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City's new energy audits to spawn 'fantastic' market

'Green' firms excited about prospects

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A new city of Austin law requiring older homes to get audits measuring energy use may mean new business for private companies.

This month the city passed an energy conservation ordinance, effective June 2009, that will require owners of single-family homes 10 years or older to obtain so-called energy conservation audits — consisting of duct blasting; heating, ventilation and air conditioning system inspections; and other tests — before they can be sold.

The new ordinance may be a boon for companies that already perform energy audits among their services but haven't been able to make them a successful part of their business plans, says Nathan Doxsey, owner of Texas Green Realty and a member of the task force that drafted the ordinance. The ordinance could also spawn a new industry of home performance testers — those who conduct audits and make improvements to achieve more favorable results.

According to the city, there were about 10,000 homes sold in Austin in 2007, and 4,000 of those were more than 10 years old.

Matt Stevens, general manager at Green Zone Home, says he expects a big portion of his overall business to shift into doing audits that comply with the new ordinance. The seven-year-old company, which employs 10 people who perform audits, primarily certifies new homes for homebuilders toward the Energy Star or Austin Green Building programs. Ten percent of its revenue, which Stevens declined to disclose, consists of homeowners voluntarily auditing their homes. With the new ordinance, Stevens expects that business to be 50 percent or more in the next year.

AirTite Inspections is another company that hopes the new ordinance will mean an uptick in business. The eight-year-old business also certifies homes for Energy Star and other efficiency programs. Audits, a small part of its business, cost \$350 to more than \$1,000 for larger homes.

"Business-wise it will be fantastic once it gets rolling," company owner Bill Kelliher says. But he notes that sluggish home sales may mean that business will not be as brisk as it could. "What good does it do me if they have all these laws but no one is selling houses?"

Under the ordinance, owners of commercial properties or multifamily units, including rentals, that are at least 10 years old must have audits done by June 2011 regardless of whether they are for sale. Owners of newer units and commercial properties must obtain audits within 10 years of when construction is completed.

Auditors must be certified through the city and may first need to be accredited by an organization such as the Building Performance Institute or the Residential Energy Services Network.

The results of audits will be given to prospective buyers and, experts say, become a critical bargaining point in negotiations. Certain homes that already participate in conservation programs such as Austin Energy's Energy Star program are exempt from the audit requirement.

Austin Energy, the city-owned utility, will oversee the audit program, which will include providing disclosure rules and forms. It will tap a third party to administer the certification process, Austin Energy spokesman Ed Clark says. Details of the program are being developed and will be available next month, Clark says. But he could confirm that certification will involve classroom training, exams and fees.

"We are giving the requirements a very thorough examination so we achieve precisely what the City Council wants to achieve: to provide information to the community but also have a program in place that is not overburdening but does stimulate action to make improvements in buildings," Clark says.

Courtesy of JB Goodwin