

PO BOX 588 Rochester, IL 62563

February 2, 2023

LISA HENNIGH, P.E., LEED® AP BD+C Deputy Director of Construction Capital Development Board 401 South Spring Street, 3rd Floor, Springfield IL 62706

Via email: CDB.BuildingCodes@illinois.gov

Dear Ms. Hennigh,

On behalf of the Home Builders Association of Illinois (HBAI), its local Home Builder Associations (listed below) and the many thousands of members who represent a multi-billion-dollar statewide industry of people and companies who develop, build and maintain safe and affordable homes for Illinois residents, I submit the following comments for your consideration on the proposed Illinois Stretch Energy Code.

As the state of Illinois develops a stretch energy code according to the requirements of the Climate and Equitable Jobs Act (CEJA)¹, we request that **energy choice**, **affordability**, **reliability**, **and resiliency** remain essential components of the Illinois stretch energy code for residential energy customers. Stretch energy codes should aim to address two critical challenges – achieve higher levels of energy savings and environmental benefits and preserve affordability and reliability of energy delivery for customers.

It was extremely disappointing to hear that the Capital Development Board was willing to go forward with a proposed new code without first assessing the true costs of the options and requirements under consideration. Waiting until after the code was developed would be a great disservice — and frankly an insult - to Illinois residents and businesses. We urge CDB to accelerate its planned cost benefit study and take no action on a stretch code proposal until after the study is complete.

Energy Choice

Electrification is just one of many options to decarbonize the built environment, not the only one. The proposed Illinois stretch code must maintain a range of energy choices to ensure that residential and business customers can choose the best technology neutral solution that balances the important objectives of energy savings and environmental benefits while preserving affordability and reliability. Both natural gas and electric technologies can be part of a net zero home. Furthermore, Illinois universities and research institutions are making substantial investments of both private and public funds into innovations for decarbonizing natural gas and utilizing carbon neutral renewable natural gas and hydrogen.

We encourage the consideration of the following energy choice criteria while developing the stretch energy code:

¹ See 20 ILCS 3125/55. Illinois Climate and Equitable Jobs Act Stretch Energy Code

- How do we ensure that the stretch energy code integrates a broad range of technology neutral solutions that
 achieve customers' desired energy savings and emissions reductions objectives rather than select winning and
 losing technologies?
- How do we ensure that the stretch energy code provides options for using lower carbon fuels like Renewable Natural Gas and hydrogen?
- How do we ensure that the stretch energy code allows residents to use "dual energy" systems pairing electric technologies and natural gas solutions?

Affordability

Stretch energy codes can achieve higher levels of savings and emissions reductions while preserving affordability for customers. Continuing access to natural gas solutions allows customers to choose the best most affordable technologies that meet their personal energy savings objectives. According to the National Association of Home Builders *Priced Out Estimates for 2022 report*², "a \$1,000 home price increase would make 117,932 more households disqualify for the new home mortgage" in the United States. In Illinois, 69.3% of households can't afford the median home price of \$365,711 and a \$1,000 price increase will further price out an additional 5,726 households³. We encourage the consideration of the following affordability criteria while developing the stretch energy code:

- How do we ensure that the stretch energy code does not unreasonably impact the total cost of ownership for home heating, water heating, and cooking appliances?
- How do we ensure that the stretch energy code does not make it more costly to install resilient equipment and appliances?
- How do we ensure that the stretch energy code does not negatively affect long term energy prices?
- How do we ensure that the stretch energy code does not have a negative impact on vulnerable populations?

Reliability and Resiliency

A stretch energy code needs to carefully assess the needs of both existing and new Illinois residents. Considerations like reliability, resiliency, and comfort should be weighed along with energy reduction goals. Failing to consider residential needs will challenge the ability to meet current and future affordable housing demand for the growing Illinois economy and make Illinois less competitive. We encourage the consideration of the following reliability and resiliency criteria while developing the stretch energy code:

- How do we ensure that the stretch energy code does not eliminate access to reliable and resilient gas equipment and appliances?
- How does the stretch energy code maintain energy choice in Illinois so that it does not become more difficult for Illinois residents to survive an extreme weather event similar to the extreme polar vortex of January 2019 where temperatures (without the windchill effect) dropped to around minus 23 degrees for approximately 48 hours⁴?

HBAI and its members and affiliates, respectfully ask CDB to take our concerns outlined above into consideration before moving forward with a Stretch Energy Code and further, delay action until a real world analysis of the true costs of the proposed changes is completed.

Sincerely,

Sara Decatoire

Sara Decatoire, CAE, IOM Home Builders Association of Illinois (HBAI), Executive Officer

HBAI Senior Officers

Dean Graven, CGB, CAPS, HBAI 2022 President Mark Vogt, HBAI Senior Vice President

² <u>NAHB Priced Out Estimates 2022</u>

³ Id.

⁴ Chicago weather: Extreme cold during Polar Vortex breaks statewide record - ABC7 Chicago

Jason Paliatka, HBAI Treasurer Pete Stefani, HBAI Secretary Alan Hupp, HBAI 1st Vice President Doug Jones, HBAI 2nd Vice President Kevin Chaffin, National Area Chairman to NAHB

HBAI Local Associations

Building Industry Association Greater Chicago (BIAGC)

Effingham Area Home Builders Association (EAHBA)

Home Builders Association East Central Illinois (HBAECI)

Home Builders Association Greater Rockford Area (HBAGRA)

Home Builders and Remodelers Metro East Association (HBRMEA)

Home Builders Association Quincy (HBAQ)

Metro Decatur Home Builders Association (MDHBA)

Northern Illinois Home Builders Association (NIHBA)

Quad Cities Builders & Remodelers Association (QCBRA)

Springfield Area Home Builders Association (SAHBA)

South Suburban Home Builders Association (SSHBA)