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Recent Changes to the Austin Energy Audit Ordinance

The Austin City Code includes the Energy Conservation Audit and Disclosure Ordinance (ECAD). The purpose of this ECAD ordinance is to provide a system by which residences and other buildings in the City of Austin are periodically inspected and audited for energy conservation. Comments here are limited to Single Family Residences. Most houses older than ten years are required to be audited. However, be aware that there are exceptions to the requirements of the ordinance so it may be that your house, or your client's house, is not required to be audited. The Austin Energy website includes a question and answer section that will allow owners and realtors to determine if a particular house is to be audited.

Basically, ECAD provides that, as indicated, houses that are less than ten years old are not required to secure an audit. The thought is that these homes are "up to date". Owners of older houses, with some exceptions, must secure an audit at the point of sale. The audit, which by the way, is estimated to take an hour for each 1000 feet of area, includes the following:

- a.) measurement of the amount of insulation in the attic
- b.) tests of the HVAC duct work for leaks and adequacy
- c.) weather stripping around doors, roof penetrations and attic entries
- d.) quality and attributes, like SEER ratings, of the HVAC equipment
- e.) amount of glass in the windows that receive more than one hour of direct sunlight

The auditor may recommend upgrades and additions such as new HVAC systems, solar screens, more insulation, etc. These recommendations are intended to make the property more energy efficient by City of Austin standards. While auditors set their own prices, it is estimated by Austin Energy that the cost is between \$200 and \$300 for an 1800 square foot house.

The ECAD, as originally passed, required that the Seller provide the Buyer with a copy of the audit at least three days prior to closing. While it might be possible for the Buyer to negotiate costs of audit compliance, at this point in the transaction Buyers have no contractual right to negotiate further repairs and modifications as reflected on the Energy Audit. Consequentially, while audits were being conducted and the reports provided to buyers as required, the suggested efficiency upgrades were not being done. However, this is likely to change.

A recent amendment to the Energy Audit Ordinance, dictates that the Seller is required to provide the Buyer with the ECAD audit at least three days before the expiration of the option or inspection period as such period is defined in the TREC contract. At this point the Buyer has the right to negotiate repairs and upgrades and who pays for the costs of the same. Certainly, Buyers will want more of the audit recommendations completed and more will therefore be done. So the audit becomes a matter of marketability. It is doubtful that the City of Austin could have required that owners and/or buyers make and pay for upgrades. But it seems that this new timing may accomplish almost the same result.