



**Governor Ned Lamont
State of Connecticut**



FACT SHEET
2022 Legislative Session

**HOUSE BILL 5041
GOVERNOR'S BILL
*ACTS CONCERNING HOME ENERGY AFFORDABILITY***

High energy bills burden too many Connecticut households – especially when the size of those bills surprise new homeowners and renters. Governor Lamont proposes providing families in the market for a new home or apartment the tools they need to reduce and responsibly budget for home energy bills.

The Problem

For many Connecticut residents, energy bills are the highest annual housing cost outside of mortgage payments or rent. According to the U.S. Department of Energy, the average household between 60-100% of state median income spends more than 5% of its income on energy bills, the average household between 30-60% spends more than 9%, and the average household below 30% spends more than 20%. Those burdens increased during the COVID-19 pandemic, as more hours at home and a more precarious economy forced energy consumers more than \$600 million into arrears.

Energy bills are particularly severe for renters, who have no way of approximating their energy costs in a new apartment and few opportunities or incentives to invest in even the small renovations that make an apartment much more efficient. Imagine renting a modest, two-bedroom home within your means, only to find that the winter heating bills are over \$500 per month. Unexpectedly high energy bills can force tenants to fall behind on rent and lead to utility shutoffs, which are one of the primary causes of homelessness in the United States. Affordability challenges are heavily concentrated in communities with access to fewer resources.

Governor Lamont's Solution

Governor Lamont proposes making the housing market more transparent by requiring property listings to include a home energy label. You wouldn't buy or lease a car without knowing how many miles it got per gallon, and you shouldn't have to buy or lease your home without knowing whether you can afford to heat it.

Home energy labels are a simple, asset-based estimate of home energy efficiency, usually represented by a simple numeric score. Because the labels are based on physical characteristics like insulation, windows, and HVAC systems, they aren't affected by personal preferences like

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thermostat settings or appliance use. More than 26,000 homes in the state already have labels, which can be generated from a free or low-cost home energy audit through the state’s Home Energy Solutions Program. Those audits also include a variety of on-the-spot energy efficiency services such as air sealing and rebates on services such as approved insulation projects. In addition, the Department of Energy and Environmental Protection is exploring the possibility of generating home energy labels through a self-reporting system.

Providing prospective tenants and homeowners with home energy labels will not only help our residents choose efficient, affordable homes but also encourage landlords and sellers to invest in efficiency improvements. Those improvements will reduce greenhouse gas emissions and create new job opportunities for Connecticut’s energy auditors and home improvement contractors.

[Several cities and states](#), including Alaska, Hawaii, Kansas, Maine, New York, and South Dakota have some form of residential energy disclosure policy. Chicago, for example, has required landlords disclose a year’s worth of energy consumption data to prospective tenants since 1987. More recently, Portland, OR adopted a disclosure policy similar to this proposal in 2018 and has since successfully incorporated labeling into real estate transactions.

Affordability begins with cost transparency. Families deciding where to live should have the information they need to make some of the most important financial decisions of their lives.

