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NEWS

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Four Ways California's New Energy Code Will Affect Contractors Nationwide

Even though the code is state specific, the Golden State's massive market means it has far reaching implications

By Gary Thill



Courtesy Graphicology

Contractors may not realize it, but future replacement products and techniques are following the old saw, "as California goes, so goes the nation." In this case, the Golden State is going toward the new 2016 Building Energy Efficiency Standards, and it's already having far-reaching implications.

"The energy code in California is driving new products to come into the market," affirmed Mike Hodgson, chair of the California Building Industry Association's Energy and Codes Subcommittee and president of ConSol, an energy consulting company that works with high production builders and contractors.

The new energy efficiency standards (Title 24, Part 6) took effect in January. And unlike with most regulations, the industry is actually greeting this one with acceptance, if not open arms.

"With this adoption, the Energy Commission has established a solid balance between the need to reduce energy consumption with the need to limit increased construction cost," said Dave Cogdill, CBIA CEO and president.

Here are the major changes the code entails, according to the California Energy Commission:

- High performance attics: extra insulation at the roof deck in addition to ceiling insulation will reduce the attic temperature by 35 degrees or more during hot summer days.
- High performance walls: builders can choose from many different assemblages to reduce heating and cooling needs in the home year round.
- Lighting: installation of high quality lighting with controls that nearly halve the energy required for lights in new homes.
- Water heating: installation of tankless water heaters that reduce use by about 35 percent.

Why should contractors outside of California care? In a word, volume. Builders like Lennar Homes, KB Home, and DR Horton — some of the largest production homebuilders in the nation — do most of their construction in the Golden State. But they build everywhere. So what works in California will be transferred to other parts of the nation, Hodgson explained.

“What they’re learning here, if it’s cost effective, is going to be in every metro area throughout the country,” he said. “Because these are national companies.”

Here are four ways Hodgson said the California Energy Code will affect contractors nationwide:

1. Attic insulation. California’s hot, dry climate means some of the biggest energy costs come in cooling homes. With an emphasis on high performance attics, the new code seeks to keep the space in which air conditioners are typically housed cooler, thus reducing the energy needed to cool the home. One of the biggest changes aimed at this outcome is the addition one inch of R-8 roof deck insulation coupled with R-13 fiberglass batting below the roof. “The goal is to get the attic space within 5 degrees of conditioned space,” Hodgson said. As contractors in other hot-weather states seek to reduce energy costs, he said the technique will likely spread.
2. Tankless water heaters. A big surprise from California’s energy code are high efficiency water heaters, which offer hot water on demand. In a short period, consumer demand has pushed the tankless heaters from a fraction of the market to about 50 percent. “It’s been a fairly quick transition,” Hodgson said. Contractors nationwide can use the tankless water heater guidelines within the California Energy Code to quickly get up to speed on installation and capitalize on this trend.
3. LEDs. The new code requires LED lighting. But since there were no national LED standards, California created them. “So they are really driving that market,” Hodgson said, with new LED products that offer better lighting and color rendering than before. In California, any remodels will now require that older lighting be replaced with LED lighting. And as LED options grow and become more standardized, the high-efficiency lighting will become more attractive to contractors nationwide.
4. New roofing options. Cool roofs — shingles that reflect more of the sun’s rays away from the home — are a simple way builders are meeting California Energy Code requirements. As builders increasingly turn to these types of shingles, Hodgson said the product offering will continue to grow, giving contractors nationwide more options. The same is true of insulated roof tiles, which until recently were just a niche product.

But the 2016 regulations are just part of California’s march toward 2020 zero net energy buildings — meaning they produce as much energy as they consume. The next step is the 2019 standards, which will put solar in the spotlight, Hodgson said. That’s because rather than making renewable energy such as solar an option, the 2019 standard will make it a requirement. “That’s going to be a big change,” he said. “It will be an active discussion between the energy commission and the building commission.”

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