National Electrical Manufacturers Association

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May 22, 2024

The Honorable Jeff Duncan
Chairman
Subcommittee on Energy, Climate, and Grid Security
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Dianna DeGette
Ranking Member
Subcommittee on Energy, Climate, and Grid Security
U.S. House of Representatives
Washington, D.C. 20515

Re: Energy, Climate and Grid Security Subcommittee Hearing on Green Building Policies

Dear Chairman Duncan and Ranking Member DeGette,

The National Electrical Manufacturers Association (NEMA) is the leading U.S. trade association representing electrical equipment and medical imaging manufacturers, which are at the forefront of sustainability, resiliency, and energy efficiency. Our nearly 325 Member companies provide a range of products for high-performance buildings, electric vehicles, and the utility sectors. Collectively our membership provides some 370,000 American manufacturing jobs in more than 6,100 facilities, with worldwide industry sales exceeding $130 billion.[1] The electroindustry has a robust domestic manufacturing base and supports the fundamental goal of creating good-paying American jobs and shoring up our domestic supply chains.

NEMA supports improving the energy efficiency of the country's building stock. Energy efficiency is a historically bipartisan issue that is fuel neutral and provides American homeowners and commercial building owners with a multitude of benefits. Similarly, NEMA supports the movement towards electrification while remaining neutral on energy generation sources. One of the most effective ways to improve energy efficiency for American families is through the adoption of modern buildings codes, specifically the International Energy Conservation Code (IECC).

The U.S. Department of Housing and Urban Development (HUD) and U.S. Department of Agriculture's (USDA) May 2023 preliminary determination found that the IECC 2021 and ASHRAE 90.1 2019 energy codes will generate significant cost-savings for low-income households and not significantly harm housing affordability and availability. The agency highlighted that the proposed update will save residents of single-family homes $752 a year in energy costs, resulting in a range of net lifetime savings from $7,536 to $46,836 for single family homes depending on the region while multifamily households would net lifetime savings

[1] For more information, please visit: https://www.nema.org/.

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between $4,064 and $15,452.[2] The annual energy savings credit to the efficiency gains in the updated energy code create a net-positive cash flow for the household beginning as soon as year two of homeownership.

Updated codes provide other significant non-energy benefits. For example, energy codes can significantly increase the amount of time homeowners can stay comfortable in their homes during a prolonged power outage, known as passive survivability. Three National Laboratories recently found that during prolonged weather-induced power outages, coupled with extreme heat or cold, modern energy codes can reduce deaths due to extreme heat by 80% and extreme cold by 30%.[3]

Modern energy codes also reduce the stress on our aging electrical grid infrastructure. As a critical demand-side management tool, energy codes help reduce the demand on the power grid at the most critical times – during peak hours and during extreme weather events. This provides grid operators the flexibility they need to ensure the lights stay on. Energy efficiency, demand-side management, and grid flexibility are all critical elements to grid and national security.

There are no provisions in the 2021 IECC or the to-be-published 2024 IECC that restricts homeowners' ability to choose the appliances appropriate for them. Consumer choice is good for consumers, American businesses, and the economy. Model codes set the legally allowable minimum for safety and energy efficiency. The decision to go beyond any model code is one that is undertaken at the state or local level and reflects a wide range of considerations including varying economics, policy priorities, climate goals, and political realities.

Finally, investments in energy code adoption through the Bipartisan Infrastructure Law (BIL) and Inflation Reduction Act (IRA) are being made on a bipartisan, geographically diverse basis. While certain jurisdictions are pursuing above- and stretch- code options, assistance is also available to the nearly 46 percent of states in this county that have no statewide code or are on the 2009 IECC update to the 2021 IECC.

Sincerely,

Spencer Pederson
SVP, Public Affairs
NEMA

[2] https://www.hud.gov/sites/dfiles/CPD/documents/6271-N-01-HUD-USDA-Energy-Codes-Preliminary-Determination-RIA-2023-03-24.pdf
[3] DOE, Enhancing Resilience in Buildings Through Energy Efficiency (July 2023).