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Testimony on “25-PO47 - Vermont Residential Building Energy Standards (RBES) Amendments”

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1. Richard Faesy
 - a. I am a Principal at Energy Futures Group in Hinesburg, VT
 - b. I led the team that contracted to the VT Department of Public Service to develop the 2024 and 2020 RBES and CBES updates
 - c. I was also on the development teams for each of the previous update versions of the energy codes in 2005, 2011 and 2015 along with the original Governor's Committee that developed RBES in 1995
2. I am going to highlight three points related to the Governor's Executive Order Roll-Back of RBES (not CBES) and urge you to reject the updated rule because:
 - a. The process did not follow statute,
 - b. The 2024 RBES was deemed cost-effective, and
 - c. Efficient homes are the most affordable homes.
3. The Process
 - a. As called for in 30 V.S.A. § 51 (Building Energy Standards) ...
 - i. "Prior to final adoption of each required revision of the RBES, the Department of Public Service shall convene an Advisory Committee..."
 - b. Before this executive order, with each version of the energy codes, but especially with the 2024 version, we spent years of stakeholder engagement, convened multiple engagements with the building and energy communities, weighed proposals from all sides, and incorporated the best information into the 2024 RBES.
 - c. Rolling back the 2024 RBES through Executive order does not follow the statutory procedures, feels completely arbitrary, and is really a political decision over a technical decision.
 - d. The process has not followed the statute.
4. Cost-Effectiveness
 - a. 30 V.S.A. § 51 also calls for RBES to be "cost-effective and affordable from the consumer's perspective".

- b. In developing the 2024 RBES, we conducted an extensive analysis that showed that the incremental cost to comply with the 2024 RBES (compared to the 2020 RBES) is paid for through energy savings.
- c. Considering that most people finance a new home with a mortgage, we showed that the annual energy savings more than offsets the increased mortgage cost of complying with the 2024 RBES. For homeowners heating their new home with a heat pump, there would be \$570/year “positive cash flow” (that is, annual energy savings are \$570 more than the additional mortgage costs to comply with the 2024 RBES).
- d. The average fossil fueled home is somewhat less (at \$9/year) but is still positive.

2024 RBES vs. 2020 RBES Cost-Benefit Analysis					
2023 RBES	Average Annual Weighted Savings	Package Costs (over 2020 RBES)	Simple Payback	ROI	Cash Flow
Standard Low Cost	\$83	\$1,018	12.2	8%	\$9
Standard All Electric	\$785	\$2,951	3.8	27%	\$570
Standard Blended (Fossil & Electric)	\$216	\$1,385	6.4	16%	\$116
Stretch Low Cost	\$158	\$1,718	10.9	9%	\$33
Stretch All Electric	\$908	\$4,551	5.0	20%	\$577
Stretch Blended (Fossil and Electric)	\$301	\$2,256	7.5	13%	\$137

- e. This is money that makes 2024 RBES compliant homes more affordable than building to the 2020 code.
 - f. (Where is the analysis to back up the Gov's Executive Order rollback?)
 - g. The 2024 RBES is cost-effective.
5. Finally, affordability.
- a. Homes built to the 2024 RBES will save on energy costs, both now and for the life of the home.
 - b. With high and unpredictable energy costs, we want to minimize costs to homeowners and renters.
 - c. Let's make sure we build efficient homes that will save money -- especially over time.
6. In summary...
- a. The process did not follow statute, the 2024 RBES was deemed to be cost-effective, and we should adopt policies that prioritize both short and long-term affordability.
 - b. Please reject this updated rule.