

May 18, 2018

The Honorable Lamar Alexander
Chairman, Subcommittee on Energy
and Water Development
U.S. Senate Committee on Appropriations
Washington, DC 20510

The Honorable Dianne Feinstein
Ranking Member, Subcommittee on Energy
and Water Development
U.S. Senate Committee on Appropriations
Washington, DC 20510

Dear Chairman Alexander and Ranking Member Feinstein:

We are writing to oppose any language that would negatively affect progress toward improved energy efficiency in state and local building energy codes in the report accompanying FY 2019 energy and water development appropriations. Earlier this week, report language was proposed to the House Energy and Water Appropriations Subcommittee that would encourage the Department of Energy (DOE) to promote on-site renewable energy in state and local building energy codes at the expense of energy efficiency measures. This language sought to alter DOE's limited statutory responsibilities for building energy codes and would have sent states and local governments an unfortunate signal to discount the significant long-term savings for homeowners from decades of lower energy bills from energy efficiency measures. A modified version of this report language was then adopted by the full committee.

Building energy codes are a cost-effective policy that improves the energy efficiency of American homes and commercial buildings and delivers considerable energy, economic, and environmental benefits. Current building energy codes deliver savings of more than 30% compared to versions developed less than 10 years ago. Total, nationwide annual energy cost savings to consumers from building energy codes are estimated at about \$5 billion.

Residential and commercial building energy codes are developed through stakeholder-based processes administered by the International Code Council (ICC) and ASHRAE. These "model" codes are adopted by states and local governments on a customized basis. DOE plays a limited but important role in the development and adoption processes by analyzing model codes, reporting on the status of code adoption efforts, and providing technical assistance to states and local governments to implement and ensure compliance with updated building energy codes.

The original proposed House report language urged DOE to state a preference for on-site renewable generation (typically solar photovoltaic (PV) systems) in building energy codes to the detriment of cost-effective energy efficiency measures. DOE does not have the statutory authority to direct states and localities to adopt a specific building energy code. States and local governments make code adoption decisions based on local merits. DOE should continue to support current practice and not interfere with state and local government adoption of updated building energy codes.

Implied in the proposed House report language is the myth that energy efficiency measures are not cost-effective. In reality, energy efficiency measures are life-cycle cost-effective, which

considers the savings that accrue to homeowners over the life of the home, which will stand for decades. For most energy efficiency measures, homeowners realize net savings within a few years of purchase.

Finally, efforts to shift the focus of building energy codes away from the design and construction of energy efficient buildings and toward solar PV seek to play a financial “shell game” that puts homeowners at risk. While homebuilders must include the cost of energy efficiency measures in the overall price of a home, solar PV is frequently financed through a separate financial instrument and therefore not directly reflected in the purchase price of the home. The policy shift suggested by the original proposed House report language would alter the purpose of building energy codes, which set minimum energy efficiency levels, and harm the home purchaser who unwittingly purchases a home built to a weaker energy efficiency standard traded off for a solar PV system.

We are strong supporters of federal policies that promote energy efficiency and the use of low-carbon energy sources, including solar PV. We respectfully urge the committee to avoid including any language in the appropriations bill report that states a preference for solar PV over energy efficiency or would otherwise restrict DOE’s participation in code development or adoption. The subcommittee should not endorse a false choice between on-site renewable energy generation and energy efficiency. Both are effective strategies for meeting national energy goals and conserving natural resources, and DOE should support all state and local efforts to adopt building energy codes in the best interest of their constituents.

Thank you for your consideration.

Sincerely,

Advanced Energy Economy
Alliance to Save Energy
American Council for an Energy-Efficient Economy
Building Codes Assistance Project
Building Performance Institute
E4TheFuture
Efficiency First
Environmental and Energy Study Institute
EPS Industry Alliance
Home Performance Coalition
Institute for Market Transformation
Insulation Contractors Association of America
International Association of Lighting Designers
National Association of Energy Service Companies
North American Insulation Manufacturers Association
Polyisocyanurate Insulation Manufacturers Association
U.S. Green Building Council