

June 21, 2022

The Honorable Marcia Fudge
U.S. Department of Housing and Urban Development
451 7th Street, S.W.
Washington, D.C. 20410

The Honorable Tom Vilsack
U.S. Department of Agriculture
1400 Independence Avenue, S.W.
Washington, D.C. 20250

RE: Update of HUD and USDA Building Energy Standards pursuant to Section 109 of the Cranston-Gonzalez National Affordable Housing Act of 1990 as amended by EISA

Dear Secretary Fudge and Secretary Vilsack:

Almost one year ago, on June 24, 2021, we wrote urging you to move quickly in updating the above-referenced building energy codes and standards which by law apply to a wide range of federally backed mortgage loans and other housing programs at the Department of Housing and Urban Development (HUD) and the Department of Agriculture (USDA). While we understand that staff has been working diligently to complete the codes determination, we are concerned with the continued slow pace of the process.

With this letter, we urge the agencies to expedite the process and move this determination to the front of the line for the remaining steps. Adopting the updated standard will have a direct positive effect on low-income families and individuals:

- For single family homes, a house built to the 2021 International Energy Conservation Code (IECC) will save \$600 annually on energy costs compared with the current standard.
- For multifamily housing, projects built to the updated ASHRAE 90.1 standards will enable residents and housing authorities to see an average cost savings of 60 cents per square foot, or \$18,000 per year for a 30,000-square-foot-building.
- For all housing, updated energy codes inherently provide more resilience, by requiring less energy to operate core systems, and provide better indoor air quality by incorporating key provisions.

Each day this determination is delayed means additional federally-backed projects are begun without meeting modern energy performance, locking in decades of wasted energy, less healthy homes, burdensome energy costs and unnecessary carbon emissions.

With escalating energy and housing prices, updating these standards is a critical piece of the Biden-Harris administration's efforts to reduce energy costs and expand our affordable housing stock to be healthy, sustainable and resilient. This key policy lever is also a foundational component of HUD's climate plan and aligns with USDA's Rural Development priority to reduce climate pollution and increase resilience.¹ In many ways, it is the minimum that the administration should be doing to address these goals, and we continue to urge HUD and USDA to seize every opportunity to require or encourage federally backed projects to go beyond code and meet additional high-performance criteria.

Housing accounts for some 22% of U.S. energy consumption² and more than 15% of U.S. greenhouse emissions³. HUD spending on utilities in public and assisted housing is nearly \$7 billion a year, an estimated 14% of the agency's budget, accounting for nearly 14 million metric tons of carbon emissions annually⁴.

The Energy Independence and Security Act of 2007 requires HUD and USDA to update their standards with each revision to the model energy code as a requirement for many FHA and USDA programs, provided the new code does not harm the availability or affordability of such homes. Both agencies last updated the code requirement in 2015 and currently require compliance with the 2009 IECC and ASHRAE Standard 90.1-2007. Four energy code cycles have now passed without an update from HUD and USDA. The 2021 IECC and ASHRAE Standard 90.1-2019 are now the current model energy codes.

Based on Pacific Northwest National Laboratory (PNNL) analysis of [prototype building models](#)⁵ complying with the model codes, a house built to the 2021 International Energy Conservation Code (IECC) reduces carbon emissions by 23% on average and saves \$600 annually on energy costs compared with the 2009 IECC that HUD is currently using. For buildings, data from the PNNL analysis shows that ASHRAE Standard 90.1-2019 delivers carbon reduction of 34% over the 90.1-2007 standard that HUD is currently using for multifamily properties, with average cost savings of 60 cents per square foot, or \$18,000 per year for a 30,000-square-foot-building.

Earlier this month, the White House launched the "National Initiative to Advance Building Codes." . This determination is among the most significant steps under this initiative that the administration can take to meet its objectives for housing sustainability, affordability and equity. We urge you to complete it as quickly as possible so that we can begin building the next generation of affordable housing.

Sincerely,

Alliance to Save Energy
American Institute of Architects
American Chemistry Council
American Council for an Energy-Efficient Economy
ASHRAE

¹ See <https://www.hud.gov/climate> and <https://www.rd.usda.gov/priority-points>

² See <https://www.eia.gov/energyexplained/use-of-energy/>

³ See <https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks>

⁴ See <https://www.hud.gov/sites/dfiles/Main/documents/HUD-Climate-Action-Plan.pdf>

⁵ See <https://www.energycodes.gov/prototype-building-models>

Building Performance Association
Cellulose Insulation Manufacturers Association
E4TheFuture
EPS Industry Alliance
Institute for Market Transformation
Insulation Contractors Association of America
International Code Council
National Association of State Energy Officials
Natural Resources Defense Council
New Buildings Institute
North American Insulation Manufacturers Association
Polyisocyanurate Insulation Manufacturers Association
RMI
U.S. Green Building Council

Enclosure

Cc: Gina McCarthy, White House National Climate Advisor
Brian Deese, National Economic Council Director