

Cybercast News Service (CNSNews.com)

“Democrats’ Cap-and-Trade Bill Creates ‘Retrofit’ Policy for Homes and Businesses”

By Matt Cover

Wednesday, July 01, 2009

**(CNSNews.com)** – The 1,400-page cap-and-trade legislation pushed through by House Democrats contains a new federal policy that residential, commercial, and government buildings be retrofitted to increase energy efficiency, leaving it up to the states to figure out exactly how to do that.

*[No, section 202 does not require that buildings be retrofitted. Rather, it provides federal funding for states to offer financial incentives, such as loans or grants, for property owners to voluntarily decide to improve energy efficiency. In order to receive the funding, there are conditions on how states can spend the money, such as verification of energy improvements performed by private contractors, but that is only to ensure that taxpayer dollars are actually spent on the purpose for which it is intended (building efficiency improvements). The part about leaving to states decisions about whether and what form these financial incentives take (e.g., loan or grant) is true.]*

This means that homeowners, for example, could be required to retrofit their homes to meet federal “green” guidelines in order to sell their homes, if the cap-and-trade bill becomes law.

*[No, there is no point-of-sale guideline or any other requirement of any sort in the House passed bill. Nowhere does this bill create a federal requirement that a property owner would have to retrofit a property to any guideline at any time – let alone at point of sale. The bill does stipulate federal guidelines to ensure that states spend and verify that bill funding goes to financial incentives for property owners to voluntarily make improvements. An entirely separate bill would have to be drafted, introduced, passed by committees and both houses of Congress, and signed by the President into law in order for the Federal government to go beyond section 202’s financial incentives for voluntary energy improvements.]*

The bill, which now goes to the Senate, directs the administrator of the Environmental Protection Agency (EPA) to develop and implement a national policy for residential and commercial buildings. The purpose of such a strategy – known as the Retrofit for Energy and Environmental Performance (REEP) – would be to “facilitate” the retrofitting of existing buildings nationwide.

*[No, the bill directs EPA to establish the federal funding standards for state programs to offer financial incentives such as matching grants to property owners who volunteer and opt for energy improvements. These standards are designed to ensure that states spend taxpayer dollars on their intended purpose (building efficiency). Nowhere in the bill is there any provision to impose any requirement on any homeowner at any time.]*

“The Administrator shall develop and implement, in consultation with the Secretary of Energy, standards for a national energy and environmental building retrofit policy for single-family and multi-family residences,” the bill reads.

*[This is taken out of context. Again, EPA merely sets the standards that ensure states spend and verify that the money in the bill goes only to financial incentives for voluntary energy efficiency improvements.]*

It continues: “The purpose of the REEP program is to facilitate the retrofitting of existing buildings across the United States.”

*[Precisely, the purpose of the bill is to “facilitate” – not ‘require’ – energy efficiency improvements. The bill provides states with the federal funding to offer the resources and tools for homeowners who wish to*

*voluntarily make energy improvements. The bill therefore, purports to “make it easier” (the definition of “facilitate”) for states to offer those resources and tools to property owners who opt for improvements.]*

The bill leaves the definition of a retrofit and the details of the REEP program up to the EPA. However, states are responsible for ensuring that the government’s plans are carried out, whatever the final details may entail.

*[Not exactly. The bill directs states to spend bill funding on financial incentives for voluntary building efficiency improvements. It directs EPA to set the standards that ensure that the money is actually spent on these financial incentives. States may decide to use the funds for matching grants rather than loans, but in order to obtain bill funding, they must adopt standards such as for the training, certification and verification of private contractors who perform energy audit or retrofits. The EPA would establish the standards for states to adopt on how to train, certify and verify those contractor services.]*

“States shall maintain responsibility for meeting the standards and requirements of the REEP program,” the bill says.

*[It’s true that states must meet the standards that ensure the bill funding is spent on providing property owners with the resources and tools to voluntarily make improvements.]*

States may contract with private agencies to oversee the retrofitting and measuring of improved efficiency and environmental friendliness of houses and other buildings, making sure that private citizens have a variety of choices for retrofitting their homes.

*[There has been confusion over the definition of an energy audit, and questions of oversight about a growing cottage industry of private contractors who will offer to perform these services. This federal guideline would allow the states or their delegates (e.g., counties, municipalities, or electric utilities) to contract with a list of qualified audit/retrofit contractors. If a property owner decides to take advantage of a retrofit incentives program, working with the state or designee the owner could choose from this list of contractors, insuring quality energy audits/retrofits and offering the owner some peace of mind.]*

“States and local government entities may administer a REEP program in a manner that authorizes public or regulated investor-owned utilities, building auditors and inspectors, contractors, nonprofit organizations, for-profit companies, and other entities to perform audits and retrofit services,” reads the bill.

*[Again, states and their delegates would be allowed to contract with a state qualified list of private contractors. Working with the state agency or delegate, the property owner could choose any on this qualified list of contractors, insuring quality audits/retrofits and offering the owner some peace of mind.]*

It further says, “A State or local administrator of a REEP program shall seek to ensure that sufficient qualified entities are available to support retrofit activities so that building owners have a competitive choice among qualified auditors, raters, contractors, and providers of services related to retrofits.”

*[In many parts of the country, there is not even a private contractor available to offer energy auditing or retrofitting services. This provision conditions bill funding on a state “seeking to ensure” that there is availability of contractors who will perform audits or retrofitting services.]*

In fact, individual homeowners are even allowed to retrofit buildings themselves. The bill gives specific

protection to individual owners' rights to choose who inspects and retrofits their property.

*[This is an incomplete characterization. The EPA sets the standards for training, certification, and verification of contractors who perform retrofitting services. A state will have to adopt those standards in order to receive federal funding. Anyone who provides such service – including a building owner – would have to meet state-adopted standards in order to be able to perform the service.]*

“Nothing in this section is intended to deny the right of a building owner to choose the specific providers of retrofit services to engage for a retrofit project in that owner’s building.”

*[Yes, this is a voluntary program of financial incentives. Again, if a property owner decides to participate in a retrofit incentives program, the state or its delegate (e.g., county, municipality or utility) would offer the owner a list of contractors which are state qualified to perform audit or retrofit services. The owner could choose any contractor on the list, insuring quality energy audits/retrofits and offering peace of mind.]*

Even though Congress says the states are responsible for carrying out the retrofits, the EPA and the Department of Energy will establish the guidelines and rules for doing so.

*[States are responsible for designing, approving and carrying out a financial incentives program for voluntary retrofits. If the federal funding is going to provide the seed funding for such a program, the state must set standards that meet the Federal guidelines and rules to ensure that taxpayer dollars are actually spent on the purpose for which they are intended (i.e., energy efficiency).]*

“The Administrator, in consultation with the Secretary of Energy, shall establish goals, guidelines, practices, and standards for accomplishing the purpose stated in subsection (c) [the retrofits],” the bill says.

*[Subsection (c) refers to the bill’s purpose, which is to facilitate state financial incentives programs for voluntary retrofits. Thus, EPA sets goals, guidelines, practices, and standards for accomplishing that.]*

The program would involve a system of certified auditors, inspectors, and raters who inspect homes and businesses using devices such as infrared cameras (which measure how much heat a building is giving off) to measure their energy efficiency.

*[Yes, the bill establishes some basic standards for voluntarily retrofits that could be funded using federal funding created by the bill, to assure that private contractors use reliable equipment and perform the services they are contracted to perform.]*

The results of these energy audits would then be used to determine what retrofits need to be performed. The audits would examine things like water usage, infrared photography, and pressurized testing to determine the efficiency of door and window seals, and indoor air quality.

*[Obviously, energy audits are designed to identify possible energy improvements, but it is ultimately up to property owners to decide whether and which improvements to make. The bill also offers the information and options for building owners to use some of the matching grant for broader environmental audits and improvements, including water use and indoor air quality.]*

Those retrofits would be performed by licensed retrofit contractors using government-approved methods and resources including roofing materials that reflect solar energy.

*[Yes, the bill provides for state certification of contractors and methods. This is to help protect against fly-by-night private contractors who may promise but fail to deliver energy efficient materials.]*

“[B]uilding retrofits conducted pursuant to a REEP program utilize, especially in all air-conditioned buildings, roofing materials with high solar energy reflectance,” the legislation states.

*[If a property owner participates in a retrofit incentives program, and decides to use U.S. taxpayer dollars to replace the roof, then yes, the state would require that the roofing materials used meet the federal guidelines for solar energy reflectance.]*

After the retrofitting is complete, the government – state, local, or federal – will come back and re-inspect the house to determine how much energy has been saved and whether the retrofit is up to federal government standards.

*[The Federal government is not going to commit taxpayer dollars and simply assume those dollars will be spent by the states on making property more energy efficient. States will have to offer some assurance that property is in fact improved. That is why the House bill includes federal guidelines for the states to verify via energy audit and document that Federal funding is spent on energy improvements, if a property owner decides voluntarily to make those improvements.]*

“Determination of energy savings in a performance-based building retrofit program through — (A) for residential buildings, comparison of before and after retrofit scores,” the proposal states.

*[To ensure that taxpayer dollars are spent making property more efficient, the Federal guidelines would require states to verify and document the energy consumption of the property both before and after the improvements are made.]*

To help pay for the cost of these retrofits, states and localities may provide loans, utility rate rebates, tax rebates, or implement retrofit programs on their own. In fact, the government will even pay up to 50 percent of the cost of a retrofit through financial awards to individual home and building owners.

“PERCENTAGE.—Awards under clause (i) shall not exceed 50 percent of retrofit costs for each building,” reads the bill.

*[Yes, a state may determine the amount of the voluntary state financial incentives program to help property owners who want to make energy improvements. Federal funding going to any one project cannot exceed 50% of the cost of the improvements].*

Here’s an excerpt from CNSNews.com ( <http://www.cnsnews.com/public/static.aspx?PageID=18> ):

### **About Us**

The **Cybercast News Service** was launched on June 16, 1998 as a news source for individuals, news organizations and broadcasters who put a higher premium on balance than spin and seek news that’s ignored or under-reported as a result of media bias by omission.

Study after study by the [Media Research Center](http://www.mrc.org/membership) (http://www.mrc.org/membership), the parent organization of **CNSNews.com**, clearly demonstrate a liberal bias in many news outlets – bias by

commission and bias by omission – that results in a frequent double-standard in editorial decisions on what constitutes "news."

In response to these shortcomings, MRC Chairman [L. Brent Bozell III](#) founded **CNSNews.com** in an effort to provide an alternative news source that would cover stories that are subject to the bias of omission and report on other news subject to bias by commission.

**CNSNews.com** endeavors to fairly present all legitimate sides of a story and debunk popular, albeit incorrect, myths about cultural and policy issues.

**CNSNews.com** has a full staff of credentialed journalists at its world headquarters in Alexandria, Virginia, staffs full time news bureaus in Jerusalem and the Pacific Rim, and works with credentialed correspondents in London, Paris, Moscow and Nairobi. In addition to news,

**CNSNews.com** is proud to present a full slate of commentaries by some of the brightest minds and sharpest wits in the nation, and a full stable of cartoonists to provide you with a morning political chuckle.

**CNSNews.com** is a division of the Media Research Center, a not-for-profit 501 (c)(3) organization. Like National Public Radio and the Public Broadcasting System, **CNSNews.com** is able to provide its services and information to the public at no cost, thanks to the generous support of our thousands of donors and their tax-deductible contributions. However, unlike NPR or PBS, **CNSNews.com** does not accept any federal tax money for its operations.