

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on January 29, 2007 in Room 526-S of the Capitol.

Committee members absent:

Committee staff present: Raney Gilliland, Kansas Legislative Research Department
Tatiana Lin, KSU Legislative Fellow
Mike Corrigan, Revisor of Statutes
Ann McMorris, Committee Secretary

Conferees appearing before the committee:

Bruce Snead, Kansas Energy Council
Paul Snider, Kansas City Power & Light
Mark Schreiber, Westar
Tom Thompson, Sierra Club
Chris Wilson, Kansas Building Industry Association
Wess Galyon, Wichita Area Building Association
Billy Gray, Gray Construction Inc., Wichita

Others in attendance: See attached list

Written testimony on **SB 20** from proponents -Associated General Contractors of Kansas (Attachment 1) and Canton City Councilman Alan Prieb (Attachment 2) was handed out to the committee.

Chair opened the hearing on

SB 120 - Energy efficiency standards for certain new buildings, disclosure of such standards to potential real estate purchasers.

Proponents:

CoChairman Ken Frahm of the Kansas Energy Council stated that **SB 120** and **SB 128** are both part of the Kansas Energy Council Plan. He introduced Bruce Snead to address several aspects of **SB 120** and its benefits.

Bruce Snead, Energy Efficiency Representative of the Kansas Energy Council, provided the policy and program recommendations of the Kansas Energy Plan 2007 and briefly described the proposed amendments to existing laws relating to energy efficiency disclosure on new homes. He covered both the pros and cons of a revised disclosure form and the KCC role. (Attachment 3)

Committee asked about local jurisdiction if KCC provided proposed standards and how much information would the buyer be provided by the disclosure form.

Paul Snider, Kansas City Power and Light, noted KCPL has strongly advocated the promotion of energy efficiency for several years. KCPL supports **SB 120** and feels it will provide new home buyers essential information about the energy efficiency of their prospective homes at a time when key decisions would be made. (Attachment 4)

Written testimony in support of **SB 120** was provided by (1) Mark Schreiber, Director Government Affairs, Westar Energy (Attachment 5) and (2) Tom Thompson, Sierra Club. (Attachment 6)

Don Low of the Kansas Corporation Commission, voiced support of the KCC for **SB 120**.

Senator Francisco suggested the words " and equipment" be included after 'structures' in the new language on page 1, line 27 of **SB 120**.

CONTINUATION SHEET

MINUTES OF THE Senate Utilities Committee at 9:30 A.M. on January 29, 2007 in Room 526-S of the Capitol.

Opponents

Chris Wilson, Executive Director of the Kansas Building Industry Association, offered several changes to **SB 120** as introduced. KBIA urged the committee to amend **SB 120** to change the language regarding timing to what makes best sense for the buyers and those providing the form; to modify the form; and to keep it in the statute; and to not create a duplicative effort in the state to set values that are already established at the federal level by the IECC and the IRC Codes. (Attachment 7)

Wess Gaylon, president/CEO of the Wichita Area Builders Association, spoke in opposition to **SB 120**. Energy efficiency is important to homeowners but so is flexibility in design, structural integrity, indoor air quality, and other matters the buyers want and deserve to have addressed. The Builders Association supports the current provisions contained in the International Energy Conservation Code (IECC) or International Residential Code (IRC) and that no changes be made in the current state statute. (Attachment 8)

Billy Gray, Gray Construction, Inc., Wichita, a single family home builder, spoke in opposition to **SB 120** and asked consideration of the committee in keeping what is now in state statute. He provided copies of Energy Star Qualified Homes codes and standards information and IECC Chapter 4 Residential Energy Efficiency (Attachment 9)

It was suggested that the disclosure form should be made available prior to signing of the contract instead of at time of listing.

Due to the lack of time to hear from all opponents, Chair continued the hearing on **SB 120** to Thursday, February 1.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 9

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: JANUARY 29, 2007

Name	Representing
Liz Brosius	Kansas Energy Council
BRUCE SWEAD	" " "
KEU FRITZ	" " "
Chris Wilson	KS Building Industry Ass'n
Luke Bell	KS Association of REALTORS
Katie Siebaugh	Kearney & Associates
JOHN C. BOTTENBERG	WESTAR ENERGY
Don Low	KCC
Paul Johnson	KS Cath Conf.
Paul Snider	KCPL
Wes. Alyson	Wideto Area Bldg Assn
Guy Young	Gray Coast Inc.
Jim Boone	Northstar Comfort Soc.
Wendy Johnson	KCAPA
Eric Stafford	AGC of KS

TESTIMONY OF
ASSOCIATED GENERAL CONTRACTORS OF KANSAS
BEFORE SENATE COMMITTEE ON UTILITIES
Regarding Kansas Underground Utility Damage Prevention Act
SB 20

January 29, 2007

By Corey D Peterson, Associated General Contractors of Kansas, Inc.

Mister Chairman and members of the committee, my name is Corey D Peterson. I am the Executive Vice President of the Associated General Contractors of Kansas, Inc. The AGC of Kansas is a trade association representing the commercial building construction industry, including general contractors, subcontractors and suppliers throughout Kansas (with the exception of Johnson and Wyandotte counties).

AGC of Kansas supports SB 20, which adds sanitary and stormwater sewers and potable water utilities into the Kansas One-Call program.

Threats to employee safety and the high cost of repairing broken lines are going to exist regardless of type of line. It is therefore only logical that there be no exemptions to the Act. The cost incurred by those directly and indirectly affected by one major accident due to an unknown line could go a long way towards covering the cost of adding sewer and water to the One-Call program. The hazards of buried lines are a major concern to the entire construction industry.

The AGC of Kansas **respectfully requests that you pass Senate Bill 20 favorably for passage.** Thank you for your consideration.

Senate Utilities Committee
January 29, 2007
Attachment 1-1

Jay Emler - Support for S.B. 20

From: "Prieb, Alan R [EQ]" <A.R.Prieb@embarq.com>
To: <emler@senate.state.ks.us>
Date: 1/25/2007 9:13 AM
Subject: Support for S.B. 20

Senator Jay,

I support that municipal water and sewer should be mandatory members of the Kansas One-Call system.

I am a Canton City Councilman. The City of Canton has been a paid voluntary member for many years, long before I became a councilman.

I am, also, the Chairman of the Operating Committee for Kansas One-Call. The Committee has discussed the pros & cons (of water and sewer not being members) for all of the excavators across the State.

As a supervisor for Embarq, we and our contractors continually have to make multiple calls to get underground facility owners notified of proposed excavation because they are not members of the Kansas One-Call system.

Thanks for your support.

Alan Prieb
Installation and Maintenance Supervisor
Embarq
620 327 4011

Senate Utilities Committee
January 29, 2007
Attachment 2-1

Utilities Committee
Kansas Senate
Written Testimony of Bruce Snead
Energy Efficiency Representative
Kansas Energy Council
State Extension Specialist in Residential Energy
Engineering Extension at K-State
Manhattan, Kansas
January 29, 2007

SB 120

Mr. Chair and members of the committee, thank you for the opportunity to testify on this bill.

I support this bill and would like to address several aspects of it and its benefits.

The following section of my testimony is taken directly from the Kansas Energy Plan 2007 Policy and Program Recommendations presented to you on January 16.

2. Amend Existing Laws Relating to Energy Efficiency Disclosure on New Homes

a. Description

To ensure Kansas homebuyers receive timely, useful information about the energy performance of any new home they are considering, K.S.A. 66-1227 and K.S.A. 66-1228 need to be amended in several significant ways.

Currently, K.S.A. 66-1228 requires the person selling a previously unoccupied new residential structure to disclose to the buyer or prospective buyer, prior to closing or upon request, information regarding the thermal efficiency of the structure (single or multifamily units, three floors and under). However, because such information is important to prospective buyers, the existing law needs to be amended to require that realtors provide this disclosure on all new houses at the time the new house is offered for sale, upon request at any time, and at closing. Having energy efficiency information available to prospective buyers at listing is comparable to having mileage rating stickers when prospective buyers look at new cars.

In addition, K.S.A. 66-1228 needs to be amended to remove the disclosure form from the body of the law in order to allow the form to be revised by the Kansas Energy Office at the Kansas Corporation Commission. The form needs to be revised to (1) present the energy efficiency information in a quantitative and comparative way (see sample of revised disclosure form in Attachment A) and (2) to reflect latest national and international codes and standards.

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Attachment 3-1

K.S.A. 66-1227 adopts the International Energy Conservation Code 2003 (IECC 2003) as the applicable thermal efficiency standard for new commercial and industrial structures in Kansas and states that the “state corporation commission has no authority to adopt or enforce energy efficiency standards for residential, commercial, or industrial structures.” This law needs to be amended to (1) allow standards for commercial and industrial structures to be routinely updated through the Rules and Regulations process and (2) include a provision authorizing the Kansas Energy Office at the KCC to propose guidelines through the Rules and Regulations process for local residential energy efficiency standards (see Policy Recommendation 4, below).

These amendments to K.S.A. 66-1227 and 66-1228 will ensure that Kansas consumers receive useful, quantitative data about the energy performance of new houses.

b. Recommended Actions

i) Responsible parties

Homebuilders cooperate with realtors to provide form at listing of new homes.

Kansas Energy Office staff will update form as needed to reflect current national and international standards.

ii) Legislative action

Amend K.S.A. 66-1228 and 66-1227, as described above.

iii) Budget requirements

No additional State funding required.

iv) Implementation timeline

Initiated upon effective date of enabling legislation.

c. Implications of Proposal

Pros

- i) Provide timely, quantitative information about the energy efficiency of new housing.
- ii) Raises homebuyer awareness of energy efficiency issues.
- iii) Raises homebuilder awareness of energy efficiency issues.
- iv) Allows the form to be updated as deemed appropriate by KCC.

Cons

Program success requires active participation of homebuilders and realtors without any provision for enforcement. *(end of KEC Plan 2007 section)*

First, why should we change the disclosure form and allow it to be updated by the KCC?

Generally to:

- Provide timely, quantitative and comparative information about the energy efficiency of new housing, so people know what the energy components are in a new home, and have a basis for evaluating that component.
- Raise homebuyer awareness of energy efficiency issues.
- Raise homebuilder awareness of energy efficiency issues.
- To reflect the latest national standards and codes.

An important change is to the time of disclosure requirement. Requiring disclosure “at the time the residential structure is offered for sale, prior to closing, and at any time upon request of the buyer or prospective buyer” replaces the current text of “upon request or prior to closing”. These changes will ensure that Kansas consumers receive timely, useful, quantitative data about the energy performance of new houses. The current form and the draft form prepared as part of the KEC planning process are attached.

SB 120 puts the state responsibility for adoption of thermal energy efficiency standards for new industrial and commercial structures on the shoulders of the KCC, which is appropriate given the regulatory nature of KCC function. It does not give the KCC authority to enforce these standards, including those for residential energy efficiency. That authority rests with local jurisdictions such as cities and counties. The bill does give the Kansas Energy Office at the KCC the authority to propose thermal energy efficiency standards for local jurisdictions.

Why are energy codes important in new construction? Energy codes establish minimum insulation and efficiency component requirements for both commercial and residential buildings. Residential codes provide insurance to homeowners that newly constructed homes make use of modern techniques and products that make houses energy-efficient. By complying with energy code requirements, energy bills are lower and comfort levels are often improved. Codes also level the playing field for builders by requiring a standard level

of quality in areas that homeowners might not see when they are buying a house, such as the insulation in the walls.

Thank you for your interest and I will try to answer any questions.

Bruce Snead

810 Pierre St.

Manhattan, KS 66502

785-537-7260 Home 785-532-4992 Work email bsnead@ksu.edu

KANSAS ENERGY EFFICIENCY DISCLOSURE

Kansas law requires the person building or selling a previously unoccupied new residential structure to disclose to the buyer or a prospective buyer, upon request or prior to closing, information regarding the thermal efficiency of the structure (single or multifamily units, three floors and under).

Common Address or Legal Description: _____

This residence (select one of the following options):

- _____ 1. Has been built to meet the energy-efficiency standards of the International Energy Conservation Code 2003 (IECC 2003).
- _____ 2. Has received a Home Energy Rating score of 80 or greater when performed in accordance with the Mortgage Industry National Home Energy Rating System Accreditation Standard (June 15, 2002) by a rater certified and listed by Residential Energy Services Network (RESNET), or
- _____ 3. Has been built to include the following energy-efficiency elements:

(1) Insulation values (R-value of insulation installed) for each of the following:

Ceiling with attic above	(R-value) _____	Cathedral ceiling	(R-value) _____
Opaque walls	(R-value) _____	Floors over unheated spaces	(R-value) _____
Floors over outside air	(R-value) _____		

Foundation type: Slab-on-grade _____
 Crawlspace _____
 Basement (R-value, if applicable) _____
 Percent of basement walls underground _____

(2) Thermal properties of windows and doors for each of the following:

Entry door(s)	(U-value or R-value) _____
Sliding door(s)	(U-value) _____
Other exterior doors	(R-value) _____
Garage-to-house door	(R-value) _____
Windows (determined from NFRC rating or default table)	(U-value) _____

(3) HVAC equipment efficiency levels:

Heating systems:	Gas-fired, forced-air furnace	(AFUE rating) _____
	Electric heat pump	(HSPF rating) _____
Air-conditioning systems:	Electric unit	(SEER rating) _____
	Electric heat pump	(EER rating) _____
	Ground-source heat pump	(EER rating) _____
Duct insulation levels:	Insulation _____	(R-value of ducts outside building envelope)
Thermostat:	Manual control type _____	
	Automatic setback type _____	

(4) Water heating efficiency levels:

Water heater fuel type _____
Water heater capacity _____
NAECA energy factor _____

Additional information: (Attach additional sheet if necessary.)

Seller signature: _____ Date: _____

Seller name/address: _____

Buyer signature: _____ Date: _____

Buyer signature: _____ Date: _____

KANSAS ENERGY EFFICIENCY DISCLOSURE

As required by KSA 66-1228

Kansas law requires the person building or selling a previously unoccupied new residential structure to disclose to the buyer or a prospective buyer at the time the structure is offered for sale, prior to closing and at any time upon request of the buyer or prospective buyer, information regarding the thermal efficiency of the structure (single or multifamily units, three floors and under).

Common Address or Legal Description of Residence:

Part 1: Builder *must* describe the following energy efficiency elements of this house:

	Actual Value	Energy Star*
Wall Insulation R-Value	_____	18
Attic Insulation R-Value	_____	42
Foundation Insulation R-Value		
Basement Walls	_____	10
Crawlspace Walls	_____	15
Slab-on-Grade	_____	8
Floors over Unheated Spaces R-Value	_____	30
Window U-Value	_____	.34
Water Heater		
Gas or Propane (Energy Factor)	_____	.60
Electric (Energy Factor)	_____	.92
Heating and Cooling Equipment		
Warm-Air Furnace (AFUE)	_____	.93
Air Conditioner or Heat Pump - Cooling (SEER)	_____	14
Air-Source Heat Pump (HSPF)	_____	8.5
Ground-Loop Heat Pump – Heating (COP)	_____	3.9
Ground-Water Heat Pump – Cooling (EER)	_____	22
Ground-Water Heat Pump – Heating (COP)	_____	4.4

Part 2: Builder *may* provide the following additional information about this house:

_____ This residence has been/will be built to meet the energy-efficiency standards of the International Energy Conservation Code of 2006 (IECC 2006).

_____ This residence has received a Home Energy Rating (HERS) index score of 100 or less based on an energy audit performed in accordance with the Mortgage Industry National Home Energy Rating Systems Standards (July 1, 2006) by a rater certified by Residential Energy Services Network (RESNET).

Seller signature: _____ Date: _____

Seller name/address: _____

Buyer signature: _____ Date: _____

Buyer signature: _____ Date: _____

*See reverse for more information on existing standards and explanation of abbreviations.

R-value = Thermal Resistance Rating of insulation materials. The higher the R-value, the better the material resists heat flow (i.e., the better it insulates).

U-value = Heat Loss Rating of windows. The lower the U-value, the less the window loses heat (i.e., the better it prevents heat loss).

Equipment Performance Ratings (the higher the number, the more efficient the equipment)

AFUE = Annual Fuel Utilization Efficiency: used to rate gas or propane warm-air furnaces and small boilers.

SEER = Seasonal Energy Efficiency Ratio: performance indicator for residential air conditioners and air source heat pumps.

HSPF = Heating Seasonal Performance Factor: measures heating performance of air-source heat pumps.

EER = Energy Efficiency Ratio: used to rate window air conditioners and ground-loop or ground-water heat pumps in the cooling mode.

COP = Coefficient of Performance: used to rate ground-loop or ground-water heat pumps in the heating mode.

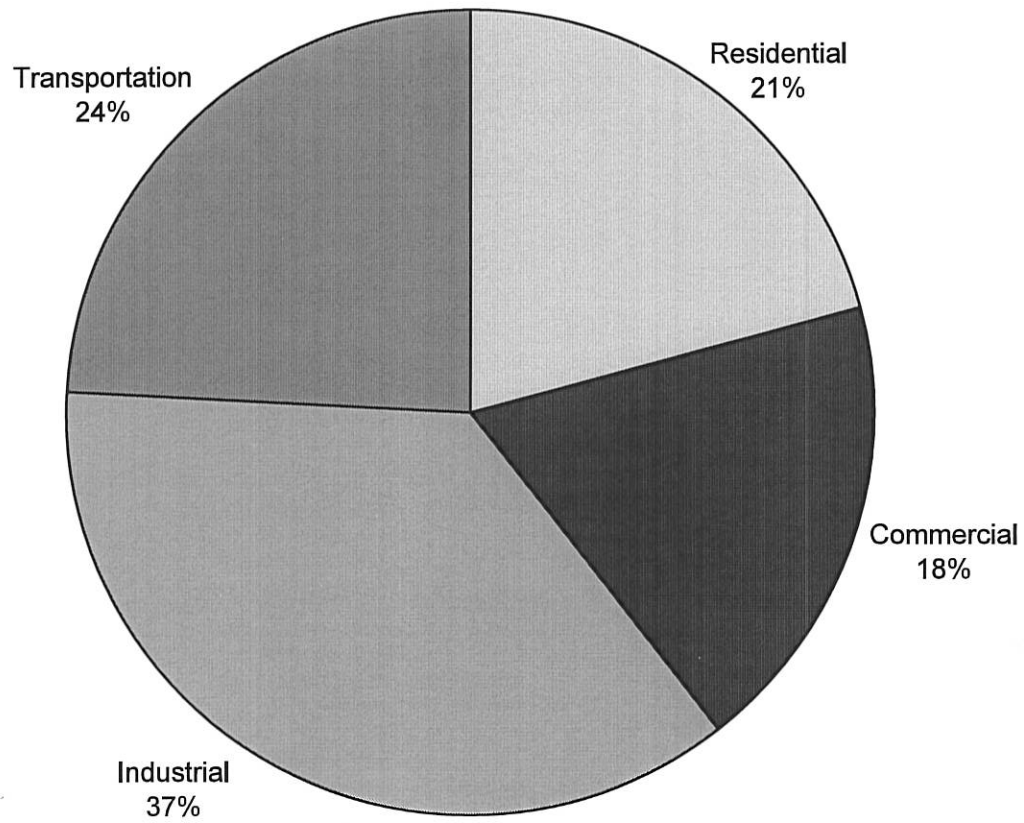
Energy Star qualified homes are at least 15% more energy efficient than homes built to the 2006 International Energy Conservation Code (IECC). Energy Star is a joint program of the U.S. Environmental Protection Agency and Department of Energy.

The International Energy Conservation Code (IECC), developed by the International Code Council, sets standards for energy efficiency in homes and commercial and industrial buildings. It is revised on a three-year cycle, with a supplement issue midway through each cycle.

The HERS Index is a scoring system established by the Residential Energy Services Network (RESNET) in which a home built to the specifications of the HERS Reference Home (based on the 2006 International Energy Conservation Code) scores a HERS Index of 100, while a net zero energy home scores a HERS Index of 0. The lower the score, the more energy efficient a home is in comparison to the HERS Reference Home. Each 1-point decrease in the HERS Index corresponds to a 1% reduction in energy consumption compared to the HERS Reference Home. Thus a home with a HERS Index of 85 is 15% more energy efficient than the HERS Reference Home and a home with a HERS Index of 80 is 20% more energy efficient.

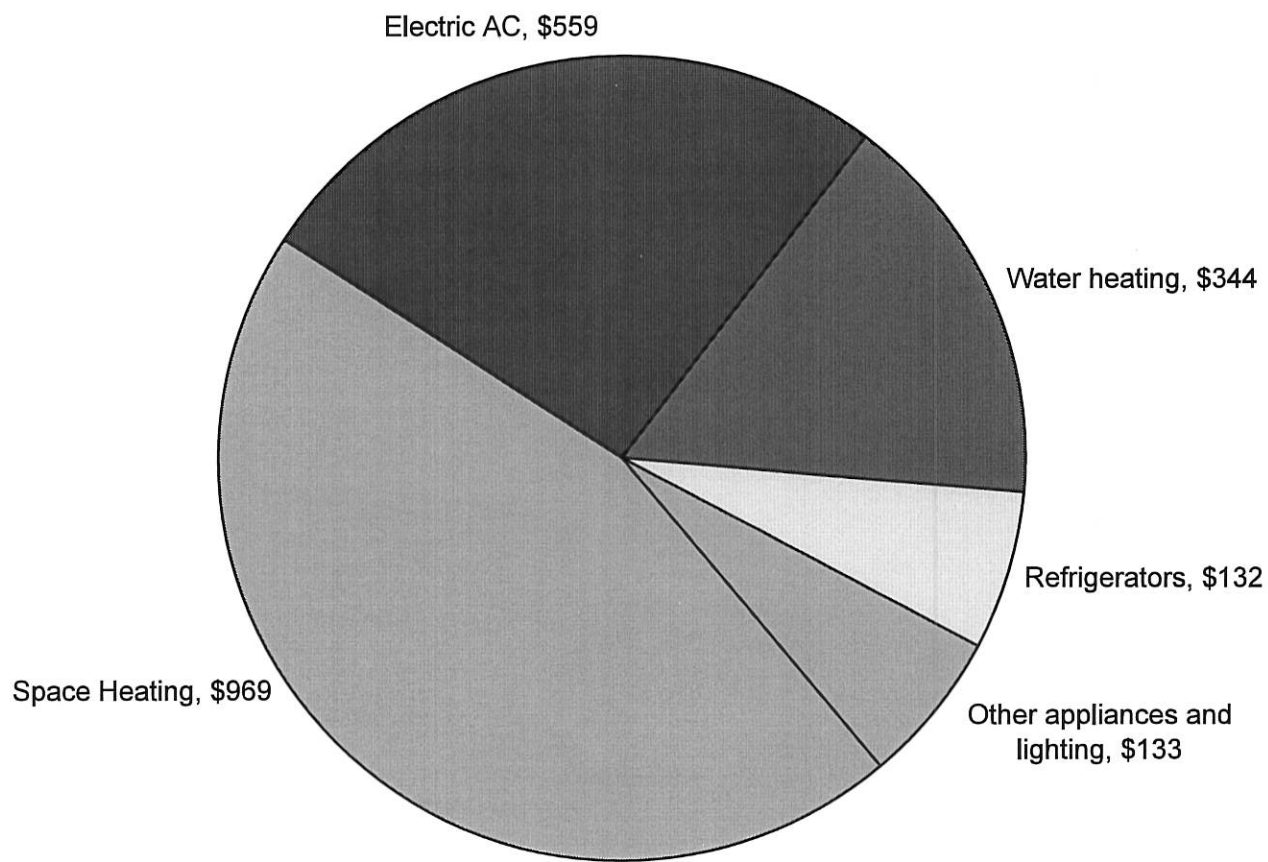
RESNET Standards ensure that accurate and consistent home energy ratings are performed by accredited home energy rating systems nationwide; increase the credibility of the rating systems with the mortgage finance industry; and promote voluntary participation in an objective, cost-effective, sustainable home energy rating process. This accreditation process will be used by the mortgage industry to accept home energy ratings and by the states to assure accurate, independent information upon which a state may recognize the home energy ratings as a compliance method for state building energy codes; as qualification for energy programs designed to reach specific energy saving goals; and as a way to provide its housing market the ability to differentiate residences based on their energy efficiency. The Mortgage Industry National Home Energy Rating Systems Standards (July 1, 2006) can be found at http://www.natresnet.org/standards/mortgage/RESNET_Standards-2006.pdf.

Kansas Direct Energy Consumption by Sector, 2002



Agriculture sector consumption is negligible and not separated out in these data.

Kansas Average Annual Household Energy Expenditures



**Testimony of Paul Snider
Before the Senate Utilities Committee
In Support of Senate Bill 120
January 29, 2007**

Kansas City Power & Light supports the Kansas Energy Council's efforts to promote energy efficiency and conservation in Kansas.

KCP&L has spent the last several years strongly advocating the promotion of energy efficiency, as evidenced by its Comprehensive Energy Plan that includes a variety of affordability, energy efficiency and demand response programs. Since approval of KCP&L's Comprehensive Energy Plan by the Kansas Corporation Commission in 2005, energy efficiency has received an increased level of attention and national focus.

Senate Bill 120 will provide new homebuyers essential information about the energy efficiency of their prospective homes at a time in the buying process that allows them the opportunity to make key decisions about the eventual energy efficiency of their new home. The easiest and most cost effective way to invest in energy efficiency is at the time of construction. Giving consumers the right information at the right time is a logical, positive step for Kansas.

We also encourage the Kansas Energy Council to consider a similar disclosure for new commercial structures. Kansas City Power & Light currently has an energy efficiency audit rebate program directed toward commercial customers and their structures.

Passage of SB 120 is a good first step as Kansas begins embracing energy efficiency and conservation measures.

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Senate Utilities Committee
January 29, 2007
Attachment 4-1

**Testimony of
Mark Schreiber
Director Government Affairs
Westar Energy
On Senate Bill 120
January 29, 2007**

Good morning Chairman Emler and members of the committee, my name is Mark Schreiber. I am the Director Government Affairs for Westar Energy.

Senate Bill 120 makes energy efficiency a more prominent factor when designing, building or buying new construction. Westar Energy supports SB 120 because energy efficiency is not just the responsibility of the utility companies nor of individual Kansas residents. The wise use of electricity must be a cooperative effort. My company has formed an internal group to specifically examine the many ways we can encourage our customers to save energy. Our primary target is to reduce peak load. This load tends to be the most expensive to serve since we must meet that load with natural gas fired power plants. Westar has also recently enhanced its website information on energy efficiency with educational and interactive features. In addition, we are developing a DVD for customers to watch to further educate them on how to save energy and use it more efficiently.

Senate Bill 120 will provide standards that builders can follow and cities can adopt if they choose. The bill also makes it easier to modify the energy efficiency disclosure form since it will not be part of the statute. Homebuyers could view the form at the time the home is offered for sale, prior to closing and at any time when requested. The form provides information about the energy efficiency for new homes. Buyers can then make informed decisions when they are shopping for what is arguably the largest purchase of their lives. Home appliances, air conditioners, furnaces and cars display their energy efficiency rating so consumers know what level of efficiency to expect from their purchase. The use of a standard form to identify the home energy rating would be equally important during the decision-making process for homebuyers.

In conclusion, Westar Energy supports SB 120. Thank you for the opportunity to address the committee this morning.

Senate Utilities Committee
January 29, 2007
Attachment 5-1

**Testimony for the Senate Utilities Committee
January 29, 2007
Supporting S. B. 120**

Chairperson Emler and Honorable Members of the Committee:

My name is Tom Thompson and I represent the Kansas Chapter of the Sierra Club. I am writing to support of S.B. 120.

S.B. 120 allows the KCC to set thermal efficiency standards for new and commercial property. It also requires that a disclosure of thermal efficiency be made available when a property is offered for sale, requested by a buyer and at closing.

The Sierra Club believes that the energy needs of Kansas are best met through energy efficiency and conservation. S.B. 120 helps Kansas to achieve this goal. Better thermal efficiency will result in less demand on energy generation decreasing the need for highly polluting forms of electric generation.

S.B. 120 will help those in the market for structures to be able to find the greatest amount energy efficiency possible. As a result, they will save money in the long run and help Kansas and the world have a cleaner and healthier environment.

Thank you for this opportunity and your time.

Sincerely

Tom Thompson
Sierra Club

Senate Utilities Committee
January 29, 2007
Attachment 6-1

**STATEMENT OF THE
KANSAS BUILDING INDUSTRY ASSOCIATION**

TO THE SENATE UTILITIES COMMITTEE

SENATOR JAY EMLER, CHAIR

REGARDING S.B. 120

JANUARY 29, 2007

Chairman Emler and Members of the Senate Utilities Committee, I am Chris Wilson, Executive Director of the Kansas Building Industry Association (KBIA). Our more than 2500 member companies are involved in the state's residential housing construction industry.

KBIA is in support of continuing the disclosure form for energy efficiency for new homes. However, we would like to suggest several changes to S.B. 120 as introduced.

- 1. On page 1, line 15 of the bill, we would support the House committee language changing the reference to the current IECC Code, which is 2006. We do not believe that a standard should be adopted by the state corporation commission. The IECC has the national expertise in adopting such a code, where this would be new territory for the state corporation commission, requiring staff to duplicate the expertise of the IECC. Moreover, federal loans through FHA and VA require that those homes be built to the IECC Code and having a different state standard would be confusing at the least.**

Also, in subsections (c) and (d), again we see the idea of the KCC getting into developing rules and regulations and setting thermal efficiency standards to be duplicative at

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Attachment 7-1

best. The national and international code setting bodies recommend standards. Those are modified and adopted as desired by local jurisdictions. In Kansas, there is no statewide building code. The building codes are adopted at the local level, and almost everyone I've ever talked with wants it that way. Local elected officials, building code officials, and builders believe that those codes can best be set and enforced at the local level.

Regarding the form, we strongly recommend keeping it in statute where it is visible to the public. Language recommended by House members regarding the timing of dissemination of the disclosure form suggests providing it "prior to the signing of the contract for purchase of the residential structure or any time upon request." If the language in S.B. 120 as proposed were to be adopted, realtors simply could not comply. We expect that in a majority of cases, when a new home is listed, not all the information is known, because those decisions have not yet been made. We think the best time to provide this information – in addition to any time upon request – is during contract negotiations, prior to the time the buyer signs a contract to purchase the home. In that case, the information is also included in the documentation prior to closing. Often times the decisions regarding windows, furnace, etc. are made during the contract negotiations or between the time of signing of the contract and closing. It is totally untrue that those decisions are already made at the time the building permit is pulled or at the time of listing with a realtor.

Regarding the values in the disclosure form, it should be noted that there is a point of diminishing returns with insulation – where additional cost is added to the homeowner without achieving energy savings. In addition, making the house "too tight" results in preventing healthy air movement and can turn the house into a coffin. Without

proper air movement, indoor air quality is impaired and results in carbon monoxide poisoning. Additionally, the federal government regulates the heating and cooling units and what can be manufactured. It is better to change the efficiency of the units than to change insulation values in order to achieve thermal efficiency, because of the resulting problems. This points to the importance of considering the home as a whole-house system rather than just individual components.

Whatever form is provided to the consumer, it should include the IRC and IECC Code values. Federal FHA and VA loans require that the homes be built to the IECC Code. The EPA Energy Star rating is arrived at simply by increasing the IECC value by 15%. But as we've pointed out, that isn't always in the best interest of the consumer, and the total thermal efficiency of the home is what's important.

We would urge the Committee to amend S.B. 120 to change the language regarding timing to what makes best sense for the buyers and those providing the form; to modify the form; and to keep it in the statute; and to not create a duplicative effort in the state to set values that are already established at the federal level with far greater expertise than can be assembled here.

Thank you and I would be happy to respond to questions.

Mr. Chairman and Members of the Committee

I'm Wess Galyon, President/CEO of the Wichita Area Builders Association located in Wichita, Kansas. Our Association was established in 1951, has a current membership of 1270. Our members are involved, as are we with them, in all types of residential and light construction and land development in the counties of Sedgwick, Harvey, Butler, Sumner, Cowley, Harper, and Kingman.

I am here today on behalf of the members of our Association to speak in opposition to Senate Bill 120. The Bill proposes to change what is currently required of new home builders in terms of the efficiency level of products used in construction and how, and when, that information must be disclosed to prospective purchasers. Additionally, it transfers the authority to decide what must be done and disclosed by builders to the Kansas Energy Office of the Kansas Corporation Commission. We believe this authority and responsibility is not in keeping with the mission of the KCC. We feel it is better left codified in state statute.

As existing products are changed and made better, and new products introduced into the market place, builders working in conjunction with their trade partners are constantly evaluating what products work best together and do this in consideration of the house as "whole house system". Energy efficiency is important to homeowners but so is flexibility in design, structural integrity, indoor air quality, and other matters that buyers want and deserve to have addressed. And this must all be done with the goal of making the home as affordable as possible.

It is important to note that building and trades codes relating to what is built in various jurisdictions are reviewed every three years and adopted under home rule authority. We support the continuation of that so that local concerns are addressed at local jurisdictional levels with people in our industry and those in code enforcement addressing mutual concerns and making determinations as to what should be required.

We support the current provisions contained within the International Energy Conservation Code or International Residential Code which are essentially the same. Or, continuing to allow builders to disclose the energy efficiency of products used in the home to prospective purchasers as presently allowed.

Senate Utilities Committee
January 29, 2007
Attachment 8-1

Testimony in Opposition to SB 120

Mr. Chairman and Members of the Committee.

My name is Billy Gray. I am a single family home builder in Wichita, I entry level and moderately priced move up homes in Wichita and Sedgwick County and have built approximately 1200 homes since I have been in business.

I am here to day to speak in opposition to Senate Bill 120 in consideration of the fact that I, and other builders in our area and throughout the state, are already building home with an emphasis on energy efficiency. And while energy efficiency is important to new home buyers, it is not the only consideration we are giving to making homes as livable as they can be made to be and kept affordable.

I am well aware of what can be done to make homes energy efficient and the harm that can be potentially caused to the occupants of a structure if overdone. In the last 10-15 years the emphasis that has been place on energy efficiency, has result in some marginal increases in efficiency, but resulted in other problems. We now have concerns about home being too tight which has led to concerns about poor indoor quality, and we have all heard concerns about homes being a haven for mold growth of various types.

I am providing you, today, with what we believe should be codified in state statute which is similar to that which is currently required. We ask for you consideration of keeping what is now in place and what is both required and allowed of builders, in lieu of what is proposed in Senate Bill 120.

Thank you.

Billy Gray, Gray Construction, Inc., Wichita