July 8, 2018

The Honorable Lisa Murkowski
U.S. Senate Committee on Energy and Natural Resources
304 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Joe Manchin III
U.S. Senate Committee on Energy and Natural Resources
304 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Murkowski and Ranking Member Manchin:

We write in support of legislative language that improves the model building energy code development process and provides states and communities with resources for effective code adoption and implementation. Provisions strengthening code development and implementation were included in the bipartisan and bicameral legislation, the Energy Savings and Industrial Competitiveness (ESIC) Act, introduced by Senators Portman and Shaheen[1] and Representatives McKinley and Welch.[2] The legislation was reported favorably by the Senate Committee on Energy and Natural Resources in the 113th, 114th and 115th Congresses, and passed the Senate as part of the Energy Policy and Modernization Act by a vote of 85-12.[3]

The buildings sector accounts for about 40 percent of U.S. greenhouse gas emissions. Building energy codes are the cost-effective first step toward addressing this challenge. Residential and commercial building energy codes are developed through stakeholder-based processes administered by the International Code Council and ASHRAE. The processes are open to anyone who wants to propose changes, and builders, manufacturers, architects, and consumer advocates participate as well as code officials. These "model" codes are then adopted and implemented by states and local governments on a customized basis. The Department of Energy (DOE) plays a limited but important role by analyzing model codes, suggesting improvements, and providing technical and financial assistance to states and local governments to implement updated building energy codes

The language included in ESIC, developed over several Congresses based on extensive input from manufacturers, homebuilders, states, environmental and consumer advocates, and other stakeholders, would advance our nation's energy efficiency and improve the affordability of new and renovated buildings. A 2015 analysis estimated that improved codes under the legislation would reduce U.S. energy use by over 30 quadrillion British thermal units and provide consumers and businesses over $60 billion in net savings.[4]

Given the level of broad industry, energy efficiency and environmental support for ESIC, we are greatly concerned about alternative proposals championed by narrow constituencies that would

[1] See S. 761 (113th Congress), S. 1392 (113th Congress), S. 2074 (113th Congress), S. 2262 (113th Congress), S. 720 (114th Congress), and S. 385 (115th Congress).
[2] See H.R. 1616 (113th Congress), H.R. 2177 (114th Congress), and H.R. 1443 (115th Congress).
[3] See S. 2012, as engrossed in the U.S. Senate (114th Congress).
[4] *2015 Federal Energy Efficiency Legislation: Projected Impacts*. https://aceee.org/white-paper/2015-ee-legislation. Estimates are cumulative for the lifetime of measures in new buildings built through 2040.

stymie efficiency gains in the residential and commercial building sector. For example, the Energy Savings and Building Efficiency Act introduced in the U.S. House of Representatives would impose an inflexible "simple payback" requirement for energy efficiency measures that would compromise the long-term affordability of new and renovated buildings to the financial detriment of home owners and renters.[5] The same 2015 analysis estimated that this provision would actually result in weaker codes and thus more energy use and more consumer spending.

A second alternative proposal included in the broader Energy and Natural Resources Act from the 115th Congress (S. 1460) would also adversely affect efforts to improve the energy efficiency of the building sector. This proposal made changes that risked making the process unworkable and expensive, seemingly requiring an undefined consensus for DOE to act, avoiding the industry terminology of "model" codes, and requiring DOE to analyze multiple additional economic considerations beyond those in the ESIC bill. It also removed provisions that respond to current needs of state and local governments, including on code implementation and stretch codes. The signatories to this letter do not support this approach, but rather stand by the negotiated ESIC provisions. Indeed, we prefer the status quo on building energy codes to the changes proposed in S. 1460.

We appreciate your continued commitment to advance federal energy policy that spurs economic growth, creates jobs, reduces harmful emissions and strengthens the energy security of our nation. Not including the most important provision for building efficiency would neglect the sector with greatest energy use. It has been 12 years since the last comprehensive energy legislation, and the American public is eager for Congress to pass legislation that enjoys broad bipartisan support. We respectfully urge you to endorse and consider the ESIC legislation that includes the established version of model building energy codes language at the earliest opportunity during the 116th Congress.

Thank you for your consideration.

Sincerely,

Alliance to Save Energy
American Council for an Energy-Efficient Economy
Cellulose Insulation Manufacturers Association
EPS Industry Alliance
Extruded Polystyrene Foam Association (XPSA)
Insulation Contractors Association of America
National Association of State Energy Officials
North American Insulation Manufacturers Association
National Insulation Association
Polyisocyanurate Insulation Manufacturers Association

[5] See H.R. 1273 (114th Congress).