

U.S. Dept of Energy Quadrennial Energy Review April 21, 2014

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About a year ago, Caldwell & Johnson completed the first U.S. Dept of Energy Challenge Home in Rhode Island (See attached DOE profile). The Department of Energy Challenge Home program requires new construction to document 40-50% more energy efficiency than that of the current building code, not including alternative energy generation. By all outward appearances, the house located at 25 Edies Lane in Exeter is a very nice 2,046 square foot ranch house. But for about 2% more added to our construction cost, we achieved documented energy savings that are greater than 50% when compared to a new home built to the current building code. This results in a savings to the homeowners, as calculated in January 2013, of over \$200 per month. On a payback calculation alone, the owners expect to recoup the cost in less than three years. In the event that the owners install photovoltaic solar panels, they would be living in a net zero home.

As the Chair of the North Kingstown Economic Development Board, for which I have been a member for the last sixteen months, I am very much aware of the economic impact of Quonset on the Town of North Kingstown. There are several themes that are recurring complaints of businesses which are hindering expansion and attraction of local businesses: Lack of skilled workers and excessive regulation are commonly at the forefront, and these are issues that are getting quite a bit of attention at present in the General Assembly. But energy costs, and in particular the volatility of energy costs, are a very significant concern for many business in the area of North

Kingstown and Quonset, which include some of the largest electricity consumers in the state.

Having the opportunity to view the spectrum of energy from the level of individual home owners to large local industrial operations, there are a few themes that I have observed. First, in the not so distant past, energy costs were not often a primary consideration in the decision calculus, but were simply accepted. Now, there is a significantly enhanced interest amongst the more sophisticated and more knowledgeable consumers towards conservation, efficiency, and alternative energy. In both the case of the homeowner and the business, money spent on energy is money that is leaving the State of Rhode Island - and that amount of money has increased substantially of late. Energy bills literally touch everyone.

Solutions to the issue of energy price volatility are many, and generally beyond my area of expertise. But the combination of efficiency in construction, whether new or renovation, coupled with alternative energy generation, works for both the residential consumer as well as the business customer. It saves dollars from leaving the state, it creates jobs, and it reduces carbon emissions.

After touring one of our houses, I am frequently asked by people why everyone does not build in this fashion, and I generally respond with a story. If you were to look at two new cars on the dealer lot, and they appeared identical in every respect, but one cost \$20,000 and the other cost \$20,400, which car would you buy? Pretty simple. But if you were then made aware that the car that cost the extra \$400 more than doubled the gas mileage, would that effect your purchase decision? Presently, a consumer has

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more information provided to them at the time of the purchase of a car or box of corn flakes than the purchase of a home or building.

The data for efficiency and alternative generation is compelling. Coupled with a stable and reliable supply of energy, this will, in my opinion, result in the recapture of many of those energy dollars which are presently leaving our state.