

# HOUSE BILL REPORT

## HB 1015

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**As Reported by House Committee On:**  
Local Government

**Title:** An act relating to energy labeling of residential buildings.

**Brief Description:** Concerning energy labeling of residential buildings.

**Sponsors:** Representatives Duerr, Ramel, Ryu, Berry, Reed, Fitzgibbon, Macri, Doglio, Simmons, Peterson, Pollet, Kloba and Parshley.

**Brief History:**

**Committee Activity:**

Local Government: 1/17/25, 1/24/25 [DPS].

**Brief Summary of Substitute Bill**

- Authorizes cities and counties to require an owner of a specified residence type to obtain a home energy performance report prior to publicly advertising the home for sale, with conditions, and provides the required elements of a home energy performance report.
- Directs the Department of Commerce to develop a standardized format for home energy performance reports.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 4 members: Representatives Duerr, Chair; Parshley, Vice Chair; Hunt and Zahn.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Klicker, Ranking Minority Member; Stuebe, Assistant Ranking Minority Member; Griffey.

**Staff:** Elizabeth Allison (786-7129).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

## **Background:**

### Home Energy Performance Report.

A home energy performance report, also known as a home energy audit or a home energy assessment, determines how much energy a home uses and shows energy inefficiencies. The assessment generally involves a room-by-room examination of a home by a home energy professional.

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## **Summary of Substitute Bill:**

Cities and counties are authorized to require an owner of a single-family residence, duplex, triplex, quadplex, cottage housing, townhome, or attached accessory dwelling unit to obtain a home energy performance report and make it available before the residence may be publicly advertised for sale. Ordinances adopted by a city or county take effect one year after adoption. A city or county may not impose a home energy performance report requirement until the city or county has conducted an analysis of the financial impacts of such a requirement and adopted a program to mitigate those impacts.

A home energy performance report required by a city or county must include specified information, including:

- a home energy score using methods developed by the United States (US) Department of Energy;
- an estimate of the total annual energy used in the residence in retail units of energy by fuel;
- an estimate of the total monthly or annual cost of energy purchased for use in the residence in dollars, by fuel type, based on the current average annual retail residential energy price of the utility serving the covered building at the time of the report;
- at least one comparison of a home energy performance score that provides context for the range of potential scores;
- the identification of efficiency measures that may be installed directly by consumers;
- the amount of greenhouse gas emissions associated with the energy consumption of the residence, in tons per year by fuel type, with at least one comparison measure; and
- the identification of the most significant energy efficiency improvements with respect to the residence.

A single home energy performance report may be used for identical houses on the same land division. Home energy performance reports are valid for eight years.

Cities and counties may include additional criteria for home energy performance reports.

The home energy performance report must be prepared by a qualified home energy auditor who is certified through a program approved by the US Department of Energy.

The Department of Commerce must develop, maintain, and make available a standardized format for home energy performance reports. Space must be provided on the form for cities and counties to include additional criteria.

**Substitute Bill Compared to Original Bill:**

The substitute bill provides that a new ordinance adopted by cities to require home energy performance reports takes effect one year after adoption. In addition to single-family houses, a home energy performance report must be completed for duplexes, triplexes, quadplexes, cottage houses, townhomes, and attached accessory dwelling units. Cities and counties may provide additional criteria for home energy performance reports, and the standard form created by the Department of Commerce must include space for any additional criteria. Home energy performance reports are valid for eight years if no changes occur, and a single home energy performance report may be used for identical houses on the same land division.

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**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) The home energy performance assessment is similar to buying a car and seeing the mileage. It provides the buyer with a rough idea of what it will cost to operate. It provides an opportunity to be provided with solutions to bring energy costs down. This bill is not a requirement. Cities can choose whether to adopt this policy. This bill addresses a critical information gap. The information from the assessment will help buyers make informed decisions while understanding the environmental impact. This bill also prioritizes equity and the Department of Commerce's standard format ensures consistent reporting. This will also create incentives for improving energy efficiency.

(Opposed) There are three concerns with this bill. First, there is a low availability of home energy assessors in Washington. Second, most utilities already offer a free assessment for buyers and sellers. Third, this could lead to unintended consequences for elderly people and those living in an older home. This policy is not necessary.

(Other) Any local requirement for a home energy performance assessment should not apply to homes built after a certain date, such as 2015, when more stringent requirements were put into place. This bill mandates that the assessments be done by a certified auditor but there

are no certified auditors in Washington. If this bill moves forward there should be language ensuring that cities cannot enforce the requirements unless there are an adequate number of auditors available.

**Persons Testifying:** (In support) Representative Davina Duerr, prime sponsor; and David Morton.

(Opposed) Brent Ludeman, Building Industry Association of Washington.

(Other) Nick Streuli, Washington Realtors.

**Persons Signed In To Testify But Not Testifying:** None.