Alternative Energy Resources Organization
432 N. Last Chance Gulch
Helena, MT 59601
Phone: (406) 443-7272 / Fax: (406) 442-9120
Email: aero@aeromt.org / Web: www.aeromt.org

BUSINESS & LABOR
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Testimony regarding SB 159, Sen. Jason Priest, Revise energy efficiency and code adoption requirements in building codes

Chairman Joe Balyeat
Senate Business, Labor & Economic Affairs Committee
PO Box 200500
Helena, MT 59620

Chairman Balyeat and Members of the Committee—

My name is Ben Brouwer, I am the Energy Program Manager for AERO, Montana's Alternative Energy Resources Organization. AERO is a non-profit organization that promotes resource conservation and local economic vitality.

AERO members and staff monitored and participated in the entire adoption process of the 2009 energy code and we are now a partner in the Montana Building Codes Collaborative, along with the Montana Building Industry Association, NorthWestern Energy, the National Center for Appropriate Technology, and many other stakeholders. My comments are not intended to reflect the position of the Codes Collaborative.

This legislation aims to fix some of the very real challenges faced by Montana's building industry, but unfortunately the approach is misguided and will instead leave us with a complicated and expensive new layer of bureaucracy, as well as higher energy costs for future home and business owners.

This bill shoots itself in the foot: on one hand it tries to reign in housing costs, but on the other, it limits potential cost savings from energy efficiency.

We have three fundamental concerns about the legislation: 1) it stifles innovation, 2) it doesn't account for all the benefits of energy efficiency, and 3) it's going to be complicated and expensive to implement.

1. By requiring a 5 year payback on energy measures in buildings that should last more than 75 years, this bill puts a cap on innovation in energy efficiency and will slow the transformation of Montana's building industry. Instead of bringing down the costs of

energy efficiency measures by driving their wider adoption and greater market penetration, this legislation will put Montana a step behind the rest of the country. When builders in other states have moved on to new, more efficient construction practices and materials, Montana will be left with less desirable housing stock that is more expensive to operate.

2. This legislation demands an accounting of energy savings from efficiency standards, a complicated task in itself, but it seems to ignore the myriad benefits that don't fall under the measure of cost savings to the home or business owner. Energy efficient buildings are more comfortable, healthier, and they create a more productive work environment for their occupants. Plus, reducing energy demand is a crucial step in avoiding the cost of new power plants, and is the simplest and cheapest route to energy security and independence. None of those important consumer benefits are accounted for in this legislation.
3. The cost effectiveness test this bill requires is going to be complicated, contentious, and costly to tax payers. The number of variables the Department of Labor and Industry will be required to project and analyze is dizzying. Just a few of the variables include:
    a. Electricity prices for 30 different utilities
    b. Natural gas prices for three utilities
    c. Propane and heating oil prices for numerous businesses around the state
    d. Firewood prices
    e. Variations in energy usage habits of the occupants
    f. Variations in free solar heat gain based on location in the state or orientation of the building.

I hope the fiscal note on this legislation appropriately estimates the cost of this new mandate for the Department.

Based on these concerns for the economy and well-being of this state, I urge you to oppose this legislation.

Thank you for the opportunity to provide comments.

Best regards,

Ben Brouwer
Energy Program Manager