
STAFF REPORT

Date: July 15, 2026

To: General Government Committee

From: Alyssa Jones Wood, Sustainability Manager



Home Energy Score Ordinance

1. Request

Staff requests that the General Government Committee place Ordinance No. 2026-004 adding a new chapter 15.22 entitled *Residential Energy Performance Rating and Disclosure* to Tumwater Municipal Code Title 15 *Buildings and Construction*, on the July 21, 2026 City Council considerations with a recommendation to approve and authorize the Mayor to sign.

2. Background

Home Energy Score

A Home Energy Score (HES) is a score and report generated from using a U.S. Department of Energy model and tool. The model/tool uses more than 50 inputs based on a home's assets such as heating, windows, insulation, etc. to generate an energy efficiency score (1 to 10), estimated costs to operate the home by energy type, and recommendations to increase energy efficiency of the home.

Community-Led Efforts

The Thurston Climate Action Team (TCAT) organized stakeholder meetings on the topic of HES prior to 2020 and sought consensus among various stakeholders on the topic. Staff have received verbal briefings from TCAT board members and former staff involved in this effort. Other meetings and discussions may have occurred independently of TCAT efforts on the topic, but staff have not been informed of this.

Thurston Climate Mitigation Plan and Thurston Climate Mitigation Collaborative

The TCAT efforts outlined above contributed to actions B1.1 and B1.2 being included in the Thurston Climate Mitigation Plan (TCMP) which was accepted by City Council in 2021.

- **B1.1 Residential Energy Performance Ratings.** Require energy performance ratings and disclosures at homes at time of sale, lease, or rent so that owners, tenants, and prospective buyers are informed before making purchasing or rental decisions.

- **B1.2 Residential Energy Audits.** Develop and adopt policies that require residential properties to undertake an energy audit at the time of sale or during a substantial remodel. Work with financial institutions to develop mortgage products that incorporate audited energy efficiency recommendations.



The Thurston Climate Mitigation Collaborative (TCMC), of which Tumwater is a partner jurisdiction, operates within four delegated roles, pictured to the left.

The Executive Committee (EC) includes a primary and alternate member from Tumwater City Council. The Sustainability Manager serves on the Staff Team. Multiple Tumwater residents and workers serve on the Community Advisory Workgroup (CAW).

During the 2023 TCMC Annual Retreat and subsequent EC meeting, the TCMC agreed to develop a model home energy score disclosure ordinance as one of its regional initiatives in 2024. Tumwater Staff, Alyssa Jones Wood and Lacey Staff, Linsey Fields were co-leads for developing the model ordinance.

Stakeholder Engagement

At the March 5, 2024, TCMC CAW meeting, the Staff Team presented the project plan for the HES model ordinance regional initiative. At the May 7, 2024, and June 4, 2024, CAW meetings the CAW reviewed the HES Policy Memo and followed a consensus process to recommend direction for the HES model ordinance.

After the June 2024 CAW meeting, the Staff Team carried out stakeholder engagement on the topic of the HES model ordinance. This engagement was done using two methods: focus groups and interviews.

Focus Groups

The Staff Team reached out to 40 individuals from targeted stakeholder groups (realtors, mortgage brokers, building and construction industry, home and energy inspectors, first-time homebuyers, Puget Sound Energy, and low-income housing and weatherization service providers). Ultimately, 18 of those individuals agreed to be part of four in-person focus groups which were held during the week of September 16-20, 2024. Time and consulting funding was set-aside for up to two more focus group discussions if focus group participants identified stakeholders that should be engaged but were not participating already. Focus group participants, when asked, did not identify any additional stakeholder that were missing from the conversation.

Table 1. HES Focus Group participants

Name	Affiliation (if any)
Anya Myer	Thurston County Realtors Association*
Ben Fransua	Habitat for Humanity
Dietrich Schmitz	WA First Time Homebuyer Program
Doug Mah	Thurston Chamber of Commerce
Dwayne Boggs	Boggs Inspection Services
Garen Thatcher	SwiftSure Energy Services
Jessie Simmons	Olympia Master Builders
Jordan Howden	Community Action Council
Kevin Zwink	City of Lacey Code Compliance
Kim Piper	Thurston County Realtors Association*
Kristine Rompa	Puget Sound Energy
Mackenzie Winchel	Earth Advantage
Mark Shepherd	Rob Rice Homes
Nate Kilby	Right Way Home Inspectors
Nate Krebs	Community Action Council
Patrick Long	City of Tumwater Code Compliance
Polly Barber	Thurston County Realtors Association*
Thea LaCross	Thurston Housing Land Trust

*While in 2024 the Staff Team was under the impression that these participants were selected/recruited by the then President of the Thurston County Realtors Association, the Thurston County Realtors Association have since informed staff that only the President themselves can serve as a spokesperson/representative of the Thurston County Realtors Association. For clarity, this table is of affiliations, not of official representation status.

Interviews

Additionally, the Staff Team conducted one-on-one interviews with the following individuals:

Table 2. Interview participants.

Name	Affiliation	Reason
Emily Alvarez	Bay Area Regional Energy Network	Regional Home Energy Score Program Manager
Jeannie Simpson	Northwest Multiple Listing Service (NWMLS)	Coordination with NWMLS for implementation
Ian Penn	City of Eugene, Oregon	Example voluntary program
Roger Kainu	Oregon Department of Energy	Statewide coordination of HES programs throughout Oregon
Patrick Casper, Amit Sing, & John Davey	Puget Sound Energy	PSE program managers for home efficiency

Following the stakeholder engagement process, the Staff Team drafted a HES model ordinance based on feedback provided and examples of HES ordinances from around the United States. The model ordinance draft was then provided to jurisdiction staff, including management teams, for review and comment, and those comments were subsequently incorporated.

On January 27, 2025, the TCMC Executive Committee voted unanimously to recommend approval of the HES model ordinance in order for it to move forward to the jurisdiction parties for consideration.

The full packets of the Executive Committee meetings can be found at: <https://thurstonclimatecollaborative.org/executive-committee-meetings/>

The full packets of the Community Advisory Workgroup meetings can be found at: <https://thurstonclimatecollaborative.org/community-advisory-workgroup-meetings/>

City of Tumwater Climate Element

The Climate Element of the Tumwater Comprehensive Plan (Climate Element) was adopted by City Council on December 16, 2025, via Ordinance No. O2025-010. The Climate Element includes the following draft implementation actions in Appendix A:

Table 3. Screenshot of the Tumwater Climate Element Home Energy Score actions.

Policies and Implementation Actions	Lead	Period	Prioritization
CL-4.2 Reduce energy use in existing residential buildings.	WRS CDD	Start: 2026 Term of the Plan	
CL-4.2.1 Explore the feasibility of incorporating Home Energy Score disclosures for all types of dwelling units at the time of listing for sale to allow prospective buyers to make informed decisions.	CDD WRS	Start: 2026 Term of the Plan	
CL-4.2.2 Explore the feasibility of incorporating Home Energy Score disclosures for all types of rental dwelling units at the time of application to allow prospective tenants to make informed decisions.	CDD WRS	Start: 2027 Complete: est. 1-5 years	

Throughout the development of the Climate Element and the Comprehensive Plan in general, there were multiple opportunities for stakeholders to provide comment and engage in the drafting process including public meetings, open houses, online open houses, general open inboxes for feedback, in-person opportunities at the Library and drive-through food bank locations, and the Climate Policy Advisory Team. In the register of comments compiled during the Climate Element drafting and adoption process, only one comment was provided about either action listed above, and it was a comment requesting clarification of the language to be more specific about Home Energy Score disclosure, provided by a Planning Commissioner.

The register of comments was provided to City Council on July 22, 2025, and can be found here: <https://mccmeetings.blob.core.usgovcloudapi.net/tumwater-pubu/MEET-Packet-cf91657f093d41b68d046db6d374cac5.pdf>.

Actions in all Elements of the Comprehensive Plan are considered draft until they were included in a City Council approved work plan. City Council approved the Sustainability Division 2026

Work Plan on January 6, 2026, which included the Home Energy Score Ordinance for consideration of adoption or alternatives for program delivery.

2026 Efforts

Staff presented on Home Energy Score concept the February 24, 2026, City Council Work Session. After that presentation staff conducted additional outreach, including:

- Reaching out to Home Insurance providers to inquire about potential impacts to insurability.
- Reaching out to Mortgage lenders to inquire about potential impacts to mortgage insurance insurability.
- Reaching out to a property appraiser to inquire about potential impacts.
- Reaching out to the County Assessor's office to inquire about potential impacts.
- Scheduled a meeting with Northwest Multiple Listing Service (NW MLS) to discuss logistics of disclosure within their listing system.
- Attending a work session with the Thurston County Realtors Association.

Staff then provided a presentation about the Home Energy Score Model Ordinance at the May 12, 2026, City Council Work Session, where council provided feedback to bring forth a Tumwater-specific Home Energy Score ordinance for consideration.

Rental, Manufactured Home, and Stacked Multifamily Exclusion

At this time, manufactured homes and stacked multifamily housing cannot be scored using the Home Energy Score model. U.S. Department of Energy representatives have shared with staff that they are working to adapt the model to include these housing types, but they are not ready yet. When they are ready and available, staff will request direction from City Council.

Requiring a HES or energy efficiency disclosure at time of rental or lease application requires further research and logistics. To staff's knowledge there are only two examples of this in the United States: Maine (whole state) and Minneapolis, Minnesota. Staff have not abandoned this effort but have decided to move HES actions forward to City Council in multiple phases, to not delay any potential reductions in greenhouse gas emissions.

3. Differences between Tumwater's draft Ordinance and Thurston County and Olympia's adopted Ordinances

Table 4. Comparison of HES ordinance language.

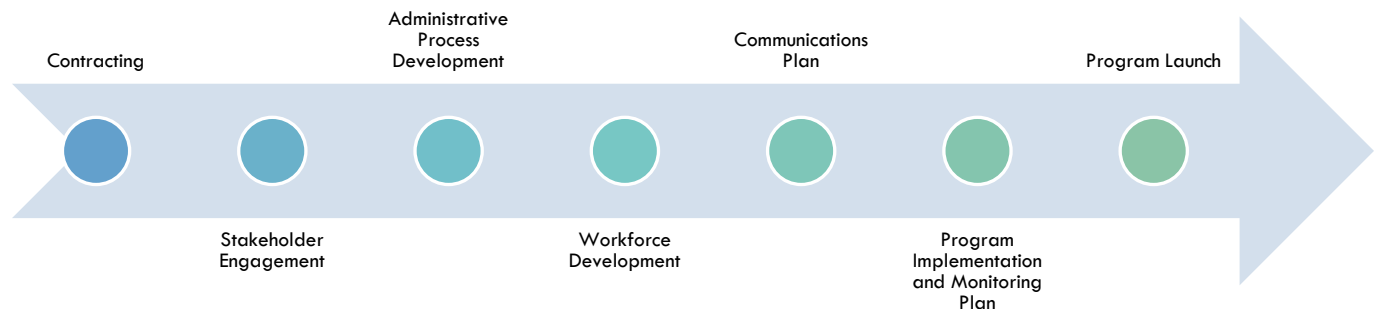
Topic/Section	Tumwater draft	Olympia Ordinance	Thurston County Ordinance	Explanation of Tumwater choice(s)
Section of Code	Chapter 15.22	Chapter 16.07	Chapter 14.36	Consistency with TMC Chapters.
Department Responsible	Water Resources & Sustainability (WRS)	Community Planning and Economic Development	Community Planning and Economic Development	The Sustainability Division is housed within the WRS Department.
Subject Buildings and Dwelling Unit	Applies to dwelling units of single-family detached dwellings, duplexes, tri-plexes, quadplexes, cottage housing, townhouses, and attached accessory dwelling units	Applies to subject buildings (single-family detached dwellings, duplexes, tri-plexes, quadplexes, cottage housing, townhouses, and attached accessory dwelling units) and the dwelling units within those.	Applies to subject buildings (single-family detached dwellings, duplexes, tri-plexes, quadplexes, cottage housing, townhouses, and attached accessory dwelling units) and the dwelling units within those.	Increase clarity.
Subsidy Qualifications	Provides subsidy criteria definition that extends the subsidy to households up to 150% Area Median Income and household receiving assistance from any federal, state, or local assistance programs.	Any household of the City of Olympia earning 80% or less than 80% of the Area Median Income as defined by the U.S. Department of Housing and Urban Development.	Any household of Thurston County earning 80% or less than 80% of the Area Median Income as defined by the U.S. Department of Housing and Urban Development, or any household that has been deemed eligible to	Council feedback to expand the subsidy program eligibility.

Topic/Section	Tumwater draft	Olympia Ordinance	Thurston County Ordinance	Explanation of Tumwater choice(s)
			participate in a low-income assistance program offered by the county or other governmental entity.	
Definition – Real estate listing	Any real estate listed publicly for sale in the city by a property owner, representative of a property owner, or a Washington state licensed real estate broker, agent, or firm. Real estate listings include any printed advertisement, internet posting, publicly displayed sign, , and other third-party listing services.	Any real estate listed publicly for sale in the city by a property owner, representative of a property owner, or a licensed real estate agent. Real estate listings include any printed advertisement, internet posting, or publicly displayed sign, including Regional Multiple Listing Service, Craigslist, Nextdoor and other social media platforms, Redfin, Zillow, Trulia, and other third-party listing services.	Any real estate listed publicly for sale in the county by a property owner, representative of a property owner, or a licensed real estate agent. Real estate listings include any printed advertisement, internet posting, or publicly displayed sign, including Regional Multiple Listing Service, Craigslist, Nextdoor and other social media platforms, Redfin, Zillow, Trulia, and other third-party listing services.	Still covers all platforms explicitly listed in Olympia and Thurston County ordinances but is more concise.
Requirements	No requirement for the seller to maintain a copy of the report and removed redundant mention of providing a copy to	Seller must maintain a copy of the report for five years and provide it to the director upon request. Included repeated requirement to provide a copy	Seller must maintain a copy of the report and provide it to the director upon request. Included repeated requirement to	Staff received confirmation that copies of the report are kept indefinitely by U.S. Department of Energy and can be provided to the

Topic/Section	Tumwater draft	Olympia Ordinance	Thurston County Ordinance	Explanation of Tumwater choice(s)
	prospective homebuyers, as the report is required to be publicly available.	of report to prospective homebuyers.	provide a copy of report to prospective homebuyers.	director at any time. The requirement for the inclusion of the score and report in all real estate listings is sufficient.
Violation	It is a violation for any person to fail to comply with the requirements of this chapter or to misrepresent any material fact in a document required to be prepared or disclosed by this chapter. Civil enforcement of the provisions of this chapter shall be governed by TMC Chapter 1.10 Civil Enforcement of Code.	Includes a section on penalties that repeats Olympia Code OMC 4.40 inclusive of fines and timelines, in addition to the violation language used by Thurston County.	It is a violation of this chapter for any person to fail to comply with the requirements of this chapter or to misrepresent any material fact in document required to be prepared or disclosed by this Chapter. Enforced through County Title 26.	Clarity and lacking redundancy for cleaner code.
Effective Date	May 1, 2027	May 1, 2027	March 17, 2027	Consistency with the latest date for ease of regional implementation.

4. Program Development Plan

The HES disclosure requirement will take effect in Thurston County and Olympia in Spring 2027, one year after their ordinance adoption. Key steps to prepare for HES Program implementation are listed below with approximate timelines for each.



1. Contracting (May–August 2026)

- Thurston County will hold the contract with the U.S. Department of Energy and Implementation Partner for the TCMC partners.
 - Thurston County issued a Request for Qualifications and Quotes (RFQQ) for an HES Program Implementation Partner to support program launch and first year of implementation.
 - The Scope of Work includes (but not limited to): onboard and manage a network of local HES Assessors, fulfill requirements of DOE Partnership Agreement, create customized HES report, launch IT systems needed for program implementation, provide quality assurance to ensure consistent scoring practices, analyze data and report on program activity.
 - Expected contract execution date: August 4, 2026

2. Stakeholder Engagement (September – October 2026; tentative)

- The TCMC will hold additional stakeholder engagement. That engagement will focus on the following program elements: education and outreach strategy, supplementary information included in the HES report, and program monitoring criteria and metrics.
- Key stakeholders include the Thurston County Realtors Association and local real estate brokerages, and general community members, especially current and future homeowners.

3. Administrative Process Development (May–October 2026)
 - Centralized Processes (County-led with support from Implementation Partner)
 - HES Assessor verification and registration
 - NWMLS integration
 - Jurisdiction Processes / Standard Operating Procedures
 - Exemption application and approval
 - Low-income subsidy application, rebates, contracting
 - Compliance review and notifications; enforcement
4. Workforce Development (August 2026 – March 2027)
 - Work with Implementation Partner on workforce recruitment and training
 - Partner with local/regional workforce development organizations
 - Goal: 10 – 15 registered local HES Assessors by program launch
5. Communication Plan (October 2026 – February 2027)
 - Develop HES Communication Plan for program launch and implementation
 - Develop communication assets (fact sheets, presentation templates, real estate agent training videos, etc.)
 - Conduct open houses/outreach events for public and real estate agents
6. Program Implementation and Monitoring Plan (December 2026 – March 2027)
 - Establish roles, responsibilities, Standard Operating Procedures for program implementation
 - Identify criteria, frequency, and metrics for program monitoring
 - Set timeline for launch, monitoring, and reporting
7. HES Program Launch (Spring 2027 – date TBD)
 - Issue press release and conduct outreach
 - Implement established administrative processes
 - Conduct continual Quality Assurance/Quality Control, monitoring, and reporting

Sample Enforcement Steps

Table 5. Sample Enforcement Steps.

Enforcement Steps			
Enforcement Step	Details	Timeline	Person Responsible
Step 0 – Identify non-compliance	• Staff will monitor real estate listings to identify instances of non-compliance. • Community members can reach out to report non-compliance at any time.	Ongoing	Sustainability Manager, or their designee; Community members

Step 1 – Warning and Education Period* *This step may be repeated to gain voluntary compliance.	• Provide educational materials including but not limited to information about exemption process, subsidy offerings and requirements, etc. • Encourage voluntary compliance • Provide “Warning Letter” to the seller and their listing agent (if applicable) identifying the non-compliance, steps to correct the problem, and an expected compliance date (2 weeks). • Request evidence of compliance (if applicable) • Staff to verify compliance independently	Day 0 - 14	Sustainability Manager, or their designee
Step 2 – Follow-up Actions	• Send “Notice of Violation” letter to property owner/seller identifying unresolved issues from the Warning letter • Include warning of civil penalties if compliance is not achieved • Set second compliance date • Verify compliance/non-compliance	Day 15 - 20	Sustainability Manager, or their designee
Step 3 – Final Actions	• Send “Notice of Violation with Civil Penalties” letter indicating that unresolved issues are with Code Enforcement	Day 21 – until compliance is met	Sustainability Manager, or their designee, Code Enforcement Staff, and/or City Legal Team
Repeat Offenders	• Repeat offenders may be escalated to Step 2 (skipping the warning period) once non-compliance is identified.	Reduce compliance deadlines by 14 days.	Sustainability Manager, or their designee.

In Thurston County, as of April 30, 2026, the average days on market from actively listed to an accepted contract was 36 days. The timeline in Table 5 is intended to simultaneously reach compliance before an offer is made while also providing ample time for a seller to attain a HES audit and come into compliance.

5. Costs

Cost to city

The city, through their budget approval and Interlocal Agreement for the TCMC, has set aside the funding necessary to develop the supporting program for a mandatory, or voluntary, Home Energy Score disclosure program. Those are estimated as follows:

Table 6. Year 1 Costs.

Item	Full Cost (Region)	Tumwater Share of Cost
Launch IT Systems	\$25,000	\$6,250
Assessor Onboarding and Enrollment (10 – 15 Assessors)	\$30,000	\$7,500
HES Report Customization* and Program Marketing and Outreach *This allows for linking to local incentives to encourage energy efficiency improvements, among other things.	\$36,000	\$9,000
Ongoing Program Management Costs	\$20,000	\$5,000
TOTAL	\$111,000	\$27,750

This \$27,750 is incorporated, and within the approved funding for the TCMC Interlocal Agreement for 2026 which is \$110,000.

Table 7. Ongoing Costs (Year 2 and onward).

Item	Full Cost (Region)	Tumwater Share of Cost
Program Management	\$20,000	\$5,000

This \$5,000 will be requested to be incorporated into future budgets for the TCMC Interlocal Agreement.

In addition to these program costs, the city has budgeted \$4,000 each year for the subsidy program in the 25/26 budget and staff have requested the same amount for the 27/28 budget. This \$4,000 amount was estimated based on the subsidy being available to sellers at or below 80% Area Median Income. As proposed, the subsidy may need to be increased in the

forthcoming 27/28 budget or can be increased via a budget amendment in 27/28 should the amount needed exceed the budgeted amount.

Cost to Sellers

The range of costs currently charged for HES Assessments in the United States ranges from \$150 to \$350. The cost of an assessment can differ based on the size of the home, travel distance (mileage), and whether the assessment is needed as an urgent service or not. These costs are paid directly by the seller to the Home Energy Score Assessor, who is an independent business owner. These costs are generally self-regulated by competition among providers/business owners.

In limited regions there is an additional charge, which is also paid directly to the HES Assessor of \$35 - \$50, to cover the cost of quality assurance and quality control (QA/QC). This charge is then paid by the Home Energy Score Assessor to the Implementation Partner who carries out the QA/QC required by the U.S. Department of Energy. See Section 4 Item 1 for more information about the Implementation Partner. This Implementation Partner is also an independent business.

In some cases, the QA/QC is set up to be paid by the jurisdiction, instead of a cost being passed through the seller. If the city preferred to cover that cost, that anticipated cost could be \$13,850 estimating the highest cost and the number of listings in the past year.

In the case of a subsidized HES Assessment, the city would pay the full cost including both the assessment and the QA/QC costs, so there is no cost to the seller who meets the subsidy criteria.

The city does not receive any of the money spent by the seller to attain their Home Energy Score Assessment and Report.