

Green Buildings, Energy Star and New Technologies.

The cost of fossil fuels (heating oil and natural gas) as well as electricity has soared in recent years. As a consequence of increased costs and government and utility company incentives, interest in domestic energy saving and energy producing technologies has been sparked. Federal and State tax credit may be available for homeowners who install “qualified energy property expenditures and qualified energy efficiency improvements”. Such “improvements” include the installation of major fixtures such as furnaces, water heaters, and energy efficient windows which meet the 2003 International Energy Conservation Code. Tax credits for the installation of photo voltaic (PV) technologies (e.g. solar panels) and other qualifying technologies, such as fuel cells and wind turbines.

The Federal government has established standards for construction technologies, building materials and appliances designed to promote energy efficiency. The installation and use of such practices, materials and appliances qualify a dwelling for the “Energy Star” designation. <http://www.energystar.gov/> The Energy Star designation certifies that the products, which may have a higher initial cost will allow the consumer to recover the investment in lower energy costs within a research period of time. Not all Energy Star qualified homes and products qualify for tax credits. However, Energy Star qualified homes and products are intended to be at least 15% more energy efficient than houses built to the specifications of the Massachusetts Building Code.

See http://www.energystar.gov/index.cfm?c=new_homes.nh_features

The U.S. Green Building Council

The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ is nationally accepted benchmark for the design, construction, and operation of high performance green buildings, including commercial, industrial and residential structures. LEED was established by the United States Green Building Council (“USGBC”), a non-profit organization that serves the construction industry and real estate development stakeholders. The USGBC’s mission statement is to “[T]ransform the way buildings and communities are designed, built and operated, enabling an environmentally and socially responsible, healthy, and prosperous environment that improves the quality of life. <http://www.usgbc.org/>

The LEED program promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality. LEED provides a roadmap for measuring and documenting success for every building type, including residential dwellings.

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The LEED program promotes a “whole-building approach” to more “environmentally friendly” construction and development by recognizing performance in five key areas of human and environmental

health: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality. LEED certification include standards for measuring and documenting compliance with various performance standards established by the LEED program for every building type, including residential dwellings. These standards are expressed as “LEED Platinum”, “LEED Gold”, “LEED Silver”, etc. Various federal and state government agencies have adopted the LEED standards by incorporating the design and siting standards into building codes, tax credit and other incentive programs. <https://www.usgbc.org/ShowFile.aspx?DocumentID=691> As of this date, Massachusetts is considering, but has not formally adopted LEED as a standard for use in constructing commercial or residential buildings.

Generally LEED certification is accomplish for new construction at no charge to the purchaser. Larger utility companies such as N-Star and National Grid compensate contractors through funds collected through the customer’s electric utility bills. The collection of funds by electric generation utility companies for energy conservation efforts was mandated by the Commonwealth as a consequence of the 1998 electric utility deregulation legislation. LEED certification for existing houses and houses in towns served by municipal electric utility companies costs approximately \$500.00 per house.

Attorneys and their clients should become familiar with the various emerging standards for environmentally friendly construction. Representations and warranties regarding such construction practices and standards may be sought by a buyer’s attorney representing a buyer of a newly constructed and verified, as necessary, by review of the underlying documentation required to obtain Energy Star or LEED certification. Attorneys should be cautioned that the inspection of “alternative energy” devices such as photovoltaic panels, wind turbines and other ‘innovative and alternative technologies” outside of the regulatory requirements for a Massachusetts home inspection. As a consequence, the attorney should consider counseling a purchaser to obtain an inspection or report from a consultant qualified to opine about the condition of such devices and technologies.