



SCEP

STATE & COMMUNITY ENERGY PROGRAMS

DE-FOA-0003056: Inflation Reduction Act of 2022 (IRA) Assistance For The Adoption Of The Latest And Zero Building Energy Codes

January 17, 2024

IRA Section 50131

Adoption of the Latest and Zero Building Energy Codes



Agenda

1. Program Goals
2. Code Overview
3. Overview of Program Funding and Timing
4. FOA Overview
5. FOA Deadlines
6. Q&A



Program Goals of \$1B in IRA Code Funding



Improve residential and commercial buildings (new and existing)



Increase code effectiveness (greater benefits)



Build state and local capacity



Educate jurisdictions, critical stakeholders, and diverse communities



Improve the resilience of buildings



Provide meaningful benefits to communities nationwide

Building Energy Code Overview

Building energy codes set minimum efficiency requirements for new and renovated buildings by governing energy-relevant design and construction, and energy-using components. Model codes are updated on three-year cycles.

- ✓ **Adoption authority** varies significantly by state
- ✓ **Adoption process** varies significantly by jurisdiction
- ✓ **Enforcement** almost always happens in localities

These are part of a suite of codes that govern construction practices, including structural, plumbing, electrical, fire safety, and others

Building Energy Codes – Thinking Bigger

Comprehensive code interpretation for IRA funding to lift all eligible jurisdictions:

- ✓ Allow **flexibility for agencies** to determine the right building energy policy for their state or jurisdiction depending on their authorities and priorities
- ✓ Encompass traditional energy codes, building performance standards (BPS), and other innovative codes that **meet the statutory criteria** for "equivalent" energy savings
- ✓ Codes must be **implementable, verifiable, and enforceable**
- ✓ Codes can be applicable to **new or existing buildings** (residential and commercial)



Overall Program Funding and Timing

Section 50131 Provisions

Grants to **States, and units of local government with code making authority** to:

- adopt the latest model building energy codes or equivalent codes
- adopt zero energy codes or equivalent

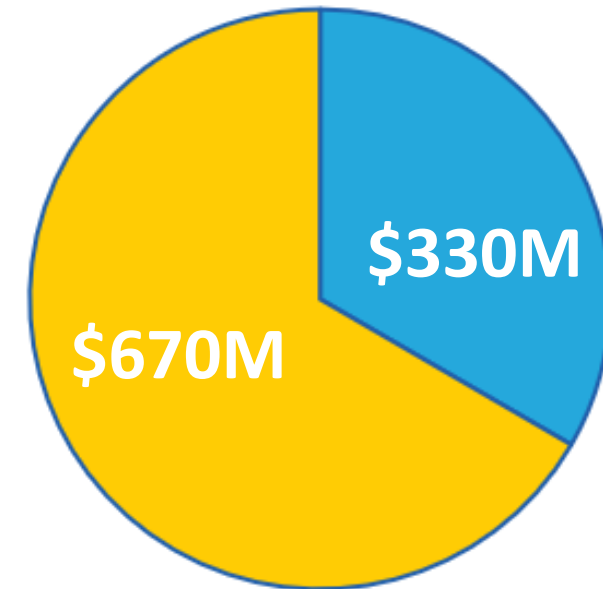
Grant recipient must **submit a plan** that shows how compliance with the latest, zero, or equivalent energy code or standards is going to be handled:

- implementation plan to achieve full compliance with any building energy code adopted with grants funds for new and renovated residential or commercial buildings;
- active training and enforcement programs; and
- measurement of the rate of compliance each year

Cost share is not required for grantees

Funding Details

- Latest Model Energy Codes or Equivalent
- Zero Energy Codes or Equivalent



Statute allows for up to 5% of the total funding to be used for DOE administrative costs

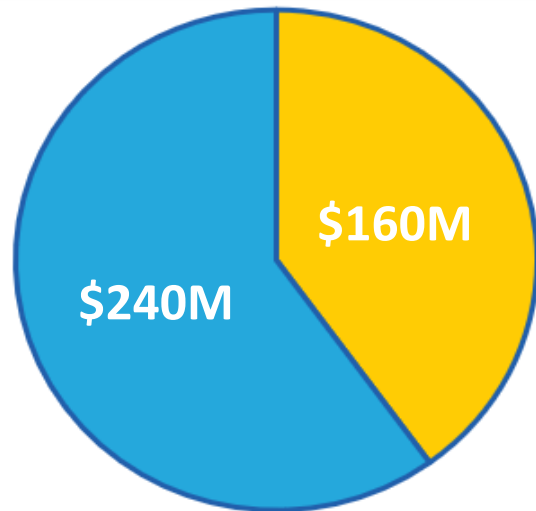
Timeframe: Funds to be available through September 30, 2029

Overview of Funding Breakdown by Mechanism / Timing

Reminder: Applicant must have code/standard adoption authority

Formula – \$400M Total

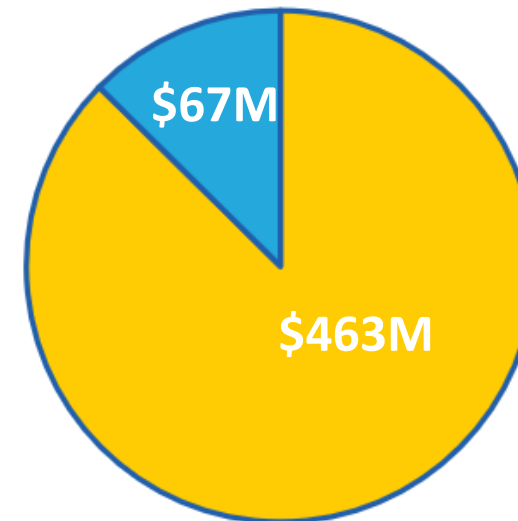
Eligible Entities: States
(and partnerships with States)
Released: September 19, 2023



Streamlined process for motivated States

Competitive FOA – \$530M Total

Eligible Entities: States, and localities with
code adoption authority
Released: December 18, 2023



- Latest Model Energy Codes or Equivalent
- Zero Energy Codes or Equivalent

FOA Overview: Eligible Applicants

- FOA Section III(A): Grantees are defined as **States and units of local government that have the authority to adopt building codes.**
- FOA Section III(A)(i): The agency with the authority to adopt building codes may not be the same entity with the capacity or ability to implement or enforce those codes, or otherwise enter into a grant agreement with DOE. In these scenarios, the agency with the authority to adopt building codes may provide formal documentation of delegation of authority to another agency to proceed as the prime applicant on the jurisdiction's submission.

Funding Eligibility Overview

		ALRD #1	FOA #1	
Eligible Applicants	States	✓	✓	
	Territories	✓	✓	
	Localities		✓	
Eligible Codes	Latest Model Codes	IRA-Specified Latest Codes	✓	✓ (Locals Only)
		Pre-approved Amendments	✓	✓ (Locals Only)
		Custom Codes		✓
	Zero Codes	Innovative Approaches (BPS)		✓
		IRA-Specified Zero Codes	✓	✓ (Locals Only)
		Pre-approved Amendments	✓	✓ (Locals Only)
		Custom Codes		✓
		Innovative Approaches (BPS)		✓

FOA Overview: Eligible Activities

Section 50131 of the Inflation Reduction Act provides funding:

- **To adopt:**

LMC

- a building energy code (or codes) for residential buildings that meets or exceeds the **2021 International Energy Conservation Code**, or achieves equivalent or greater energy savings
- a building energy code (or codes) for commercial buildings that meets or exceeds the **ANSI/ASHRAE/IES Standard 90.1-2019**, or achieves equivalent or greater energy savings

ZEC

- a building energy code (or codes) for residential and commercial buildings that meets or exceeds the **zero energy provisions in the 2021 International Energy Conservation Code** or an equivalent stretch code

- **To implement** a plan for the jurisdiction to achieve full compliance with any building energy code adopted [...] which shall include active training and enforcement programs and measurement of the rate of compliance each year

FOA Topic and Subtopic Areas

	Topic Area Name	Subtopic	Eligible Applicants	Eligible Codes
1	Adoption of Qualifying Building Energy Codes for Localities	A	Localities	Codes identified as qualifying in the ALRD
		B	Localities	Codes identified as qualifying in the ALRD
2	Adoption of the Latest Model Energy Codes with Combinations of Strengthening and Weakening Amendments for States, Territories, or Localities	A	Localities	Custom versions of the LMC
		B	States and Territories	Custom versions of the LMC
		C	Localities	Custom versions of the ZEC
		D	States and Territories	Custom versions of the ZEC
3	Adoption of Innovative Building Energy Code Approaches for States, Territories, or Localities	A	States, Territories, and Localities	Innovative code approaches such as building performance standards (LMC equivalent)
		B	States, Territories, and Localities	Innovative code approaches such as building performance standards (ZEC equivalent)

FOA Overview: Equivalence

- Applicants must propose to adopt the specified codes or **modified traditional or innovative codes with equivalent or greater energy savings**.
- Codes are often amended and adapted to meet specific and unique needs in various states and localities – these **changes need to be net neutral or deliver additional energy savings**.
- DOE provided a methodology, and accompanying calculators, to determine whether a proposed code meets the “equivalence” requirement, along with the FOA. **This methodology must be followed.**

FOA Overview: Equivalence

- Proposed codes must achieve equivalent or greater energy savings when compared with adopting the statute-specified code for the application's Subtopic Area

Example Policy	Equivalence Category	Statutory Code
Commercial Custom Code	LMC Commercial	ASHRAE 90.1-2019
Residential Custom Code	LMC Residential	2021 IECC
BPS with ZE Equivalence	ZEC Commercial	2021 IECC Appendix CC
ZE Single Family Homes	ZEC Residential	2021 IECC Appendix RC

- Equivalence requirements for full applications:
 - Topic Area 1: Submit the provided Checklist
 - Topic Area 2: Submit the proposed code language with the provided calculator *or* submit the proposed code language with the requisite inputs for DOE assistance in evaluating equivalence
 - Topic Area 3:
 - Proposals for commercial and multifamily existing buildings: submit the provided calculator
 - Other proposals follow guidance provided for Topic Area 2

FOA Overview: Compliance

- Qualifying building energy codes or innovative approaches to building energy codes must be **measurable, verifiable, and enforceable**
- Proposals must include the applicant's plan to achieve full compliance with any building energy code adopted, including **active training and enforcement programs** and **measurement of the rate of compliance each year**
- Merit review criteria in Section V(A)(ii) of the FOA include criteria for project evaluation, including that proposed projects:
 - Include a compliance plan
 - Describe the applicant's ability to implement the compliance plan
 - Include documented buy-in from needed stakeholders to ensure success of adoption, implementation, compliance, and enforcement

FOA Overview: Deadlines

Concept Papers

February 9, 2024 (5pm ET)

Full Applications

April 30, 2024 (5pm ET)

**Second Round
(pending funding availability):**

Fall 2024

**Third Round
(pending funding availability):**

Spring 2025

Funding Milestones – ALRD and FOA

ALRD

RFI and NOI released, public comment collected

Program design, stakeholder outreach and engagement

ALRD release: September 2023

ALRD Letters of Intent Due: January 2024

ALRD Applications Rolling

ALRD applications accepted for two years after LOI submission

Funding Available through September 2029



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FOA

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