclosure, so it must be completed before the home sale closes. Austin Energy and ABoR encourage homeowners seeking to increase their energy efficiency and save money on the high cost of utility bills to have an energy efficiency audit conducted before thinking of selling their homes. Early audits may help homeowners identify possible areas of improvement and could help prevent last minute scrambles should a homeowner decide to sell his property at a later date.

If your seller hasn't had an audit conducted before contacting you to sell their home you should mention the ordinance rule at the time a listing agreement is signed. The ABoR listing agreement includes a new paragraph that can be used to make certain the seller knows it is their responsibility to conduct the audit and disclose the findings.

How long do the audits last?

Each energy efficiency audit will be good for 10 years under the current ordinance rule.

Are there any exemptions?

Yes, several. Properties in foreclosure or pre-foreclosure, properties subject to eminent domain, condominiums, transactions between family members and properties under court order, in probate proceedings or under decree of legal separation or dissolution of marriage are all exempt. Also, a property that is no more than 10 years old before the time of sale is exempt. That means that all properties that are 10 years or younger are exempt. So, anything that was built in 1998 is part of the ordinance and anything from 1999 to now is exempt.

In addition, manufactured homes designed for use without a permanent foundation and properties owned by participants in designated Austin Energy Electric Utility programs or buyers who agree in writing to participate in these programs within six months are also exempt.

Servicing Travis, Williamson, Bastrop and Hays Counties

Also, a property that is no more than 10 years old before the time of sale is exempt. That means that all properties that are 10 years or younger are exempt. So, anything that was built in 1998 is part of the ordinance and anything from 1999 to now is exempt.

Will Austin Energy still offer any rebate programs for energy efficiency improvements?

Yes. In fact, the City has committed to increase the funding for its rebate programs to help make investments in energy efficiency upgrades even more cost-effective.

Rebates and Incentives

Residential/Home Rebates

Home Performance with ENERGY STAR®—Rebate: Up to \$1575 in rebates for air conditioning, attic insulation, solar screens, caulking, and weather-stripping; bonus rebates up to \$650

Air: Replace air conditioner, window unit, heat pump, or water heater

Solar Photovoltaics: Purchase and install solar photovoltaic electric systems

Solar Water Heater: Install a cost-effective alternative heating solution

Commercial/Business Rebates

Commercial Energy Management: Rebates up to \$100,000

Data Center Efficiency Rebate: Rebates up to \$200,000

Small Business: Rebates & incentives for small-to-midsize and not-for-profit

Energy Misers: Power management for vending machines

Power Partner Thermostats: Free programmable thermostat

Solar Photovoltaics: Purchase and install solar electric power systems

Solar Water Heater: Install a cost-effective alternative heating system

Thermal Energy Storage: Incentives to offset your initial investments in feasibility studies and implementation

Load Co-op: Incentive for curtailing load during peak demand periods

Building Commissioning: Funded buy-down for implementing the Continuous Commissioning® program

Multi-Family Properties: Weatherization improvements for multi-family complexes

Direct Power Saver™ Program questions to Austin Energy Customer Care Contact Center (512) 974-7827

Power Saver™ Program

Free Home Improvements - Help for the Income Qualified

Austin Energy offers free home-energy improvements to customers with low-to-moderate incomes. Improvements reduce energy costs and enhance comfort.

If needed, Austin Energy provides materials for and installation of:

Attic insulation

Minor duct repair and sealing

Caulking around plumbing penetrations

Weather stripping around doors

Solar screens

Go to www.austinenergy.com for General Qualifications.

Power Partner Thermostats - Being a Power Partner

Managing peak demand helps delay the need to build expensive power plants. This helps keep electric rates lower. As a Power Partner, you'll receive a free programmable thermostat plus free installation and warranty. This package is a \$200 to \$280 value.

Loans

Residential/Home Loans

Home Performance with ENERGY STAR®—Loans for home weatherization and air conditioning improvements.

Solar Energy Loan for the purchase and installation of solar energy systems

Commercial/Business Loans

Commercial Energy Loan—0% financing for lighting upgrades

Benefits to the Community

There are many reasons to comply. First and foremost, this will help **keep down the cost of living in Austin**. Energy prices are rising faster than ever and one way to keep the cost down is to use less energy.

Consumer's Right to Know

Most existing homes are nowhere near efficient by today's standards. Making modest investments in energy efficiency is much less expensive than paying high energy costs month after month after month. Nevertheless, most home buyers aren't given any information that will tell them whether the house they're considering buying is in great shape or is horribly inefficient and expensive.

Lower Electric Rates Through Conservation

The City of Austin also owns our electric utility. If we continue to use electricity that could easily be saved, then the City will have to build additional generating plants. These plants are very expensive. Austin Energy provides rebates and incentives for energy efficiency upgrades because they find it less expensive than building new plants and generating more electricity.

Better for the Environment

By decreasing the amount of electricity and natural gas we use, we can contribute to reducing carbon dioxide in the atmosphere.

Financial Implications

The ordinance will have no financial impact on homeowners at all until they decide to sell their house. At that time, they will need to get an inspection and report that can be delivered to the prospective buyer.

Cost of Inspection

Probably soon after the ordinance goes into effect local home inspectors will qualify to provide this service as an ordinary part of their pre-sale inspection at a maximum cost of \$200 to \$300 – costs will likely be even lower. Even now an entirely separate and much more intensive energy inspection than the ordinance will call for can be obtained for around \$300.

For low income persons who also own their home, Austin Energy provides inspections at no cost to the homeowner.

Efficiency Upgrades

Once the results of the inspection are received, homeowners who want to voluntarily participate in the program are free to make any necessary efficiency upgrades themselves or leave it to buyers to make the upgrades after the sale is completed. In any event, program participation would only require that upgrades with quick payback periods be performed; and there would be an expenditure cap of no more than 1% of the home value.

Energy Efficiency Increases the Value of a House

While the results for any given house will be unique, research has shown that residential real estate values increase in relation to reductions in annual energy costs. So this is an investment that, whether made by the Buyer or the Seller, should result in an increase in the property's value. A recent study in the Seattle area by Northwest MLS found that energy efficient "green" homes were 5 to 10% more valuable than similar homes without green features or ratings.

Information was compiled from Austin Energy, Austin Board of Realtors, AffordableEnergyForAustin.org and Alamo Title Company.