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February 13th, 2024

Nebraska Urban Affairs Committee 1445 K Street, Room 1510 Lincoln, NE 68508

Re: MEEA comments in support of the adoption of the full 2021 International Energy Conservation Code

Dear Chairman McKinney and members of the Nebraska Urban Affairs Committee,

Thank you for the opportunity to comment on the adoption of the 2021 International Energy Conservation Code (IECC). The Midwest Energy Efficiency Alliance (MEEA) is a member-based non-profit organization serving as a collaborative network, promoting energy efficiency to optimize energy generation, reduce consumption, create jobs and decrease carbon emissions in all Midwest communities. MEEA has been working in Nebraska since 2012, when we helped launch the Nebraska Energy Code Compliance Collaborative and have provided technical assistance and education on building science and energy code compliance since 2020.

MEEA now strongly recommends the adoption of the 2021 IECC without weakening amendments as the statewide minimum building energy code for residential and commercial buildings. This code holds significant promise for Nebraska's future in terms of energy efficiency, building standards and overall sustainability. In addition to continuing to showcase Nebraska as a leader in energy efficient buildings, adopting the unweakened¹ 2021 IECC will provide Nebraska with the following benefits:

- Reduced energy use and utility bills for residents and businesses
- Increased occupant comfort and improved indoor air quality
- Increased resilience, allowing residents to safely shelter in place longer during extreme weather events and/or outages
- Improved electric grid reliability
- Increased cost-effectiveness by installing efficiency measures at initial construction
- Staying up-to-date with the latest model code edition, which is developed through a rigorous stakeholder engagement process of multiple industries
- A larger workforce that is better prepared for future changes in building practices, energy efficiency requirements and new technologies

The Unweakened 2021 IECC Benefits Nebraska Residents and Businesses

An analysis conducted by the Pacific Northwest National Laboratory (PNNL) for the U.S. Department of Energy (DOE) showcases the cost-effectiveness of updating Nebraska's statewide energy code from the 2018 IECC. Homeowners can expect to see positive cash flow

¹ "Unweakened" refers to a version of the 2021 IECC that has not been amended to include reduced or lesser building standards than those contained in the full, unamended 2021 IECC.



results within the first year of adoption, highlighting the tangible financial benefits of these updates. PNNL analysis indicates that buildings meeting the 2021 IECC result in **Nebraskaspecific energy savings of about 8% per year.** ² If adopted, PNNL estimates Nebraskan homeowners will collectively save \$1,036,000 within the first year, resulting in more than \$327 million in energy savings over the next 30 years.³

The unweakened 2021 IECC would reduce the burden on Nebraska residents and businesses beyond lower energy bills. More efficient buildings provide increased comfort and better indoor air quality. Improved energy efficiency also provides meaningful resilience benefits. Homes built to newer codes are more comfortable, even in extreme temperatures, and allow for occupants to safely shelter in place during extreme weather events.⁴ A strong energy code also makes the grid more reliable by reducing energy use in buildings and lowering overall energy demand.

In addition to these benefits, it's imperative to emphasize the crucial role of incremental steps in maintaining housing affordability. By gradually implementing energy efficiency standards through LB1219 and the 2021 IECC, Nebraska ensures that housing prices remain within reach for its citizens. Incremental steps prevent sudden spikes in construction costs, thereby keeping mortgage payments manageable and safeguarding against market forces that could otherwise price residents out of homeownership. This approach prioritizes long-term affordability, allowing individuals and families to secure stable housing without the threat of escalating utility bills eroding their financial security. Ultimately, embracing these standards aligns with Nebraska's commitment to equitable and sustainable development for all its residents.

The Unweakened 2021 IECC Benefits the Building Industry

The model codes are designed to gradually increase in efficiency, minimizing "big leaps." Failing to update regularly results in standards gaps and burdens the building industry. By adopting the latest model code (2021 IECC), developed through rigorous stakeholder engagement across multiple industries, the state reduces potential industry burdens.

Increased cost is always a point of concern with energy code adoption processes. It is important to remember that the building industry touches a home once – at the point of its construction – but that the residents who live and work in a home will feel the impact of its construction practices for decades into the future. It is also much more cost-effective to provide energy efficiency at the time of initial construction than during renovations. The energy code is considered the floor – the least efficient building that can be constructed by law – and the builders who are only building to the bare minimum may see a slight cost increase, but that is far outweighed by the savings realized through reduced energy use and reduced health care costs for building occupants. For builders who are already building "better than code," there should be little to no actual increase in cost to meet an updated energy code. Adopting the 2021 IECC will also result in economic development and job creation for Nebraska. This occurs in two ways:

³ https://www.energycodes.gov/sites/default/files/2021-07/NebraskaResidentialCostEffectiveness_2021_0.pdf

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https://www.energycodes.gov/sites/default/files/2021-07/NebraskaResidentialCostEffectiveness_2021_0.pdf

⁴ https://www.aceee.org/files/proceedings/2014/data/papers/1-439.pdf



1. by reducing utility bills, which results in an increase in disposable income, and 2. by increasing construction-related activities in the state.⁵

Also, the DOE has recently announced billions of dollars in funding for updated energy code adoption and implementation, which will aid the enforcement community and building industry. In particular, DOE's State and Community Energy Programs office recently announced that it will provide up to \$400 million to support states in adopting and implementing the latest model energy codes and/or codes to reach net-zero-energy. **Over \$4.4 million of this funding is available to Nebraska alone.** There is also funding available to train the workforce in energy efficiency technologies and methods.

Nebraska's move to the unweakened 2018 IECC from the 2009 version proved the state to be a leader in demonstrating the economic and societal benefits of a more efficiently built environment. It would be unreasonable to let all that progress fall to the wayside – as mentioned above, the model codes are meant to be incremental steppingstones. Rather, to continue to showcase the state's commitment to energy efficiency and the benefits to Nebraskans, Nebraska should now take the necessary steps to adopt the unweakened provisions of the 2021 IECC. This adoption would represent a critical step forward for Nebraska in terms of energy efficiency, resilience and economic growth, while also prioritizing the well-being of the state and its residents.

If you have any questions or need more information, please contact Isabella Gross, Building Legislative and Regulatory Associate at MEEA, at <u>igross@mwalliance.org</u> or 312-784-7251. Thank you for your time and consideration.

Sincerely,

Paige Knutsen Executive Director

⁵ https://www.energycodes.gov/sites/default/files/2021-07/NebraskaResidentialCostEffectiveness_2021_0.pdf