

NEWS RELEASE

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Contact: Donna Campbell | (734) 660-6518

dcampbell@iccsafe.org | www.iccsafe.org

U.S. President signs into law legislation with largest-ever federal investment in building efficiency and sustainable construction

The Inflation Reduction Act supports jurisdiction energy code updates and kick-starts the marketplace for green construction materials

Washington, D.C. – On August 16, 2022, U.S. President Biden signed into law the Inflation Reduction Act, a broad package of economic policy changes including the largest ever investment in building efficiency, sustainable construction and distributed generation. The International Code Council worked with policymakers to support the provided resources. These resources will help communities update their energy codes, promote low-carbon construction materials, and encourage energy efficient retrofits and distributed energy generation including solar thermal and small-scale wind.

Building upon last year's <u>Infrastructure Investment and Jobs Act</u>, the Inflation Reduction Act provides \$1 billion to support jurisdictions seeking to adopt, update and improve implementation of current energy codes. More specifically, the new legislation supports codes and standards or local amendments that meet or exceed the <u>2021 International Energy</u> <u>Conservation Code (IECC)</u>, and zero-energy building codes, including codes and standards or local amendments that meet or exceed <u>2021 IECC's net zero appendices</u>.

The bill makes further historic investments in sustainable construction, including \$250 million through the U.S. Environmental Protection Agency (EPA) for work toward enhanced standardization for low-embodied carbon construction materials through environmental product declarations (EPDs), as well as assistance for the manufacturing industry to more widely use and validate EPDs. The EPA will receive an additional \$100 million to work with the U.S. Department of Transportation (DOT) and General Services Administration (GSA) on expanded labeling with EPDs for low-carbon construction materials used in building and infrastructure projects. The GSA, DOT and the Federal Emergency Management Agency (FEMA) will be provided with roughly \$4.2 billion in funding to incentivize low-carbon material use in federally funded projects.

The Inflation Reduction Act further includes provisions to boost efficiency in both multifamily and single-family housing, and extends tax credits for building efficiency, distributed generation, and energy storage (including through hydrogen as a medium). These provisions include a total of \$9 billion in consumer-focused home energy rebate programs. An additional program would provide \$1 billion for a new grant program to make the U.S. Department of Housing and Urban Development-assisted housing more energy and water efficient, resilient, and sustainable. The Code Council will continue to engage with the Administration and Congress to support additional provisions for community resilience and to expand incentives that enable jurisdictions to meet climate goals through a range of energy sources.

"The Inflation Reduction Act makes historic investments to support U.S. communities seeking to update their building energy codes and to promote sustainable construction," said Code Council Chief Executive Officer Dominic Sims, CBO. "These efforts will cut consumers' energy bills, significantly curb building emissions, and kick-start the market for green construction materials. The Code Council looks forward to working with industry, as well as federal, state, local, tribal, and territorial governments to ensure that these investments and incentives are utilized to their fullest potential."

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About the International Code Council

The <u>International Code Council</u> is the leading global source of model codes and standards and building safety solutions. Code Council codes, standards and solutions are used to ensure safe, affordable and sustainable communities and buildings worldwide.