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Federal Government Poised to Boost Energy-Efficient Building Stock



The Obama Administration can use more than 30 existing federal programs worth \$72 billion to enhance energy efficiency in commercial buildings and multifamily housing with no new legislation (PDF), according to a report from the U.S. Green Building Council (USGBC). The Department of Energy also announced the award winners of its Retrofit Ramp-Up initiative.

The report, “Using Executive Authority to Achieve Greener Buildings: A Guide for Policymakers to Enhance Sustainability and Efficiency in Multifamily Housing and Commercial Buildings,” covers several programs that the Obama Administration can leverage now without any additional legislation.

These include integrating energy efficiency and sustainability criteria into competitive grants and funding, “greening” federal banking regulations, bolstering minimum property standards for federal housing and economic development programs by including energy efficiency and sustainability standards, and improving performance standards applicable to federal buildings and leases.

Other programs that can be leveraged include guidance applicable to the energy-efficient commercial buildings tax deduction and the national historic preservation tax credit, and the SBA funding mechanisms to support energy-efficiency investments by small businesses.

The Department of Energy (DOE) has selected 25 states, communities and organizations that will receive up to \$452 million in DOE Recovery Act funding under the agency’s “ramp-up” energy-efficiency building retrofit program announced in September last year.

The Retrofit Ramp-Up initiative will allow communities, state and local governments, private-sector companies, and non-profit organizations to work together on establishing programs for large-scale retrofits of neighborhoods.

As a project example, the Southeast Energy Efficiency Alliance (SEEA), the recipient of a \$20 million award, plans to use the money for a new program that will increase the energy efficiency of small and large residential, commercial and public buildings across the Southeast.

DOE will use the lessons learned from these pilot programs to develop best-practice guides that can be implemented by other communities across the country. These are expected to save households and businesses about \$100 million annually.

Green building retrofits that promote efficient energy use are expected to account for 13 percent of the total renovation market by 2015, up from 7 percent today, according to a report from SBI Energy. Green building renovations are also expected to become the “new normal” in the building industry.

The report, “Global Green Building Materials and Construction, 2nd Edition,” attributes most of the growth to stimulus funding throughout the world for energy efficiency improvements. Other growth drivers for both construction and manufacturing include rising energy costs and diminishing fuel resources.

A key finding shows that an increasing number of builders are building more green homes and offices as a way to differentiate themselves from their competitors and to weather a poor building environment.

The benefits to builders: Green homes and buildings are in both high demand and command a price premium when they are purchased or sold. In addition, green rental properties have higher occupancy rates and higher rents, says SBI.

SBI Energy expects there will be a significant increase in green building renovations to make structures more energy efficient particularly since these types of retrofits pay for themselves in a few years.

Companies providing energy efficiency consulting services to U.S. commercial building owners are expected to make about \$5.6 billion a year, with about 75 percent of the revenues from the implementation of energy efficiency measures, according to a recent study from Pike Research.