



SCEP

STATE & COMMUNITY ENERGY PROGRAMS

Inflation Reduction Act: Building Energy Codes

NASEO Annual Meeting

October 18, 2023

IRA Section 50131

Adoption of the Latest and Zero Building Energy Codes



Advancement of Energy Codes - Catalyzing Change

Overall Policy Goal of DOE Bipartisan Infrastructure (BIL) and IRA Funding

Assist States, Territories, localities, Tribes, and their partners in improving new and existing buildings through traditional and innovative building energy codes supporting the transition to more-efficient, affordable, decarbonized buildings for all.

Multiple funding streams to support technical assistance for codes

- BIL \$225M – EERE FOA (\$90M for 27 projects awarded to date)
- IRA \$1B – Adoption of the Latest & Zero Building Energy Codes
- Potentially leveraging of other programs like EECBG, SEP, EPA, FEMA BRIC, IRS

Program Goals of \$1B in IRA Code Funding



Improve residential and commercial buildings (new and existing)



Increase code effectiveness (greater benefits)



Build state and local capacity



Educate jurisdictions, critical stakeholders, and diverse communities



Improve the resilience of buildings



Provide meaningful benefits to communities nationwide

Building Energy Codes – Thinking Bigger

Comprehensive code interpretation for IRA funding to lift all eligible jurisdictions:

- ✓ Allow **flexibility for agencies** to determine the right building energy policy for their state or jurisdiction depending on their authorities and priorities
- ✓ Encompass traditional energy codes, building performance standards (BPS), and other innovative codes that **meet the statutory criteria** for "equivalent" energy savings
- ✓ Codes must be **implementable, verifiable, and enforceable**
- ✓ Codes can be applicable to **new or existing buildings** (residential and commercial)



IRA Codes Program Funding and Timing

Section 50131 Provisions

Grants to **States, and units of local government with code making authority** to:

- adopt the latest model building energy codes or equivalent codes
- adopt zero energy codes or equivalent

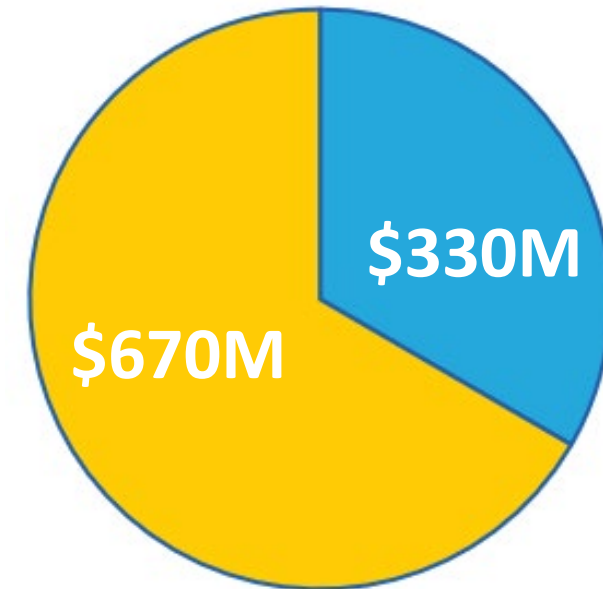
Grant recipient must **submit a plan** that shows how compliance with the latest, zero, or equivalent energy code or standards is going to be handled:

- implementation plan to achieve full compliance with any building energy code adopted with grants funds for new and renovated residential or commercial buildings;
- active training and enforcement programs; and
- measurement of the rate of compliance each year

Cost share is not required for grantees

Funding Details

- Latest Model Energy Codes or Equivalent
- Zero Energy Codes or Equivalent



Statute allows for up to 5% of the total funding to be used for DOE administrative costs

Timeframe: Funds to be available through September 30, 2029

Formula Funding Overview

Formula Funding Available	\$400M total - \$240M for Latest Model Codes, \$160M for Zero Energy Codes
Eligible Entities	States and Territories (including DC)
Qualifying Activities	Adoption and implementation of qualifying codes
Qualifying Codes	<ul style="list-style-type: none">• Residential: 2021 International Energy Conservation Code (IECC)¹• Commercial: ASHRAE 90.1-2019¹• 2021 IECC Appendix RC¹• 2021 IECC Appendix CC¹• Jurisdictions that have already adopted a qualifying code are eligible for implementation funding

1: Unamended, or with no weakening amendments

“Pre-Approved” Packages for Model and Zero Codes

Preapproved packages also used to streamline the application process

Formula Eligibility for States and Territories:

- Adoption and implementation of Latest Model Codes and Zero Codes listed in 50131 statute with *strengthening* and *neutral* amendments only (no weakening amendments)
- Jurisdictions that have adopted eligible codes in absence of IRA funding (including those that use RECI funding) are eligible to receive funding for compliance and enforcement activities

Jurisdictions can pursue commercial and/or residential codes, individually or in parallel, without discounted formula funding (each category of funding is available separately for qualifying codes)

Timing and Next Steps

November 21, 2023

Letter of Intent (LOI) to Reserve Funds due to IRACodes@hq.doe.gov - adoption bonus timer starts at LOI deadline

September 30, 2025

Full Applications due (applications will be accepted on a rolling basis until this date)

Upcoming

DOE is intending to consider releasing corresponding competitive grants for additional eligible activities and grantees that are beyond the scope of the activities and grantees specified in the ALRD