



**On behalf of the Associated General Contractors of Vermont (AGCVT), I appreciate the opportunity to provide perspective from Vermont’s construction industry regarding proposals to adopt regulations similar to “2020 CBES rulemaking framework,” as well as the continued implementation of the 2024 Commercial Building Energy Standards (CBES).**

AGCVT members support Vermont’s long-term climate and energy-efficiency goals. Vermont contractors build high-performance schools, housing, healthcare facilities, and commercial buildings every day. However, how regulations are adopted and implemented matters. When codes and standards move faster than the tools, workforce, and market realities needed to comply, the unintended consequences fall squarely on contractors, developers, and ultimately Vermont residents.

### **1. Risks of not adopting a 2020 CBES Regulatory Framework**

Regulatory approaches that mirror highly prescriptive mandates adopted without adequate industry readiness create several systemic problems:

- Regulations run ahead of implementation capacity. Contractors are expected to price, schedule, and deliver compliance without finalized guidance, interpretations, or enforcement consistency.
- Risk is unfairly shifted onto builders. When rules are unclear or untested, contractors bear contractual and liability exposure for circumstances beyond their control.
- Innovation is crowded out. Highly prescriptive requirements leave little room for cost-effective, project-specific solutions that can meet performance goals more efficiently.
- Project delays increase. Permitting uncertainty, redesign cycles, and manufactured-system lead times all extend schedules, increasing financing and construction costs.

From a contractor’s standpoint, this approach substitutes regulatory certainty for after-the-fact enforcement disputes, an outcome that benefits no one.

## **2. Practical Problems with the 2024 CBES**

The 2024 CBES, as currently implemented, presents serious challenges for the construction industry:

Lack of validated compliance tools.

The absence of updated COMcheck software for the 2024 CBES puts contractors in an impossible position. Projects are being designed and bid under standards that cannot be reliably modeled or verified. This forces teams to rely on approximations or to certify against older standards, creating legal and contractual confusion that flows downstream to contractors.

Disproportionate cost impacts on typical Vermont buildings.

Cost analyses for the 2024 CBES were based on a single, large commercial building. Vermont's construction market is dominated by small commercial, mixed-use, and multifamily projects, many under 10,000 square feet. On these projects:

- Fixed system upgrades consume a far larger share of the total budget.
- Electrical and mechanical system requirements...such as expanded controls, circuit shutdowns, and system redundancy, can quickly exceed any modeled energy savings.
- These costs cannot simply be “value engineered” away without triggering code noncompliance.

Design decisions made without owner flexibility.

Contractors frequently encounter owners who support efficiency goals but cannot absorb disproportionate upfront costs. When codes remove flexibility and lack variance pathways, projects stall or are abandoned altogether.

## **3. Cost Impacts on Developers, Homeowners, and Vermont's Housing Supply**

From a construction perspective, increased CBES compliance costs do not disappear, they cascade:

- Developers face higher capital costs, which tighten financing and reduce project feasibility.
- Housing costs rise, directly undermining efforts to address Vermont's housing shortage.
- Smaller contractors are squeezed, as complex compliance requirements favor larger firms with specialized compliance capacity.
- Public projects cost more, requiring either higher taxes or fewer projects delivered with limited public dollars.

Ultimately, Vermont homeowners, renters, school districts, and businesses absorb these costs—not through energy savings tomorrow, but through higher prices today.

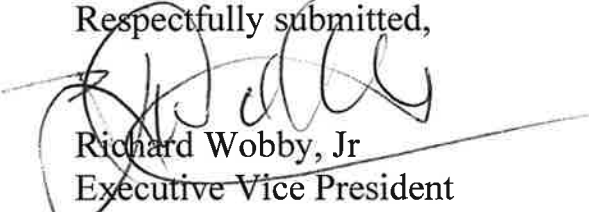
#### **4. The Path Forward: Balance, Readiness, and Reality**

AGCVT urges policymakers to consider the following actions:

- Re-adopt or allow certification under the 2020 CBES until validated compliance tools, official interpretations, and enforcement guidance for the 2024 CBES are fully in place.
- Ensure cost-effectiveness is evaluated across building sizes typical to Vermont, not just large prototype buildings.
- Preserve compliance flexibility that allows contractors, designers, and owners to select the most cost-effective path to performance.
- Engage contractors early in future rulemaking to ensure constructability, workforce availability, and supply-chain realities are accounted for.

Contractors want to build energy-efficient, durable, and affordable buildings. But regulations must be buildable, verifiable, and economically realistic to succeed. Thank you for considering the construction industry's perspective. AGC Vermont stands ready to work collaboratively toward solutions that achieve Vermont's climate goals without destabilizing the very industry responsible for delivering them.

Respectfully submitted,



Richard Wobby, Jr  
Executive Vice President  
Associated General Contractors of Vermont

