



# Proposed RESNET Federal Agenda for 2019

Performance based Energy Efficiency  
for New and Existing homes



# The 116<sup>th</sup> Congress

- There are over 100 new Members of the 116<sup>th</sup> Congress. Most Members of this dynamic Freshman Class are not traditional career politicians.
- Many of the Freshman Democrats hail from suburban areas or urban districts with rapidly evolving demographics.
- Many campaigned on issues relating to climate change and environmental stewardship.



# RESNET Member Outreach

- RESNET is launching a web based tool kit that can assist with grassroots advocacy.
- Goal is to engage with all Members of Congress, both Republicans and Democrats.
- Most Congressional staff are younger, and not (yet) homeowners. Most don't understand the need for residential home energy efficiency.

# Upcoming Webinar

- RESNET will be hosting a webinar to roll out this advocacy approach in the coming weeks.
- As the 116<sup>th</sup> Congress gets underway, we hope to make contact with hundreds of Congressional offices and develop a baseline understanding of RESNET role in making home ownership more affordable.



# RESNET's Federal Priorities

- RESNET would like to see revitalized Federal incentives for NEW homes and the creation of an incentive for the retrofit of existing homes.
- RESNET government affairs team is currently socializing several concepts and tracking previous legislative efforts that may be refreshed and proposed in the coming months.
- Any comprehensive energy bill may have difficulty gaining Republican support during a Trump Presidency.

# Let's get it right

- Although gridlock in Washington may be a current obstacle, let's work on setting the right legislative policy, that can pass in the not too distant future.
- Today's Congressional leaders needs to understand the role RESNET plays, and how strong incentives can create jobs, save energy and make housing more affordable.
- Building energy efficiency is not a partisan issue.

# Financial Incentives for Building Energy Performance



# New Homes 45L today

- The New Homes tax credit (45L) was retroactively renewed through December 31<sup>st</sup> 2018. It is now expired.
- Many would like to see it return for 2019, as is. But that would require passage of a new tax package and retroactive renewal.
- The 45L tax credit, as we know it, is not performance based, and requires Congressional action, each year.

# New Homes

## New and Improved 45L

- Enactment of a long-term, Whole House Performance Based Tax Credit for Highly Efficient New Homes.
- Based on 2015, Section 406 of the Int'l Energy Conservation Code (IECC).

# Existing Homes

- Senator Wyden (D-OR) has previously proposed a Federal tax credit, that would encourage homeowners to achieve a minimum 20% improvement in home performance.
- Others are discussing the creation of a new Energy Star platform for existing homes.
- Both proposals have merit, but the details, cost, and implementation are tricky.

# Existing Homes Retrofit Incentive

- Enactment of a Whole House Performance Based Incentive for Homeowners to Significantly Improve the Energy Efficiency of Existing Homes.
- The 25C tax credit, for the purchase of qualified energy improvements, has expired and appears it will not be extended.
- RESNET proposed a performance based whole house incentive, that will be based on a percentage improvement of an existing home's energy performance.

# Mortgage Finance

- The cost of energy and water utilities are the highest cost of housing outside of the mortgage loan.
- Energy must be considered a cost of housing in the mortgage loan.
- A mortgage loan should give credit for the reduction of the housing costs through energy and water efficiency.

# The SAVE Act

- RESNET strongly supports Enactment of the Sensible Accounting to Value Energy (SAVE) Act for the consideration of Energy Savings in the Mortgage Loan process.
- In the last Congress, this legislation had broad bipartisan support and passed the Senate with over 65 votes.
- This legislation will most likely be re-introduced in this Congress, as part of a energy larger package.

# Transparency and Rationality of Energy Costs in Mortgage Loans

- RESNET supports policies that would require a Home Energy Rating on all Homes financed through Federal Mortgage programs.
- RESNET supports policies that will include the calculation of Energy Savings in determining the eligibility for a Mortgage Loan.

# We Need You

- First and foremost, we want Congressional staff to get to know the RESNET Members in their local community.
- We want Federal policy to be established on a performance based platform, which will require third party verification.
- We want Federal incentives that are stable, long term, and cost effective for tax payers.