

New Programs Supporting Resilient and Energy Code Implementation Infrastructure Investment & Jobs Act (IIJA) and Inflation Reduction Act (IRA)

ICC Annual Meeting: Federal Funding Forum
September 13, 2022



Objective: Discuss new federal funding initiatives and opportunities supported by DOE's Building Energy Codes Program under:

1. Infrastructure Investment and Jobs Act (IIJA)
2. Inflation Reduction Act (IRA)

> Recent legislation has created two unique and highly impactful opportunities supporting building energy code updates and implementation!



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**ENERGY EFFICIENCY &
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Infrastructure Investment & Jobs Act (IIJA)

Section 40511: Cost-Effective Codes Implementation for Efficiency & Resilience

Infrastructure Investment and Jobs Act (IIJA)

Section 40511: Cost-effective Codes Implementation for Efficiency & Resilience

Highlights:

- \$225 million for implementation activities supporting updated energy codes
 - Encourages “partnerships” comprised of states and other key stakeholders
 - Intended to support code updates—not limited to only the latest codes (currently the 2021 IECC and Standard 90.1-2019)
 - Amplifies technical assistance supporting code implementation, and builds on many traditional activities, while scaling these efforts significantly
- > DOE engaged stakeholders and the general public to seek feedback on program priorities, and recently issued a Notice of Intent (NOI)

Where are we today?

Progress made by DOE toward Section 40511 execution:

- **Request for Information (RFI)** issued on April 18 (comments due May 20)
 - Received comments from over 70 entities
 - DOE reviewed and considered all comments received
 - **Public workshop** held on April 27
 - Over 200 participants across a wide range of interests
 - Learn more about the workshop at energycodes.gov
 - **National Energy Codes Conference** session on IIJA on July 20
 - 500 additional participants
 - Presentations available at energycodes.gov
- > DOE issued Notice of Intent (NOI) to issue a FOA supporting the RECI initiative

What does Section 40411 specify?

Section 40511: Eligible Entities

ELIGIBLE ENTITY.—The term ‘eligible entity’ means— “(A) a relevant State agency, as determined by the Secretary, such as a State building code agency, State energy office, or Tribal energy office; and “(B) a partnership.

(A) State agencies

- To be determined by the Secretary of Energy
- Examples: State energy offices, Tribal energy offices

(B) Partnerships

- More on this momentarily...

> What state agencies are most relevant to the initiative?

- Energy, code administration, resilience, safety, others?

Section 40511: Partnerships

PARTNERSHIP.—The term ‘partnership’ means a partnership between an eligible entity described in paragraph (1)(A) and 1 or more of the following entities: “(A) Local building code agencies. “(B) Codes and standards developers. “(C) Associations of builders and design and construction professionals. “(D) Local and utility energy efficiency programs. “(E) Consumer, energy efficiency, and environmental advocates. “(F) Other entities, as determined by the Secretary.

Partnership between:

- Local building code agencies
- Codes and standards developers
- Associations of builders, design and construction professionals
- Local and utility energy efficiency programs
- Consumer, energy efficiency, and environmental advocates
- Other entities as determined by the Secretary of Energy

> What “other entities” should be considered or emphasized?

> What can (and should) constitute an effective partnership?

Section 40511: Code Updates

UPDATED BUILDING ENERGY CODE.—An update to a building energy code under this section, including an amendment that results in increased efficiency compared to the previously adopted building energy code, shall include any update made available after the existing building energy code, even if it is not the most recent updated code available.

Updates:

- Increase energy efficiency compared to the previously/currently adopted code
- Can be any update more recent than the existing/currently adopted code
- Are not constrained to the most recent code editions (e.g., 2021 IECC and 90.1-2019)

- > How should DOE evaluate and prioritize the impact of a proposed update?
- > How should DOE balance recent vs. planned vs. aspirational updates?

Section 40511: Criteria and Priorities

CRITERIA; PRIORITY.—In awarding grants under subsection (b), the Secretary shall—

1. Consider:

- Impact: Prospective energy savings and plans to measure the savings
- Long-term sustainability of measures and savings
- Prospective benefits, and plans to assess benefits, including resilience and peak load reduction, occupant safety and health, and environmental performance
- Demonstrated capacity to carry out the proposed project
- Need for assistance

2. Prioritize *partnerships*

- > What methods are appropriate for measuring and determining savings impacts?
- > How should DOE evaluate the sustainability and long-term effects of a project?
- > Are there additional benefits that should be considered/prioritized?

Section 40511: Sample Activities

Examples specified in the IJA:

- Create or enable state or regional partnerships to provide training and materials
 - Collect and disseminate data on construction and code implementation
 - Develop and implement a plan for effective implementation, including measuring compliance
 - Address implementation needs in rural, urban, suburban areas
 - Implement updates in energy codes
- > What types of partnerships can help DOE maximize its technical assistance activities supporting building energy codes?
- > What additional activities should be considered?

What's included in the Notice of Intent (NOI)?

IIJA: Notice of Intent (NOI)

On July 21st, DOE issued a Notice of Intent (NOI) to issue a Funding Opportunity Announcement (FOA) under the IIJA.

The NOI highlights several areas of interest:

1. State and Local Code Adoption
 2. Workforce Development
 3. Implementation and Compliance
 4. Innovative Approaches
 5. Equity, Energy and Environmental Justice
 6. Partnerships
- > These topics are consistent with those published previously via the related RFI and are outlined in greater detail in the NOI

IJA: Notice of Intent (NOI)

Key Questions:

- Who are considered eligible entities?
 - What is the role of states and local governments?
 - What constitutes an updated code?
 - How will impact be evaluated? What metrics will be considered?
 - What are eligible activities?
 - What award instruments will be used?
 - When will funding be available?
- > These are addressed in detail via the NOI along with several additional questions and considerations that will ultimately help shape the initiative
- > Read the full NOI: <https://www.energycodes.gov/RECI>

Next Steps

Planned next steps in executing Section 40511 of the IIJA:

- **Funding Opportunity Announcement (FOA) in Fall 2022**

- > Teaming list available on [EERE Exchange](#)—get added by emailing becp@pnnl.gov with the subject “RECI FOA: Teaming Partner Information”
- > Sign-up for BECP updates at www.energycodes.gov/subscribe
- > Learn more: <https://www.energycodes.gov/RECI>

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Inflation Reduction Act (IRA)

Section 50131: Assistance for Latest and Zero Building Energy Code Adoption

Inflation Reduction Act (IRA)

Section 50131: Assistance for Latest and Zero Building Energy Code Adoption

Highlights:

- \$330M supporting adoption of the latest model energy codes
 - 2021 IECC for residential and Standard 90.1-2019 for commercial (or equivalent)
- \$670M supporting adoption of zero energy codes
 - Zero energy provisions of the 2021 IECC (or equivalent stretch code)
- Must implement a plan to achieve *full* compliance, including active training and enforcement programs and measure of the rate of compliance each year

> These provisions are very similar to those specified under the Recovery Act

Inflation Reduction Act (IRA)

Section 50131: Assistance for Latest and Zero Building Energy Code Adoption

Additionally:

- Applies to new and renovated residential and commercial buildings
- Grants to assist states and units of local government with authority to adopt
- No cost-match requirement
- Appropriation begins in FY22 and continues through FY29
- Amends activities under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 through 6326)

> There are several key similarities and differences between the IJA and IRA

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