

Bipartisan energy efficiency bills gain traction in both the U.S. House and Senate

March 11, 2014

On March 4, 2014, the U.S. House of Representatives overwhelmingly passed H.R. 2126 — a bipartisan energy bill that would establish "a new voluntary efficiency standard for tenants in commercial buildings." ¹ It passed by a vote of 375-26. The Better Buildings Act is the first energy legislation to gain House approval in more than five years.

U.S. Representatives Peter Welch (D-VT) and David McKinley (R-WV) first introduced the bill in May 2013. Among its provisions are requirements that the federal government set efficiency goals for its data centers and that the U.S. Department of Energy (DOE) study energy efficiency approaches for tenant-occupied spaces. ² To measure the performance of tenant spaces in commercial buildings, the bill would establish a new Tenant Star program similar to the existing Energy Star energy efficiency certification program for commercial buildings. ³

On February 27, 2014, U.S. Senators Jeanne Shaheen (D-NH) and Rob Portman (R-OH) reintroduced an updated version of the Shaheen-Portman Energy Savings and Industrial Competitiveness Act. ⁴ First introduced in 2011 and most recently pulled from the Senate floor in October 2013, the bill has not yet advanced out of the Senate in part due to the fact that it was "threatened with amendments defunding so-called ObamaCare or authorizing the Keystone XL pipeline." ⁵

The sponsors made several compromises to the bill in an effort to secure the 60 votes needed to overcome a filibuster. One of the 10 amendments included in the updated bill establishes the Tenant Star program that's included in the House Bill. S. 2024 would "create more than 190,000 jobs, save consumers \$16.2 billion a year, and cut carbon dioxide emissions and other air pollutants by the equivalent of taking 22 million cars off the road — all by 2030." ⁶

Our analysis of the bill, as originally introduced to the Senate floor, can be accessed [here](#).

The 10 amendments are as follows:

1. Additional requirement that the DOE coordinate and provide technical assistance to support energy efficiency retrofits and renewable energy installations in schools.
2. Establishment of the Tenant Star program — a voluntary certification and recognition program to promote energy efficiency in leased commercial building spaces.
3. Additional requirement that federally leased buildings compile benchmark energy usage data where practical. This amendment also establishes a \$2.5 million grant program for five years to help utilities and partners implement benchmarking and data disclosure for multi-tenant buildings.
4. Additional requirement that the White House Office of Management and Budget (OMB) collaborate with federal agencies to promote energy efficiency in data centers and other information technologies. OMB would be required to track and report on each agency's progress.
5. Establishment of a demonstration program at the U.S. Department of Housing and Urban Development (HUD) that uses energy savings contracts to perform efficiency retrofits on low-income housing.
6. Additional requirement that the EPA and DOE issue rules stating that third-party testing of electronic products is not

- required for Energy Star program partners that have complied with Energy Star regulations for at least 18 months.
7. Additional requirement that ensures that the green building ratings systems used by the General Services Administration (GSA) do not unfairly exclude certain building materials.
 8. Creation of an exemption for thermal storage water heaters under the efficiency standards that go into effect in April 2015. This would allow large, grid-enabled electric-resistance water heaters to continue to be manufactured for use only in demand response programs.
 9. The repeal of Section 433 of the Energy Independence and Security Act of 2007, which phased out the fossil fuel-generated energy use in new federal buildings. This amendment also includes the SAVE Act, which would require all home mortgages that are issued, insured, purchased or securitized by a federal agency to account for energy efficiency in the mortgage appraisal/underwriting process. This amendment also extends the 3 percent per year federal building efficiency targets to 2017 and expands energy efficiency standards for new buildings to include major renovations. It also codifies the administrative requirements of the "Guiding Principles for Sustainable New Construction and Major Renovations" for new buildings of at least 5000 square feet unless the requirement would not be life-cycle cost effective. The Congressional Budget Office (CBO) estimates that this amendment would reduce direct spending by \$10 million.
 10. Additional requirement that the DOE recognize voluntary, independent certification programs for heating, air conditioning equipment and water heating products that meet specific qualifications.
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Footnote

- Adragna, Anthony (March 6, 2014) "House passes energy efficiency bill for commercial buildings" Bloomberg.

- (February 28, 2014) "Key House committee approves bipartisan Welch energy efficiency initiative; new TENANT STAR program will cut energy usage by tenants in commercial buildings" Office of Congressman Peter Welch Press Release.

- (February 27, 2014) "Shaheen, Portman renew effort to pass bipartisan energy efficiency bill" Office of Senator Jeanne Shaheen Press Release.

- Evans-Brown, Sam (February 27, 2014) "Shaheen and Portman reintroduce stalled energy efficiency bill" New Hampshire Public Radio.

- (February 28, 2014) "Senator Coons joins Shaheen, Portman in renewed effort on energy efficiency" Office of Senator Chris Coons News Release.

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