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Testimony on Energy Conservation Standards in New Building Construction

Interim Energy Development & Transmission Committee

September 23, 2008

Doreen Riedman, Executive Officer
North Dakota Association of Builders

Chairman Wardner and members of the Interim Energy Development & Transmission Committee, the North Dakota Association of Builders (NDAB) has reviewed the bill draft on energy conservation standards in new building construction and has come to an agreement with the Department of Commerce to keep such standards voluntary for residential construction.

The NDAB represents over 2,000 members statewide and employs approximately 45,000 people. We are affiliated with five local builders associations in Bismarck-Mandan, Dickinson, Fargo-Moorhead, Grand Forks, and Minot; and are all part of a larger federation, the National Association of Home Builders (NAHB), which has over 235,000 members.

We believe in energy efficiency, green building, and conservation. Today's homes are considerably more energy efficient, with the industry making advances in building sciences – including technologically advanced heating and air conditioning systems, siding, windows, insulation, and appliances. We do everything we can to make homes more energy efficient when the payback for the cost of these proposals is responsible and fair to homeowners. Building the best homes we can, while keeping housing affordable is the balance we strive for.

In discussions with the Department of Commerce, we have reached an agreement with their offer to keep the residential construction component voluntary in terms of the International Energy Conservation Code (IECC). Some of the reasons we expressed for keeping this code voluntary include:



- Mandating this is not necessary -- most homes in ND already meet and exceed energy standards.
- It would make housing less affordable -- affordable starter homes are needed across the state, and this would hamper such efforts. These homes have many energy efficient qualities, but meeting the IECC requirements would add expense and keep some consumers from purchasing new homes.
- Who would inspect and enforce such codes across the state? Right now, building permits are required only in jurisdictions that have set up inspections and enforcement departments. Rural areas in the state have no such requirements for permits, codes, etc.
- It would also put an added burden on already stressed building inspections departments. Contractors and subcontractors are already experiencing long wait times in getting some inspections completed during construction.
- Such requirements would raise costs:
 - Inspections – permit fees would go up
 - Verifications – 3rd party verifications of standards may be necessary
 - Extend the building timeframe – time is money
 - Require professional services – interpretation by engineers, architects

We appreciate the Department of Commerce's willingness to work with us on this issue, and we ask the committee to accept their current proposal which keeps energy standards voluntary for residential construction.



GREEN BUILDING NOTE: The North Dakota Association of Builders will be hosting a three-day program in January 2009 at which attendees completing the program would be designated as "Certified Green Professionals" by the National Association of Home Builders (NAHB).