



During a recent visit to Penn State University, University Park, Pa., President Obama introduced the Better Buildings Initiative—a multipronged effort designed to make commercial buildings 20 percent more energy-efficient during the next decade. By engaging and empowering the private sector, the Obama administration hopes to encourage investments for the upgrade of offices, stores, schools and municipal facilities, as well as universities, hospitals and other commercial buildings.

Specifically, the initiative aims to:

- Achieve a 20 percent improvement in energy efficiency by 2020
- Reduce companies' and business owners' energy bills by about \$40 billion per year
- Save energy by reforming outdated incentives and challenging the private sector to act

Roof systems—and roofing contractors—can be vital contributors to the ambitious goal of national energy efficiency and independence: Heightened roof system performance offers one of the most significant opportunities to increase building energy efficiency (and business for roofing contractors).

Based on data compiled by the Department of Energy's (DOE's) Office of Energy Efficiency and Renewable Energy, the Center for Environmental Innovation in Roofing conservatively estimates there are more than 50 billion square feet of existing low-slope roof systems available for retrofit, 4 billion of which are retrofit each year. When upgraded by adding extra insulation, installing a cool or green roof or doing all of these, 50 billion square feet of roof systems significantly can contribute to the Obama administration's goal of improving energy efficiency.

For every new roof system installed on a new building,

about three additional roofs are installed on existing buildings to replace older, less energy-efficient roof systems. As a result, the existing commercial roofing market can accelerate energy savings much faster than new construction and contribute to the goal of making commercial buildings 20 percent more energy-efficient during the next decade.

The opportunity

The commercial building industry still is feeling the effects of the recession. However, the Better Buildings Initiative includes incentives for retrofitting buildings, which will infuse life into the construction industry, creating construction and manufacturing jobs. The money building owners save in energy costs will, in turn, go back into the economy.

Resourceful contractors who understand this initiative, the tax incentives and benefits for building owners should have little trouble convincing their clients to upgrade their roof systems.

Incentives

Currently, DOE is working with Congress to redesign the current tax deduction for commercial building upgrades into a credit that is more generous. The hope

A worthy initiative

The Obama administration attempts to make the U.S. more energy-efficient

by Jared O. Blum

is this improved credit will inspire building owners to retrofit their properties. This effort improves on the Energy Policy Act of 2005 (EPACT 2005), which currently provides tax deductions for commercial construction that exceed the minimum energy-efficient construction standards as required by ASHRAE 90.1, "Energy Standard for Buildings Except Low-Rise Residential Buildings."

On the commercial side, EPACT 2005 offers a tax deduction for building owners who make building improvements that reduce energy and power costs 50 percent more than what ASHRAE 90.1-2001 requires. This level of performance is such a significant improvement for existing buildings that insulation alone has difficulty meeting the requirement. As a result, DOE is trying to get Congress to amend the requirement; the Polyisocyanurate Insulation Manufacturers Association and NRCA support those efforts.

The tax deduction is equal to the cost of energy-efficient improvements installed in a building up to a maximum limit of \$1.80 per square foot. To qualify, the energy-efficient commercial building improvements must be installed as part of one or more of the following building systems: interior lighting; HVAC and hot water; and the building envelope, which includes the roof system.

Job creation

Research published in June by The Real Estate Roundtable, U.S. Green Building Council and Natural Resources Defense Council concludes that more than 114,000 new jobs would be created through the Better Buildings Initiative. According to the analysis, more than 77,000 new jobs would derive from a revised tax incentive to encourage building retrofits. These are potential jobs in the construction industry and would lead to 37,000 more jobs in the manufacturing and service sectors.

The research additionally explains the tax incentives that are part of the Better Buildings Initiative could lead to at least three times as much private investment to make buildings more efficient. And the projected \$1.4 billion saved in energy bills would flow back into the economy.

The construction sector is bearing the largest share of the economic and employment slowdown. However, as the private sector struggles to create jobs, we all should support government efforts like the Better Buildings Initiative that are positive for the construction industry and nation. ☺●✱

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