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Key Programs in Infrastructure Legislation for Code Officials and the Construction Industry

On November 15, 2021 the President signed into law the <u>Infrastructure Investment and Jobs Act</u> (IIJA), bipartisan legislation which will make available \$1.2 trillion in funding for infrastructure programs across the energy, water, transportation, and building sectors. In the coming months, the U.S. departments and agencies charged with implementing the Act will put forward guidance defining terms, establishing program priorities, and determining allocations of formula funding. The following are a subset of initiatives that support activities of potential interest to Code Council members.

Energy Code Implementation

The IIJA provides an unprecedented \$225 million, \$45 million per year, for a new program at the Department of Energy (DOE) to award competitive grants for "sustained cost-effective implementation of updated energy codes" (Sec. 40511 of the IIJA). The Code Council strongly supported this dedicated investment in energy code implementation and worked to ensure these resources can support complementary water conservation and community resilience efforts.

Applicants are either state agencies or partnerships between state agencies and any number of the following: local building code agencies, codes and standards developers, builder/architectural associations, utilities, and/or consumer, energy efficiency, and environmental advocates.

The IIJA lays out a series of criteria/priorities for DOE to consider in making competitive awards. Partnership applications will be prioritized. Additional criteria include prospective savings and other benefits, applicant capacity, and need.

Eligible activities for grant funding include training and materials, measuring implementation and compliance outcomes, and addressing implementation needs in rural, suburban, and urban areas. Training and materials may also cover zero energy buildings, code economic and environmental impacts, resilience, health, safety, and water conservation.

Having a state partner (e.g., building code agency, State energy office, or Tribal energy office) is required for an application as is an "updated building energy code." DOE will define that phrase, but in doing so must recognize local amendments. The Department is also prohibited from defining that phrase to include only the latest energy code edition. The Code Council will submit comments to DOE encouraging a broad interpretation of the phrase "updated building energy code" so that jurisdictions with recent energy code updates that preceded the IIJA's enactment are not precluded for applying for implementation assistance. For additional information on engaging with DOE on its development of this program, please contact us at advocacy@iccsafe.org.

Other DOE Programs Supporting Energy Code Development and Implementation

The new \$225 million energy code implementation program described above provides funding exclusively for energy code implementation (energy code development and adoption are not covered), which is available on a competitive basis. The IIJA also provides significant new resources through two additional programs, the Energy Efficiency and Conservation Block Grant Program (EECBG) and State Energy Program (SEP), which provide formula funding to jurisdictions for a range of activities, including energy code development, adoption, and implementation, along with energy efficiency and renewable energy upgrades, financing, energy audits, and EV charging station installations:

- The IIJA provides \$550M for the EECBG program (sec. 40552). DOE is expected to allocate this funding consistent with its prior formula, which provided 68% of program funds to localities based on population, 28% to states, and 2% to tribal governments, with 2% retained for competitive grants. Eligible uses under EECBG are listed here.
- \$500M is provided for the SEP program to be distributed under the program's <u>existing formula allocation</u> (sec. 40109). The Act waives local match requirements. SEP funding uses are listed <u>here</u>.

An additional DOE initiative would award \$10 million in grants to post-secondary institutions to establish "building training and assessment centers" (sec. 40512). The assessment centers are charged with identifying and promoting opportunities to optimize energy and environmental performance in buildings; training the construction industry and code officials on energy efficient design and operation; and advancing research into alternative and distributed energy.

Hazard-Resistant Code Adoption and Implementation

On top of the program's annual allocation, the IIJA provides an additional \$1 billion for FEMA's Building Resilient Infrastructure and Communities (BRIC) program, \$200 million per year over five years. BRIC funds hazard-resistant code adoption and implementation activities with a 25% local cost-share, while mitigation projects submitted for a pot of competitive BRIC funding are made more competitive based on the statewide adoption and implementation of recent editions of the International Building Code and International Residential Code as well as Building Code Effectiveness Grading Schedule (BCEGS) ratings between 1 and 5. Fact sheets and webinars on leveraging BRIC for code professionals are available <u>here</u>.

FEMA is also provided with \$3.5B (\$700M per year) for the Flood Mitigation Assistance (FMA) program, which provides grants to governments for flood mitigation projects while the U.S. Department of Agriculture is provided \$500 million to establish a Community Wildfire Defense Grant Program for at-risk communities. Funds may be used to develop or revise (\$250,000 max/10% non-federal match) and implement (\$10 million max/25% match) community wildfire protection plans, which address hazard mitigation and structure protection (sec. 40803). Grant applicants must have adopted standards equal to or more stringent than ICC or NFPA's roof construction standards.

Water Quality and Reuse

The IIJA provides \$510 million over five years for grants to states and public water systems serving underserved communities to address contaminants in drinking water through EPA's existing <u>Small</u>, <u>Underserved</u>, and <u>Disadvantaged Communities Grant Program</u> (sec. 50104).

It further establishes an interagency working group to coordinate and prioritize efforts to promote water reuse (sec. 50218), elevating federal attention to EPA's Water Reuse Action Plan. The Code Council is currently working with EPA and other partners on the Agency's interest in incorporating water quality and onsite reuse into premise plumbing codes. Other sections of the IIJA provide \$125 million for a pilot program for alternative water source projects (sec. 50203) and \$450 million for the creation of a competitive grant program for planning, design, and construction of large-scale, regional/multistate water recycling and reuse projects within Reclamation States (sec. 40905).

Please contact us at <u>advocacy@iccsafe.org</u> or through your <u>Government Relations Staff Liaison</u> for additional information and collaboration opportunities regarding the IIJA's implementation. Click <u>here</u> to sign-up for updates as the IIJA's programs are rolled out.