

SINGLE FAMILY “HOME ENERGY RATING DISCLOSURE” (HERD)

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What is HERD?

- HERD = Home Energy Rating Disclosure
- A program designed to make a home's energy use easy to understand, like a miles-per-charge rating for an electric vehicle.
- Focus: Residential single-family buildings

What is the goal of this program?

- To inform prospective home buyers of a home's energy performance and expected energy costs
- Recommend and encourage cost-effective home energy improvements
- Increase market push for healthy, quality, energy-efficient homes

Which buildings are covered?



Building Type	Building Size	Commercial Benchmarking	Commercial Energy Audit Disclosure	Home Energy Rating Disclosure	Green Rental Housing
Commercial, Institutional & Industrial Buildings	>20,000 SF	X			
Commercial, Institutional & Industrial Buildings	<20,000 SF		X		
Multifamily Buildings	>20,000 SF	X			If rented
Residential Housing Units	N/A			X	If rented

What buildings are covered?

1)



All single-dwelling units on their own lots

2)



Attached single-dwelling units

Why do we need
this program ?



A²ZERO Plan:

*A just transition to
a carbon-neutral
community by
2030*

1. Powering our electrical grid with 100% renewable energy.
2. Switching our appliances and vehicles from gasoline, diesel, propane, coal, and natural gas to electric.
3. Significantly improving the energy efficiency of our homes, businesses, schools, places of worship, recreational sites, and government facilities.
4. Reducing the miles we travel in our vehicles by at least 50%.
5. Changing the way we use, reuse, and dispose of materials.
6. Enhancing the resilience of our people and our place.
7. Cross-cutting initiatives such as equity, engagement, and reporting.



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A²ZERO Plan:

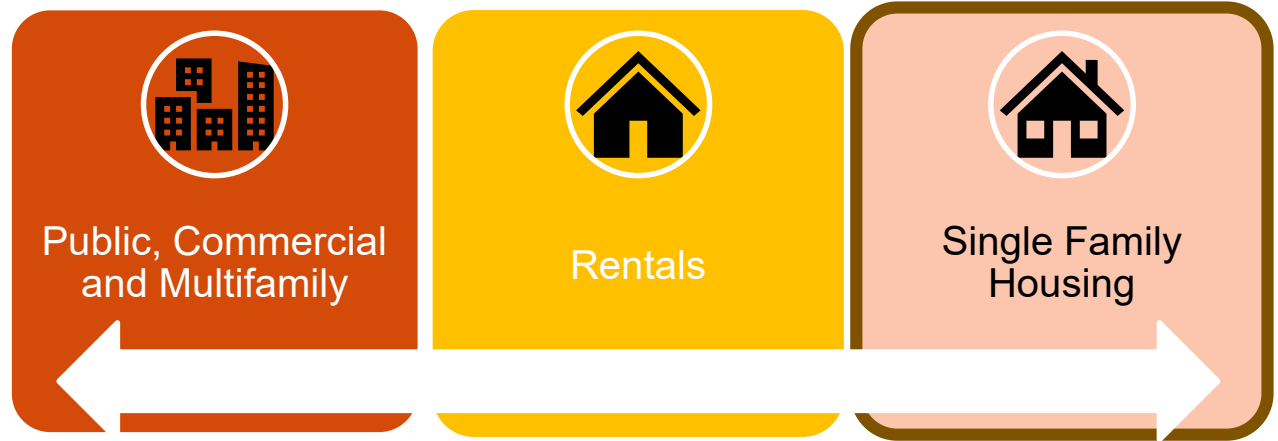
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A²ZERO Plan:

A suite of programs



Existing Demand for Disclosure Policy:

*National Association
of Realtors® 2021
Sustainability survey*



65% *of realtors in the Midwest found energy efficiency listings to be somewhat or very valuable*

75% *of realtors believe that a home's utility bill/operation costs are somewhat or very important to home buyers*

37% *of realtors expressed comfort or extreme comfort with answering clients' questions on home energy performance.*

Who benefits from
HERD?



Key Benefits



- Literacy → action
- Economic development

7-37% Conversion rate for home energy improvements

- Community development
- Consumer protection

Benefits of HES



Home Buyer

- Transparency
- Cost-effective efficiency improvement recommendations
- Lower energy costs support lower income households

Homeowner (as a Seller)

- Opportunity to showcase cost-effective efficiency upgrades
- Increased value of homes with high energy scores* (without devaluing those with lower scores)

Benefits of HES



Real Estate Agent/Realtor

- Faster sales
- Better customer service
- More secure homebuyer investment
- Standardizes energy performance language

Community at Large

- Reduced carbon emissions
- Quality homes

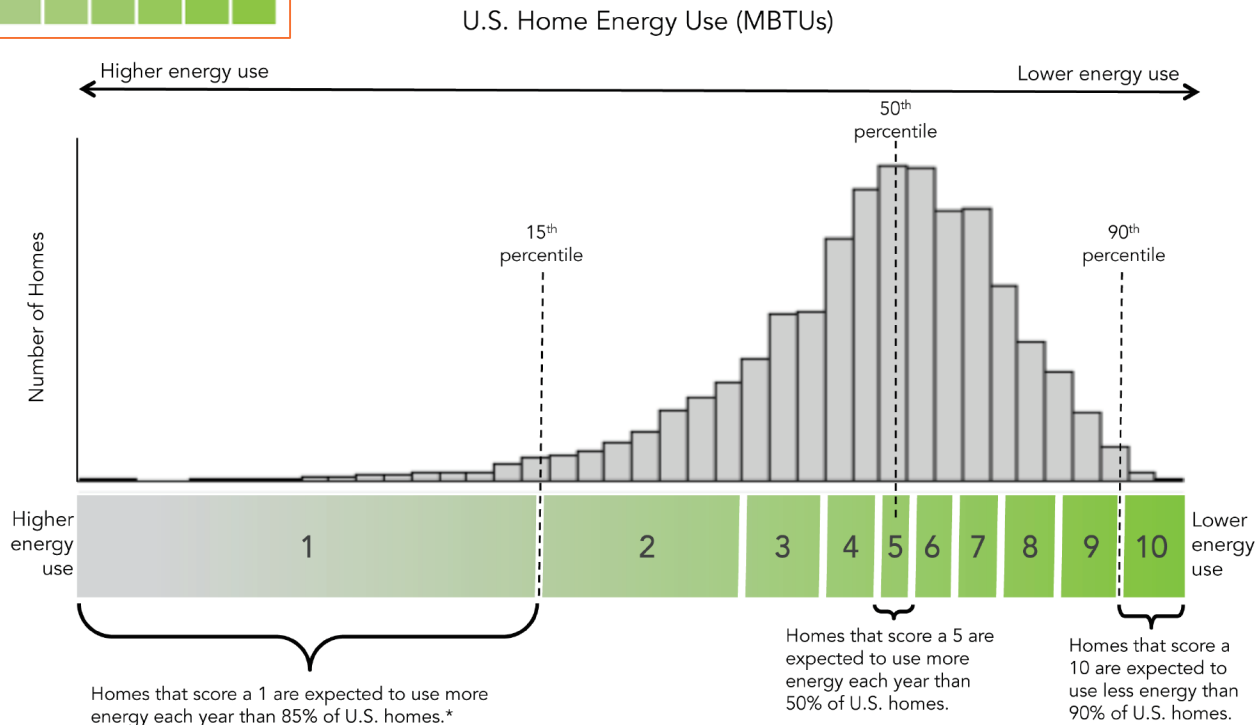
How does a Home Energy Score (HES) work?

U.S. DEPARTMENT OF ENERGY
Home Energy Score



Standardized '1 to 10' scale

U.S. DEPARTMENT OF ENERGY Home Energy Score



For Homeowners and Sellers

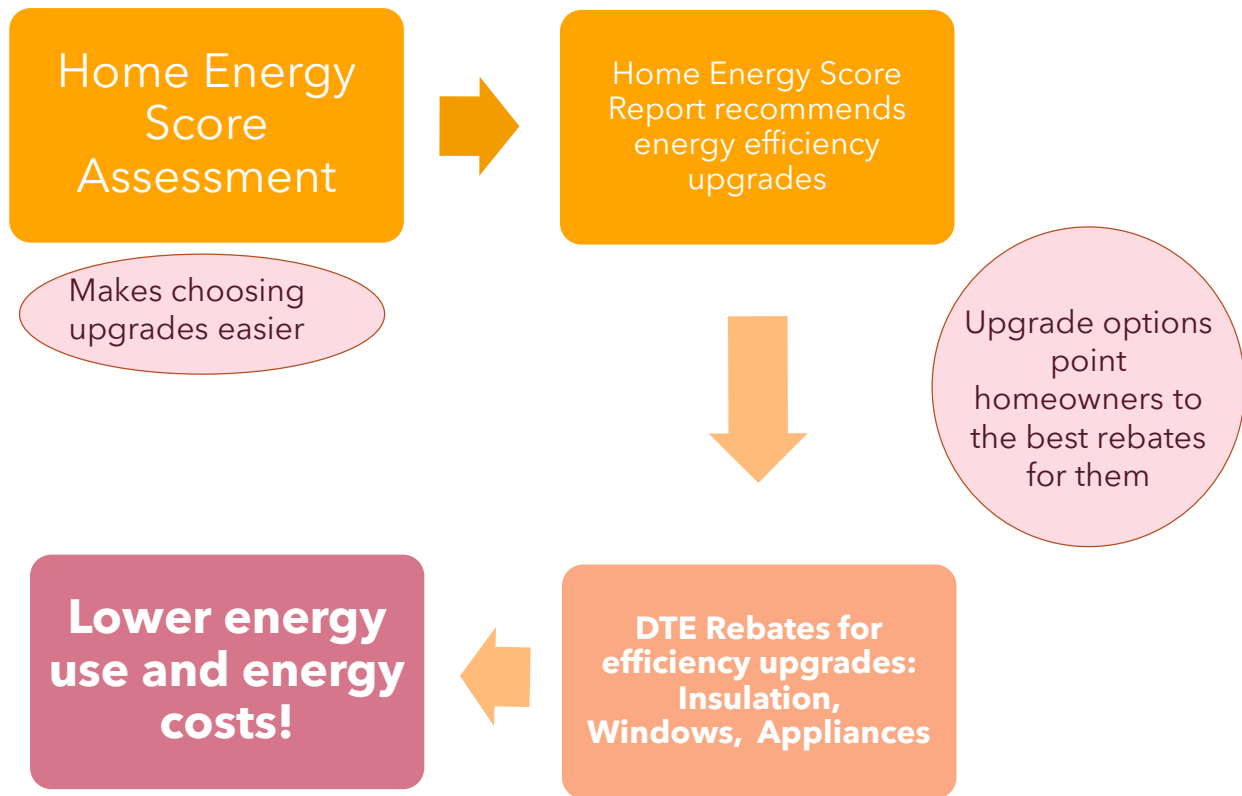


- 1) A Home Energy Assessor evaluates home's total energy use
- 2) The Home Energy Score Report includes:
 - The Home Energy Score
 - Data used to calculate HES
 - Energy use estimates
 - Improvement recommendations with 10-year or less pay back rates
- 3) If selling,
 - HES will be included in home's listing
 - HES Report will be given to the buyer

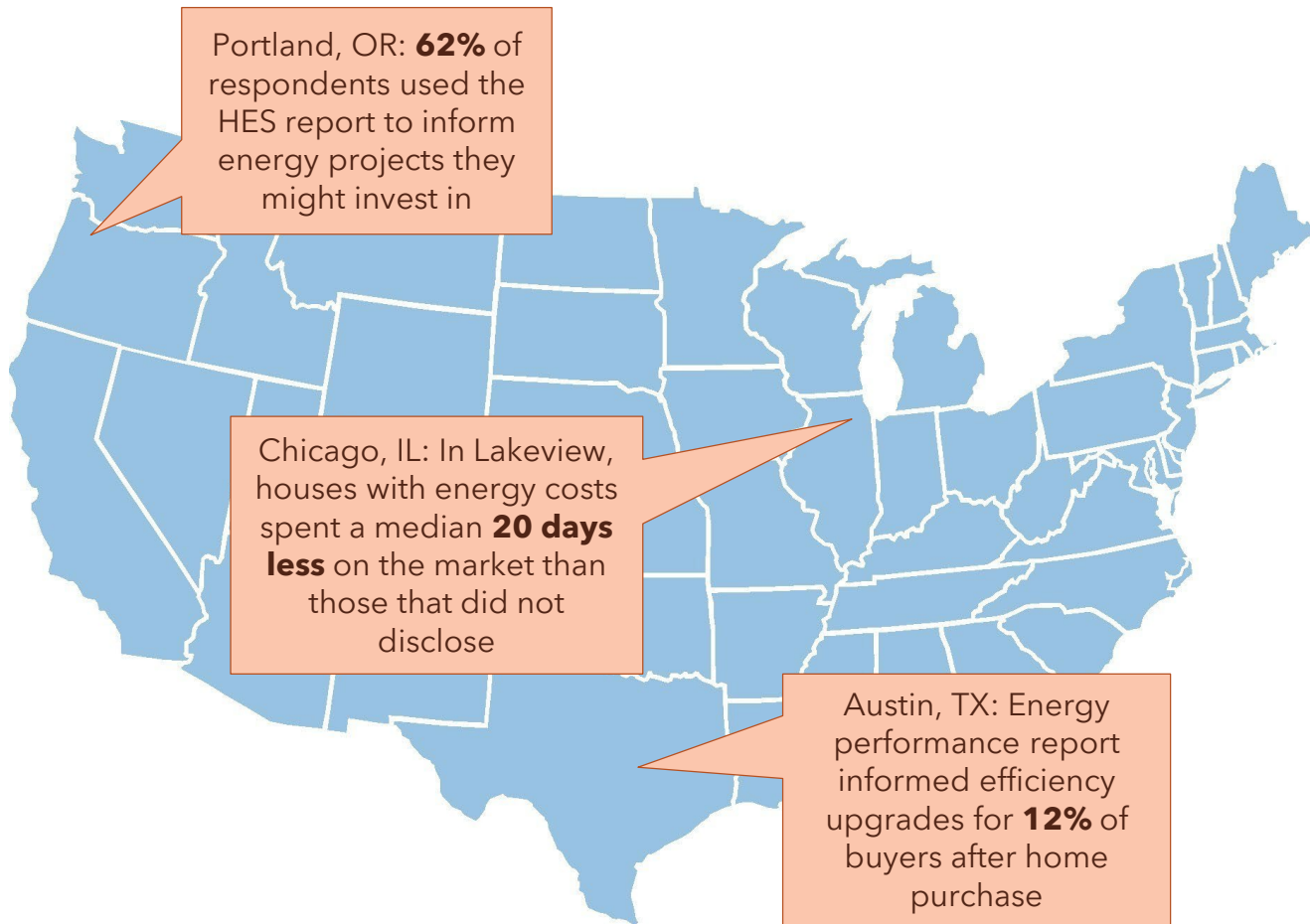
What impact will
HERD have?



Increasing Support for Efficiency Upgrades



Positive Market Shifts



Benefits from Efficiency Upgrades



► Energy and Cost Savings

Michigan's average annual energy bill = **\$2,716** (Elevate Energy, 2017)

In Ann Arbor, **17.2%** of homeowner households have housing cost burdens (Harvard JCHS).

Efficiency upgrades could reduce energy burdens by **15-30%** (Elevate Energy, 2017)

► Health and Safety

Energy-efficient homes have significantly improved indoor air quality, leading to better quality of life and health.

► Support for Local Economy

Increased demand for Home Energy Assessments and efficiency upgrades

2014 Michigan energy efficiency programs are expected to create **15,203** jobs in the state by 2038 (MEEA, 2016)

Thank you for
your time!

Questions?

