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family homes. There are a number of issues in multifamily projects that require attention if the HERS Phase II regulations are to work efficiently and benefit all parties.

Until 2005, there were several loopholes in the California Energy Code for multifamily homes. For example, central hot water systems and small proportions of west-facing glazing of multifamily homes were compared to individual water heating systems and large amounts of glazing, typically found in single family homes. Multifamily developers were getting credit for characteristics that were standard in multifamily building. For this reason, there is perhaps more opportunity for improvement in newer multifamily homes than in newer single family homes. It is incredibly important not to overlook multifamily buildings as we move forward in developing codes and legislation for residential buildings.

The largest barrier with energy efficiency upgrades in multifamily housing is that of the split incentive. In rental units, the common problem is that owner pays for energy efficiency upgrades, while the tenant reaps the benefits of lowered utility bills. Therefore what is cost effective to the owner of an owner-occupied dwelling unit is not necessarily cost effective to the owner of a rental home, whether single or multi-family. Furthermore, though the tenant may have 12 months of utility bills for the dwelling unit, the building owner, will in most cases not have access to those bills for utility bill analysis. In order to determine what is cost effective in multifamily housing, there needs to be a software input for which utility bills the owner pays.

In condos, the split incentive issue is with central water heating systems. Often the HOA is responsible for gas and water bills associated with central hot water systems. These systems are considered common property and cannot be upgraded by an individual owner, so should not be considered cost-effective upgrade options. If the energy upgrades recommended to building owners are not realistic and cost effective, it is highly unlikely that the owners will take any action to improve efficiency in their buildings.

Additionally, there needs to be specification on modeling protocols for multifamily buildings. Does each multifamily building get modeled as a whole, or by dwelling unit? If modeled by dwelling unit, how should central hot water heating be modeled? If exterior lighting on single family homes is analyzed, should lighting in hallways and other common spaces also be analyzed in multifamily ratings? Should this be dependent on who pays the utility bills?

HERS Phase II needs to address multifamily building explicitly if we are to catalyze improvements to this significant portion of existing buildings. I have only grazed the surface on the issues associated with energy efficiency in multifamily buildings. We need specific protocols for this building type that will result in recommendations that are truly cost effective for rental owners and condominium owners. If multifamily buildings are analyzed in the same manner as single family buildings, it is unrealistic to expect to increase efficiency in multifamily buildings, as the analysis and recommendations are not useful to the building owner. HERS raters must be trained to understand multifamily building types, limitations, and opportunities.

Thank you for your time and consideration. I anticipate the enormous impact this tool will have on meeting our statewide energy goals.

Sincerely,

Elizabeth McCollum

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