



OFFICE OF SENATOR SABINA FLORES PEREZ

Chairperson

Committee on Environment, Revenue and Taxation, and Procurement

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÁHAN

35TH GUAM LEGISLATURE

PRESS RELEASE

Senator Perez Introduces Bill to Re-establish a Building Energy Code for Guam, and Lower Costs of Home Ownership

Hagåtña, Guam – On September 25, 2020, Senator Sabina Perez introduced Bill 413-35 to adopt the Guam Tropical Energy Code. By re-establishing a minimum building energy standard for Guam, the measure aims to reduce the overall cost of home ownership, and limit Guam's carbon footprint. The bill is co-sponsored by Speaker Tina Rose Muña Barnes and Senator Joe S. San Agustin.

The Guam Tropical Energy Code (GTEC) is an updated set of building standards promoting energy conservation and was specifically developed by local experts for use in Guam's tropical climate. Once enacted, it will set minimum standards for lighting, air conditioner unit ratings, and other construction methods and standards that impact energy use. Such standards will apply to new construction on Guam, as well as remodeling projects to existing structures that are significant enough to require a building permit.

“By implementing the GTEC, which emphasizes smarter construction and the use of sound energy conservation technology, we can help the environment while also realizing significant savings in home ownership costs,” said Senator Sabina Perez.

For decades, Guam enforced a minimum building energy code. However, when PL 30-199 updated Guam's building and fire codes in September of 2010, the decision was made to not adopt the International Energy Efficiency Code, as it required construction measures unsuited for Guam, such as cold-weather insulation. Instead, PL 30-199 required that the newly created Guam Building Code Council review, amend, and adopt the Model Tropical Energy Code for use on Guam. The Model Tropical Energy Code is a federally funded energy conservation code based on widely used industry standards and provided for use by tropical jurisdictions – namely Hawaii, American Samoa, Saipan, Puerto Rico, and Guam – as a starting point from which to develop localized energy codes.

“The Guam Tropical Energy Code is the result of years of hard work by a number of local organizations and experts,” said Senator Perez. With the aid of the Guam Energy Office, the GBCC met regularly to fine-tune the Model Tropical Energy Code and collected extensive community input on the proposed energy code. In addition to regular working group meetings, the GBCC held numerous public hearings, trainings, and a GTEC conference, during which feedback was collected from contractors, real estate professionals, engineers, architects, and the general public. The original Model Tropical Energy Codes was thus updated to meet the unique needs of Guam, and the resulting document became the Guam Tropical Energy Code.

“The GTEC is a locally developed solution, tailor-made for our unique tropical environment,” said Senator Perez. “Local experts have devoted hundreds of hours in developing these standards that, once adopted, will significantly help our community,” she added.

The GTEC was developed collaboratively by numerous local experts and members of the public, as well as the Guam Building Code Council, Guam Energy Office, Guam Energy Task Force, Guam Chamber of Commerce, Department of Public Works, Guam Fire Department,



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Guam Contractors Association, Guam Society of Professional Engineers, Guam and Micronesia Chapters of the American Institute of Architects, and Guam Association of Realtors.

According to U.S. Energy Information Administration, “energy codes increase energy efficiency in buildings, resulting in significant cost savings in both the private and public sectors of the U.S. economy. Efficient buildings reduce power demand and have less of an environmental impact.” Energy codes are also widely recognized as one of the most effective means of reducing a community’s carbon footprint. It is estimated that 75% of buildings nationwide will be new or renovated within the next 25 years; “as a building’s operation and environmental impact is largely determined by upfront decisions, energy codes present a unique opportunity to assure savings through efficient building design, technologies, and construction practices,” according to the U.S. Department of Energy.

“Cash is Guam’s biggest export. We send hundreds of millions of dollars off-island every year to purchase diesel for our power plants. That’s money that should stay on-island, circulating in our economy” said Senator Perez. “By requiring minimum energy standards in new construction, we can significantly reduce the export of cash from our struggling economy and prevent the proliferation of energy-inefficient homes that hurt renters and the local resale market,” she added.

On average, the increased cost of meeting minimum energy efficient standards is recouped within 5 years through reduced power bills. Additionally, because of its proven track-record of significantly lowering power bills, federally backed mortgage programs exclude the cost of energy efficient construction when calculating a borrower’s maximum loan amount.

“Energy codes are a win-win for realtors, contractors, and homeowners. The dollar value of buildings increases, but the increased costs are spread over a long-term mortgage, all without impacting the borrowing capacity of a home buyer,” said Senator Perez. By adopting the GTEC, realtors and contractors will be able to boost Guam’s economy by developing more valuable properties, but the cost to homeowners decreases through a significant reduction in power bills.

“A monthly mortgage and power bill are cumulatively lower, starting from day 1, for construction that meets GTEC standards. Furthermore, after energy efficiency costs are fully recouped in 5 years, a homeowner continues to realize greater savings for the remaining 27 years of a traditional mortgage,” said Senator Perez.

Many developers already incorporate GTEC standards into their construction, but they may be forced to compete with developers who cut corners and build energy inefficient homes. A required energy code both ensures that all developers are on a level playing field, and protects renters, realtors, and the resale market from having to contend with poorly constructed homes that cost more in the long run.

“Energy codes worked in Guam for decades. They momentarily lapsed when our building codes were last updated, but the intent was always to develop a localized version. Our local architects, engineers, contractors, realtors, and other stakeholders have worked hard to develop the GTEC, and it’s time we completed the mandate of PL 30-199 and re-established this critical code,” said Senator Perez.

“I look forward to a successful adoption of the Guam Tropical Energy Code,” said Senator Perez. “By re-establishing a local energy code, we protect the environment, keep more money circulating in Guam, increase the value of property on our island, and reduce the cumulative cost of ownership,” she added.



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