

American Clean Energy and Security Act of 2009



NAR advocacy ensured the interests of REALTORS® were protected in this legislation. The Act includes no federal energy audit for real property and exemption from energy efficient labeling on existing buildings. Read more at: <http://tinyurl.com/mx4d6k>

The vote on the American Clean Energy and Security Act of 2009 narrowly passed the U.S. House of Representatives on June 26 and now moves to the Senate for approval. The bill, H.R. 2998—also known as the Waxman-Markey Bill—was hailed by some for its efforts to introduce an energy consumption and carbon emissions plan, but raised great concerns from real estate experts worried about provisions targeting the hard hit commercial real estate industry.

Thanks to efforts by NAR, the latter is less of an issue.

The bill, named after its co-authors Reps. Henry Waxman, D-Calif., and Edward Markey, D-Mass, calls for a 17 percent carbon emissions reduction

from 2005 levels by 2020, and an 80 percent reduction by 2050. While concessions were made on both sides to pass the bill, its controversial nature is reflected in the slim passing of a 219-212 vote.

Original provisions in the bill called for new and existing buildings to be rated and labeled based on their efficiency, like appliances and automobiles. Detractors claimed that many buildings would perform poorly simply because of their age and property designation. Some facilities require higher energy usage because of their function—information hubs, broadcast centers—and they would be penalized against other facilities without such requirements.

After multiple meetings to discuss the Waxman-Markey bill, the NAR Land Use, Property Rights and Environment Committee directed NAR staff to concentrate on the real estate provisions in the bill. As a result, NAR issued calls for action and made this a talking point for Capitol Hill visits during its recent Midyear Meeting. Overall,

REALTORS® succeeded in making a number of positive changes to the bill. Thanks to REALTORS®, the House-approved bill:

- Limits the energy labeling provisions to new construction only;
- Prohibits the Environmental Protection Agency from regulating carbon emissions from residential and commercial buildings under the Clean Air Act;
- Eliminates an early proposal to bolster a private right of action so that citizens could sue over minor climate risks under the Clean Air Act; that proposal is no longer in the bill as passed by the House;
- Provides property owners with significant financial incentives, matching grants and the tools to make property improvements and reduce their energy bills; and
- Establishes a multitude of green building incentives for HUD housing, including a loan program for renewable energy, block grants and credit for upgrades in mortgage underwriting.

H.R. 2998 includes many positive changes, but the work is not done. NAR will have additional opportunities to make further changes to, among other things, address unresolved issues, such as the bill's building energy code targets. The Senate must still pass its version of an energy and climate bill. NAR will continue to work to address critical issues as the legislative process continues.

An NAR summary of climate issues, which summarizes NAR policy, may be accessed at: <http://tinyurl.com/NAR-Policy> ■



ENERGY STAR is a joint program of the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy. It was established in 1992 to help protect the environment through energy efficient products and practices.

The EPA established the energy performance rating system which businesses have already used for more than 80,000 buildings across the country.

Numerous products carry the Energy Star logo—from kitchen appliances and computers to buildings. To earn the Energy Star, energy consumption must be reduced by 20 to 30 percent over more conventional products. Top performing buildings are also recognized with the Energy Star. Visit www.energystar.org.

On the State Level

Thirty states have adopted policies to reduce energy consumption.

There are three general approaches:

1. New buildings must exceed energy efficiency standards over comparable traditional buildings; Adopted by LA, ID and WI.
2. Energy Star Challenge—30 states have adopted this aim which calls for a 10 percent reduction in building energy efficiency.
3. Other states have used legislation and executive orders to set overarching goals to reduce energy use by a certain percentage compared with a baseline year.