Energy-efficiency standards overview

Energy-efficiency standards establish requirements for building performance that contribute to reductions in energy consumption and emissions of greenhouse gases and lower utility bills for residents and property owners. Standards may be enforced through a variety of mechanisms that are triggered at different points in a property’s life cycle, including during construction or renovation and when the property is sold.

Energy codes, for example, contain standardized building specifications that are intended to achieve a minimum level of energy-efficiency. Like building codes, most energy codes apply to new construction and rehab projects that exceed stated thresholds related to cost or scope. In built-out communities with little available land, requirements that apply when buildings are sold may be a more effective way to reduce residential energy consumption. These policies require certain energy-efficiency standards to be met when a property changes hands. To limit the financial impact on property owners, point-of-sale requirements typically include a ceiling on the value of repairs that must be completed in connection with a single home sale, which may be expressed as a flat dollar amount or a share of the building’s value.