



Written by [Kurt Williamsen](#) on July 22, 2010

Will Cap-and-trade Bill Make Meeting Energy Efficiency Standards a Requirement for House Sale?

A chain letter that I've received four times already about provisions of the cap-and-trade bill that passed the House and is awaiting Senate approval paints a pretty dire picture: "Beginning 1 year after enactment of the Cap and Trade Act, you won't be able to sell your home unless you retrofit it to comply with the energy and water efficiency standards of this Act. H.R. 2454, the 'Cap & Trade' bill."



Worse, the letter claimed,

This bill prevents you from selling your home without the permission of the EPA administrator.

To get this permission, you will have to have the energy efficiency of your home measured. Then the government will tell you what your new energy efficiency requirement is and you will be forced to make modifications to your home under the retrofit provisions of this Act to comply with the new energy and water efficiency requirements.

Then you will have to get your home measured again and get a license (called a "label" in the Act) that must be posted on your property to show what your efficiency rating is; sort of like the Energy Star efficiency rating label on your refrigerator or air conditioner. If you don't get a high enough rating, you can't sell.

The chain letter comes complete with several hyperlinks at the end to verify its claims, which I clicked on — only to find out that most of the claims were untrue. Under the cap-and-trade bill passed by the House, a federal "Administrator" *will* create a label that lists the energy efficiency that residential and commercial buildings are expected to achieve based on their design and that also lists what the actual energy efficiency is of an individual building, based on a federally designed test, but the tests are *not* mandatory for all building owners, though the Administrator is vested with \$50 million per year for 10 years to create the standards and tests and also convince states to use it.

To compel states to get onboard, the Administrator can also take money from government sales of carbon allowances and give it to states to create label systems, which pretty much ensures that the energy labels will be mandated by most states, but still, it is unlikely every homeowner will have to get one, unless a homeowner has a house or a commercial building for sale or owns rental properties. The bill actually encourages the use of the labels when "there are major renovations or additions made to a building in accordance with a building permit," when building sales are "recorded for tax and title purposes," when "a new lien [is] recorded on the property," or when there's a change in "operation of the building for purposes of utility billing."

The bill does speak about retrofitting properties, but it covers only how much the government will pay



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toward having homes retrofitted, who can get the money, and the rent controls that building owners must abide by if they accept government cash. It does not mandate that all homes must be retrofitted.

That's the good news and most of the bad news.

It's good that that is all the bill purports to do. It's bad because the bill will require a huge amount of spending by some building owners to have efficiency testing done, and it is really all for no reason. At the present time, when someone is buying a property or looking to rent a property, he can judge the efficiency of a building by comparing the utility bills of one property against the utility bills of another. This provides the incentive for builders to create energy-efficient buildings — which seems to be the apparent intent of this portion of the bill.

As this portion of the cap-and-trade bill stands, it merely represents another attempt by the government to idiot-proof America — everywhere outside the walls of government anyway.

The remainder of the bad news is that administrators of federal programs regularly exceed their legislative bounds — it's noteworthy that almost nothing in the cap-and-trade bill, as a whole, is constitutional — and the language as to the exact duties and limits on the person who will administer this plan are so loose as to allow that person to eventually attempt to require almost all of the actions listed in the chain letter. And let's not forget that most of the remainder of the cap-and-trade bill [is not nearly so innocuous](#).



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