



Building Energy Codes

Background

Model building energy codes are developed by private organizations (e.g. the International Codes Council and the American Society of Heating, Refrigerating and Air-Conditioning Engineers), updated every three years, and then adopted by state and local governments. While the federal government does not “adopt” codes, the Department of Energy (DOE) plays a significant role in developing codes, and also works with states to encourage adoption and enforcement.

DOE’s role in code development has expanded over time and it has moved beyond its original authorization as a “technical advisor” to the point that the agency pushes energy goals, and at times advocates for specific products or technology preferences.

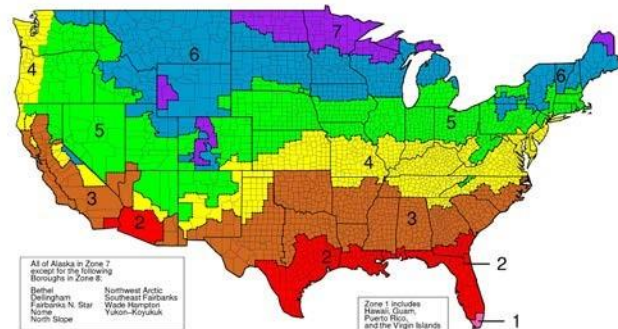
Recent Building Energy Codes

Earlier versions of the model energy codes were far more cost-effective. Over time, they have become overly burdensome, and they are increasingly expensive, inflexible and prescriptive.

The 2012 International Energy Conservation Code (IECC) saw a significant increase in cost, compared to the 2009 IECC, but did not provide home owners with corresponding savings due to reduced utility bills. The table below shows average utility savings, compared to increases in construction costs. These payback periods are unreasonable. NAHB polling indicates that home owners are generally willing to invest in energy efficiency, but require a payback period of five to ten years. Despite this marked consumer preference, some energy advocates are pushing for payback periods that extend over the life of a building.

Table 8: 2012 IECC Cost Effectiveness Relative to 2009 IECC

Climate Zone	Annual Energy Savings	Incremental Construction Cost	Simple Payback (yrs)
1	\$206	\$3,224	15.7
2	\$294	\$3,330	11.3
3	\$470	\$7,203	15.3
4	\$410	\$7,091	17.3
5	\$505	\$4,653	9.2
6	\$397	\$6,399	16.1
7	\$609	\$6,465	10.6
8	\$725	\$6,465	8.9
National Weighted Average	\$427	\$5,668	13.3



Energy Codes Are Government Mandates:

- Many claim that energy codes are “voluntary.” They are not. These codes are REQUIRED for EVERY new home constructed in a jurisdiction, including housing for low-income families and targeted to first-time home buyers.
- Although the federal government does not adopt codes, DOE has used federal funding to “incentivize” states to adopt the latest codes. These then become mandates in the states.

Recent Energy Codes Are Not Cost-Effective:

- Earlier versions of the energy codes were far more cost-effective. By using energy-efficient windows or lighting, consumers saw a big “bang for their buck.” But now, the code includes very costly requirements that do not have the same return on investment.
- Building an average home to the 2012 energy code, compared to the 2009 energy code, adds thousands of dollars in construction costs, and most home owners will never recoup that investment in utility savings.
- Energy code requirements that drive up costs will force lower-income families into older existing homes which tend to use far more energy than newly constructed housing.

Energy Codes Should Be Product/Technology Neutral

- Some manufacturers have successfully gained market advantage by having their products included in the energy codes. Codes should be technology and product neutral and should focus on overall energy savings, not specifying products or technologies.
- NAHB has sought DOE support for energy-neutral tradeoffs that give builders more flexibility to meet home owners’ needs, while also reaching equivalent energy goals. Unfortunately, DOE did not support these proposals.

The Role of the Federal Government

- DOE should return to its congressionally authorized role as a “technical advisor” and not push certain energy goals, or advocate for specific products/technologies.
- In the past, DOE has provided states funding to adopt the latest code. NAHB believes federal funds should not be used for this purpose; rather, DOE should help states implement whatever requirements the state chooses, including training code officials and aiding compliance/enforcement efforts.

Take Action

- House – Representatives Marsha Blackburn (R-Tenn.) and Kurt Schrader (D-Ore.) introduced H.R. 2361, the North American Energy Security and Infrastructure Act, which would redefine the Department of Energy’s role in developing the energy codes. Specifically, this language, known as “Blackburn/Schrader” would:
 - *Increase Transparency:* Requires DOE to publish all code change proposals and supporting analysis and methodology and accept public comment.
 - *Ensure Product and Technology-Neutrality:* Strengthens DOE’s role as a technical advisor, but requires DOE to be product-neutral and prohibits “advocacy.”
 - *Promote Cost-Effectiveness:* Requires that any code or proposal that DOE supports must have a simple payback of 10 years or less (increased compliance costs should be paid back through utility savings in 10 years or less).
- NAHB urges the House to support the “Blackburn/Schrader” bill (H.R. 2361), and urges the House Committee on Energy and Commerce to pass this bill quickly.
- Senate – The Senate Energy Bill, S. 385 – The Energy Savings and Industrial Competitiveness Act, includes language that would instead *strengthen* DOE’s role in the development of codes and unfortunately directs DOE to calculate cost over the life of the building. NAHB urges the Senate to amend S. 385 to include the reforms in H.R. 2361.

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