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H.181

Introduced by Representatives Campbell of St. Johnsbury, Austin of Colchester, Bluemle of Burlington, Burke of Brattleboro, Dodge of Essex, Goldman of Rockingham, Headrick of Burlington, Kleppner of Burlington, Krasnow of South Burlington, Lalley of Shelburne, Logan of Burlington, Masland of Thetford, Ode of Burlington, Pouech of Hinesburg, and Rachelson of Burlington

Referred to Committee on

Date:

Subject: Public service; building energy; building energy codes; residential building energy standards; commercial building energy standards; climate change; residential builder registry

Statement of purpose of bill as introduced: This bill proposes to extend the term of the Building Energy Code Working Group, to direct the Public Service Department to establish a framework to attribute savings to building energy code compliance, to require the Department Public Service to develop methodology for calculating and reporting greenhouse gas savings annually, and to make changes to the Residential Builder Registry.

An act relating to Residential and Commercial Building Energy Standards

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. FINDINGS AND INTENT

3 The General Assembly finds:

4 (1) It is in the public interest to foster standards for buildings fit for  
5 occupancy that are safe, healthful, comfortable, durable, energy efficient,  
6 sustainable, resilient, and practicable.

7 (2) The five-year Housing Needs Assessment, released by Agency of  
8 Commerce and Community Development in June 2024, found that at least  
9 24,000 and as many as 36,000 housing units must be brought online by 2029.  
10 In addition, the Assessment says about 20,000 existing homes have indications  
11 of housing quality concerns according to 2022 census data.

12 (3) The Housing Needs Assessment also found that 32 percent of renters  
13 had the income needed to buy a median priced home in 2021; two years later,  
14 in 2023, house prices had risen to the extent that only six percent of renters  
15 could likewise afford to buy a home.

16 (4) Buildings, whether single family owner-occupied, apartment houses,  
17 or commercial occupancies, typically remain in service for many decades  
18 without major renovation.

19 (5) As the costs of building increase, the costs of remediating poor or  
20 energy inefficient construction exceed the capability or inclination of many  
21 owners to undertake.

1           (6) Recent floods have further exacerbated Vermont’s housing crisis and  
2           demand for construction workers, and likely brought less experienced builders  
3           into the construction market.

4           (7) Vermont established the Residential Building Energy Standards  
5           (RBES) in 1997 and the Commercial Building Energy Standards (CBES) in  
6           2007, collectively referred to as “energy codes.” Both energy codes are  
7           mandatory, but studies in recent years show compliance with the RBES at  
8           about 54 percent and CBES at about 87 percent, with both rates declining.  
9           Both codes are scheduled to become more stringent with the goal of “net zero  
10           ready” by 2030.

11           (8) There is no State agency or office designated to interpret, administer,  
12           and enforce energy codes. The Division of Fire Safety in the Department of  
13           Public Safety is responsible for fire and building safety code in “public  
14           buildings.” The Department of Public Service is responsible for promulgating  
15           and updating RBES and CBES. Neither office has the capacity to administer  
16           or enforce energy codes.

17           (9) Applicability of energy codes and building codes in Vermont is  
18           inconsistent. The RBES apply to residential buildings up to three stories; the  
19           CBES apply to all other building types. The Division of Fire Safety  
20           jurisdiction encompasses all public buildings, including rented residential  
21           buildings covered by the RBES. However, its fire and building safety code is

1 based on commercial codes; in residential buildings, it applies only to  
2 apartment buildings four stories and above. While as of late 2024 the Division  
3 of Fire Safety is in the process of considering adopting a residential building  
4 code, currently Vermont has no building code covering residential construction  
5 up to three stories in height. Further, the Department of Public Service has  
6 advised the General Assembly that RBES-enabling legislation does not provide  
7 clear authority for municipalities to administer and enforce the RBES at the  
8 local level.

9 Sec. 2. 2024 Acts and Resolves No. 151, Sec. 2 is amended to read:

10 Sec. 2. ENERGY CODE COMPLIANCE; WORKING GROUP

11 \* \* \*

12 (f) Meetings.

13 \* \* \*

14 (4) The Working Group shall cease to exist ~~on July 1, 2026~~ 30 days after  
15 the General Assembly enacts legislation giving authority to a State entity to  
16 enforce the building energy codes.

17 \* \* \*

18 Sec. 3. 30 V.S.A. § 209(d) is amended to read:

19 (d) Energy efficiency.

20 \* \* \*

21 (2) Appointment of independent efficiency entities.

1 (A) Electricity and natural gas. In place of utility-specific programs  
2 developed pursuant to this section and section 218c of this title, the  
3 Commission shall, after notice and opportunity for hearing, provide for the  
4 development, implementation, and monitoring of gas and electric energy  
5 efficiency and conservation programs and measures, including programs and  
6 measures delivered in multiple service territories, by one or more entities  
7 appointed by the Commission for these purposes. The Commission may  
8 include appropriate combined heat and power systems that result in the  
9 conservation and efficient use of energy and meet the applicable air quality  
10 standards of the Agency of Natural Resources. Except with regard to a  
11 transmission company, the Commission may specify that the appointment of  
12 an energy efficiency utility to deliver services within an electric utility’s  
13 service territory satisfies that electric utility’s corresponding obligations, in  
14 whole or in part, under section 218c of this title and under any prior orders of  
15 the Commission. The entities appointed under this subdivision (2) shall  
16 attribute energy savings to building energy code compliance. The Department  
17 of Public Service shall establish a procedure for calculating those building  
18 energy savings.

19 \* \* \*

1 Sec. 4. 30 V.S.A. § 51 is amended to read:

2 § 51. RESIDENTIAL BUILDING ENERGY STANDARDS; STRETCH  
3 CODE

4 \* \* \*

5 (c) Revision and interpretation of energy standards. The Commissioner of  
6 Public Service shall amend and update the RBES by means of administrative  
7 rules adopted in accordance with 3 V.S.A. chapter 25. On or before January 1,  
8 2011, the Commissioner shall complete rulemaking to amend the energy  
9 standards to ensure that, to comply with the standards, residential construction  
10 must be designed and constructed in a manner that complies with the 2009  
11 edition of the IECC. After January 1, 2011, the Commissioner may direct the  
12 timely and appropriate revision of the RBES after the issuance of updated  
13 standards for residential construction under the IECC. The Department of  
14 Public Service shall provide technical assistance and expert advice to the  
15 Commissioner in the interpretation of the RBES and in the formulation of  
16 specific proposals for amending the RBES. Prior to final adoption of each  
17 required revision of the RBES, the Department of Public Service shall convene  
18 an Advisory Committee to include one or more mortgage lenders, builders,  
19 building designers, utility representatives, and other persons with experience  
20 and expertise, such as consumer advocates and energy conservation experts.  
21 The Advisory Committee may provide the Commissioner with additional

1 recommendations for revision of the RBES after they review the associated  
2 software and handbook guidance for the update.

3 (1) Any amendments to the RBES shall be:

4 (A) consistent with duly adopted State energy policy, as specified in  
5 section 202a of this title, and consistent with duly adopted State housing  
6 policy;

7 (B) evaluated relative to their technical applicability and reliability;  
8 and

9 (C) cost-effective and affordable from the consumer's perspective.

10 (2) Each time the RBES are amended by the Commissioner, the  
11 amended RBES shall become effective upon a date specified in the adopted  
12 rule, a date that shall not be less than ~~three~~ six months after the date of  
13 adoption. Persons commencing residential construction before the effective  
14 date of the amended RBES shall have the option of complying with the  
15 applicable provisions of the earlier or the amended RBES. After the effective  
16 date of the original or the amended RBES, any person commencing residential  
17 construction shall comply with the most recent version of the RBES.

18 \* \* \*

19 Sec. 5. 10 V.S.A. § 582 is amended to read:

20 § 582. GREENHOUSE GAS INVENTORIES; REGISTRY

21 \* \* \*

1 (g) Greenhouse gas accounting.

2 (1) In consultation with the Department of Public Service created under  
3 30 V.S.A. § 1, the Secretary shall research and adopt by rule greenhouse gas  
4 accounting protocols that achieve transparent and accurate life cycle  
5 accounting of greenhouse gas emissions, including emissions of such gases  
6 from the use of fossil fuels and from renewable fuels such as biomass. On  
7 adoption, such protocols shall be the official protocols to be used by any  
8 agency or political subdivision of the State in accounting for greenhouse gas  
9 emissions.

10 (2) The Department of Public Service, in consultation with the energy  
11 efficiency utilities, the Office of Economic Opportunity's Home  
12 Weatherization Assistance Program, and any other entities claiming energy or  
13 emissions savings, shall develop a methodology for calculating and reporting  
14 greenhouse gas reductions annually.

15 Sec. 6. 26 V.S.A. § 5501 is amended to read:

16 § 5501. REGISTRATION REQUIRED

17 (a) A person shall register with the Office of Professional Regulation prior  
18 to contracting with a homeowner to perform residential construction in  
19 exchange for consideration of more than ~~\$10,000.00~~ \$2,000.00, including labor  
20 and materials.

21 \* \* \*



1 Sec. 7. 26 V.S.A. § 5509 is amended to read:

2 § 5509. REQUIREMENTS OF REGISTRANTS

3 (a) Insurance. A person registered under this chapter shall maintain  
4 minimum liability insurance coverage in the amount of \$1,000,000.00 per  
5 occurrence and \$2,000,000.00 aggregate, evidence of which may be required  
6 as a precondition to issuance or renewal of a registration if the estimated value  
7 of the labor and materials exceeds \$10,000.00.

8 \* \* \*

9 Sec. 8. EFFECTIVE DATE

10 This act shall take effect on July 1, 2025.