



Edison Electric
INSTITUTE

Impacts of New Codes, Laws, and Regulations on Your Buildings

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Overview

- Energy Standards / Policy “You Need to Know”
- Federal / National Policy and Grants
 - IRS, DOE, EPA, and USTR
- Building Energy Codes / Standards Updates
- Appliance Efficiency Standards Updates
- AI! AI! AI!
- State / City News
- Q&A

Federal / National Issues

IRS / Treasury Finalize Commercial & Industrial Tax Credit Regulations

- June 2024: Final regulations were published for prevailing wage and apprenticeships.
 - “By meeting prevailing wage and apprenticeship requirements under the Inflation Reduction Act of 2022, taxpayers can increase the base amounts of these incentives by 5 times.”
- Requirements apply to:
 - Alternative Fuel Refueling Property Credit (30C, form 8911)
 - Renewable Electricity Production Credit (48, 48E)
 - Qualifying Advanced Energy Project Credit (48C industrial)
 - Energy efficient commercial buildings deduction (179D)

IRS / Treasury Finalize Comm / Ind Tax Credit Regulations – Information Links

More information:

- <https://www.irs.gov/credits-deductions/prevaling-wage-and-apprenticeship-requirements>
- <https://www.govinfo.gov/content/pkg/FR-2024-06-25/pdf/2024-13331.pdf>
- <https://www.irs.gov/pub/irs-pdf/p5886.pdf>
- <https://www.irs.gov/credits-deductions/businesses>
- <https://www.irs.gov/credits-deductions/businesses/advanced-energy-project-credit>

EPA Issues \$4.3 Billion in Climate Pollution Reduction Grants

- July 2024: EPA announced selections for these funds.
- The 25 selected applications came from states, local governments, Tribes, and coalitions of these entities.
- Selected applicants will use the \$4.3 billion in funding to implement local and regional climate pollution reduction measures to significantly reduce greenhouse gases (GHGs) by 2030 and beyond.

EPA Issues \$4.3 Billion in Climate Pollution Reduction Grants – By Sector

\$1.18 billion Transportation

\$1.06 billion Buildings

\$931 million Agriculture and Natural/Working Lands (CPRG funds)

\$636 million Industry

\$372 million Electric Power

More information: <https://www.epa.gov/inflation-reduction-act/cprg-implementation-grants-general-competition-selections>

EPA Awards \$27 Billion in Greenhouse Gas Reduction Fund Grants

In August 2024, EPA announced the final selections.

\$14 Billion National Clean Investment Fund

- 3 recipients are to “establish national clean financing institutions that deliver accessible, affordable financing for clean technology projects nationwide.”

\$6 Billion Clean Communities Investment Accelerator

- 5 recipients are to “establish hubs that provide funding and technical assistance to community lenders working in low-income and disadvantaged communities.”

\$7 Billion Solar for All program

- 60 recipients to expand solar in disadvantaged areas.

EPA Issues Final Rule on RICE Units

- August 30, 2024: EPA published the final rule for reciprocating internal combustion engines in the *Federal Register*.
 - <https://www.govinfo.gov/content/pkg/FR-2024-08-30/pdf/2024-18766.pdf>
- Diesel Emergency Generators over 75 kW (100 hp).
 - Regulations on existing and new generators.
 - Includes maintenance and reporting requirements starting in 2025.
- Only allows generators to operate for 50 hours per year for grid support.

EPA Issues Final Rule on HFC Equipment in New and Existing Buildings

- September 23, 2024: EPA “pre-published” the final rule for management of HFC’s in HVAC, refrigeration, and fire suppression equipment.
- Many requirements start on January 1, 2026.



EPA Web site:

<https://www.epa.gov/climate-hfcs-reduction/regulatory-actions-managing-hfc-use-and-reuse>

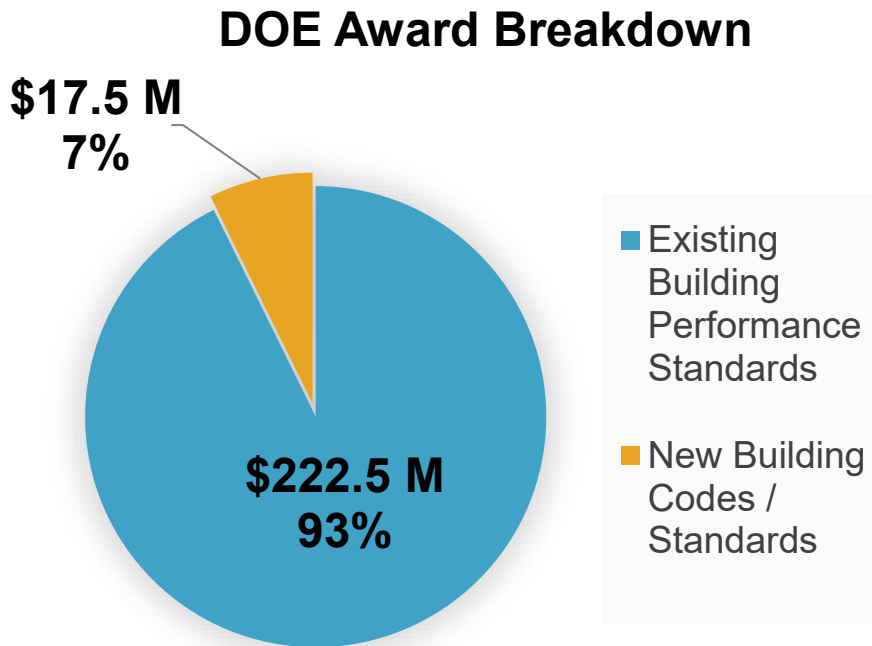


EPA Fact Sheet with key dates:

<https://www.epa.gov/system/files/documents/2024-09/err-fact-sheet.pdf>

DOE Awards \$240 Million for Building Energy Codes and Standards Updates (8/27/2024)

- From the IRA law for “new and innovative codes”.
- Of the 19 awards:
 - 17 are for (existing) building performance standards.
 - 2 are for new building energy codes/standards.



Question 2: Building Performance Standards

Currently, 4 states and 9 cities/counties have enacted BPS laws. What will the DOE awards increase these numbers to?

- 5 states and 12 cities/counties
- 6 states and 18 cities/counties
- 6 states and 23 cities/counties
- 10 states and 35 cities/counties

Answer:
6 states and 23 cities/counties



DOE Awards \$90 Million for Building Energy Codes and Standards Updates (9/16/2024)

- Funding from the IIJA/BIL law for “resilient and efficient building codes”.
- There were 25 awards granted, across multiple states and regions of the US.
 - In July 2023, 27 awards were granted for a total of \$90 Million in the first round of funding.
 - Under IIJA / BIL, DOE has \$225 Million to spend on this activity.

More project information:

<https://www.energy.gov/eere/buildings/articles/meet-btos-2024-cohort-projects-support-more-resilient-and-efficient>

USTR Proposes New/Updated Tariffs on Chinese Products

July 30: USTR still reviewing over 1,100 comments and delaying a final determination.

May 28, 2024: Proposal to increase tariffs, including:

- August 1, 2024: steel, aluminum, solar cells, solar modules, critical materials, EV's, and Lithium-Ion EV batteries;
- January 1, 2025: semiconductors;
- January 1, 2026: lithium-ion non-EV batteries and natural graphite.

August 30: USTR said it was **still deciding**.

USTR said the 2024 tariffs will take effect approximately two weeks after it makes the final determination public!

USTR Finalizes New/Updated Tariffs on Chinese Products

Sept. 13, 2024: The USTR announced increases:

Subject	Increase	Date
Battery parts	7.5% to 25%	9/27/2024
Electric Vehicles (EVs)	25% to 100%	9/27/2024
Lithium-Ion EV batteries	7.5% to 25%	9/27/2024
Steel and Aluminum	0 – 7.5% to 25%	9/27/2024
Solar Cells/Modules	25% to 50%	9/27/2024
Semiconductors	25% to 50%	1/1/2025
Graphite	0% to 25%	1/1/2026
Lithium-Ion non-EV batteries	7.5% to 25%	1/1/2026
Permanent magnets	0% to 25%	1/1/2026

Question 3: Tariffs

For items with tariffs going into effect in 2024 (except EV's), what is China's market share?

- 5% to 14%
- 15% to 29%
- 30% to 53%
- 54% to 97%

Answer:

54% to 97%

(for EV's, China only had a 35% market share worldwide in 2023)

Building Energy Codes & Standards News

ICC Publishes IECC 2024

- In August, the ICC published the official version of the IECC 2024 (Residential and Commercial).
 - DOE now has 1 year to make a determination whether IECC 2024 saves more energy than IECC 2021.
 - Once DOE makes their determination, states will have 2 years to update their residential building energy codes to meet or exceed IECC 2024.

ICC Board of Directors Decisions on Final Version of IECC 2024

On March 20, 2024, the ICC Board of Directors published their final decisions on the appeals and the final version of IECC 2024.

The ICC Board upheld all appeals. They moved the following from the main “normative” section to voluntary appendices:

- Heat pump buildings energy credits
- Demand response equipment / controls
- Electric vehicle charging infrastructure
- Electric energy storage system readiness
- Residential solar readiness (but not commercial)
- Residential electric readiness

ICC Board of Directors Decisions on Final Version of IECC 2024 (cont'd)

The ICC Board of Directors also decided:

Appendix CG (all-electric commercial) and Appendix RE (all-electric residential)

Moved to a new “resource” section “due to significant risk of preemption based on case law”.

Appendix CD Section CD101.1 and Table CD101.1 (prescriptive glide path to net zero):

Also moved to the “resource” section due to “significant risk of preemption based on an inability to comply with minimum efficiency equipment”.

Appendix RG (glide path to net zero)

Retained as an appendix along with a “cautionary note regarding the limited compliance options for minimum efficiency equipment in specific climate zones”.

ICC Starts Work on IECC 2027

- Over the past several months, the ICC:
 - Asked for input to improve the process for creating the IECC 2027.
 - Issued a call for Energy Code Committee members.
 - Asked for feedback on the draft Scope and Intent of the IECC 2027 (along with Board of Directors commentary).
- Comments / Applications were due August 19, 2024.
- Did your organization submit any comments?
- Did you apply for committee membership?
 - The 2027 process likely starts by November 2024.

ICC Publishes Final Scope and Intent for IECC 2027

- In September, the ICC published the final version of the 2027 Energy Code Scope & Intent, along with Board of Directors Commentary.
- These are the “rules of the road” for what can be in the main part of the code and what goes into appendices.
- Links for more information:
 - <https://www.iccsafe.org/content/2027-iecc-scope-intent-and-board-commentary-final-public-notice/>
 - <https://www.iccsafe.org/committees/energy-iecc/>

DOE Issued Final Positive Determination of ASHRAE 90.1-2022



On March 6, 2024, DOE published its determination that ASHRAE 90.1-2022 is more energy efficient than ASHRAE 90.1-2019.



States now have until March 6, 2026, to update their state energy codes and submit certification statements to DOE.



Unlike the last several versions of 90.1 (going back to 2007), DOE did not release a preliminary determination for public review.

Impact of Energy Codes on Energy Usage (DOE Analysis)



Estimated Improvement in Residential & Commercial Energy Codes (1975 - 2022)



*Net energy use includes the contribution of renewable energy generation

Question 4: DOE Determinations and State Energy Code Updates

On July 28, 2021, DOE made a positive final determination for ASHRAE 90.1-2019, starting the “two-year clock” for state compliance.

How many states have updated their commercial energy codes to meet or exceed the 2019 version (as of June 28, 2024)?

- 11
- 14
- 25
- 48

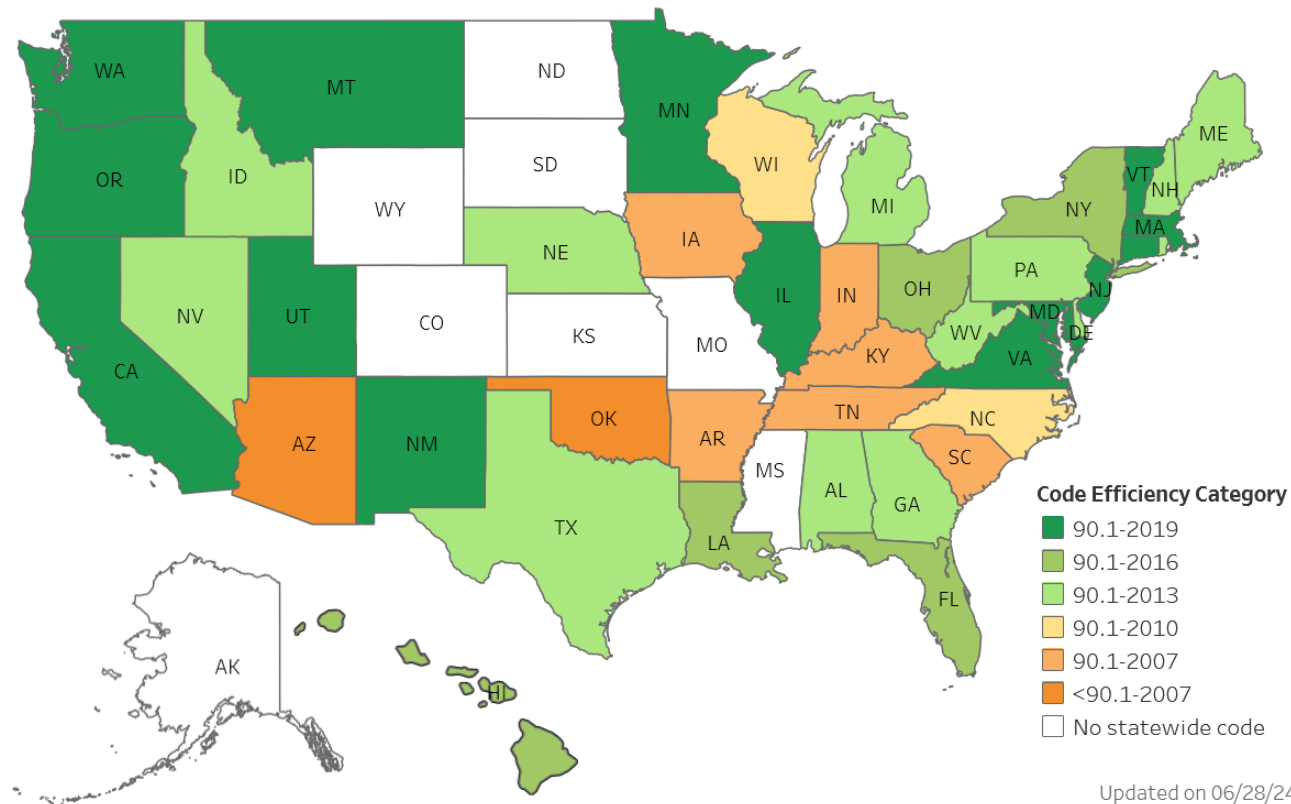
Answer:

14

Source: US Department of Energy, available at:

<https://public.tableau.com/app/profile/doebecp/viz/BECPSatusofStateEnergyCodeAdoptionWeb/CommercialPortal>

Status of State Commercial Building Energy Codes (June 2024)



Updated on 06/28/24

ASHRAE Starts to Include GHG Emissions Metrics Into 90.1-2025

- Changes are being proposed for the 2025 version.
- ASHRAE 90.1-2025, 2028, and 2031 Work Plan calls for more efficiency, more renewable energy, and:

Reducing CO₂e emissions by **65%** compared to 2004 levels in 90.1-2025

Reducing CO₂e emissions by **83%** compared to 2004 levels in 90.1-2028

Reducing CO₂e emissions by **100%** compared to 2004 levels in 90.1-2031

- Operational emissions, not embodied/embedded emissions.

Big changes proposed for ASHRAE 90.1-2025

Title/Purpose/Scope (TPS) Updates

- Addendum aa – Add GHG emissions reductions to TPS.
- Addendum ap – Add transportation energy transfer infrastructure to TPS (EV charging and non-EV fueling).

Normative Additions

- Addendum aq - Renewable energy updates.*
- Addendum az – EV charger efficiency requirements (where installed).*
- *Both are out for public review until October 6, 2024.

ICC and ASHRAE Goals for Minimum Energy Codes / Standards

- ICC Board of Directors has declared that the IECC Residential and Commercial Energy Codes will be “net zero energy” by 2030.
- ASHRAE Board of Directors has declared that Standard 90.1, by 2030, will be:
 - “Net Zero Energy” (declared in 2010) and
 - “Net Zero Emissions” (declared in 2022)
- Recall that these are minimum energy codes for all new / renovated buildings.

DOE Defines “Zero Emissions Building” (Part 1, for operations)

- In June 2024, DOE issued a “national definition”.
- It is a guidance document, not a regulation or DOE certification. To qualify, a building must be:
 - Energy Efficient
 - Free of on-site emissions from energy use*
 - *exception for testing of emergency backup generators and use of generators only during emergencies.
 - Powered solely by “clean energy”.
- DOE also stated that 8 US green building certification programs will embed, align, or exceed this.

DOE Final Rule on “Clean Energy” for New and Renovated Federal Buildings

In May 2024, DOE published the final rule, which was effective on July 15, 2024. New/renovated buildings have to reduce on-site “fossil fuel generated energy”:

By 90% in Fiscal Years 2025 to 2029.

By 100% in FY 2030 or later.
Compared to similar buildings in FY 2003

Applies to fossil fuel use in operational end-uses only.

Does not allow renewable electricity to offset on-site fossil fuel use.

Excludes industrial / manufacturing process loads.

Appliance Energy Conservation Standards News

DOE Commercial Appliance Standards: Key Effective Dates

2024

Commercial VRF AC's
and Heat Pumps < 65,000
Btu/hr

Computer Room Air
Conditioners

2025

Air Compressors

2027

Ice Makers

Beverage Vending
Machines

Commercial Refrigeration
/ Walk-in Coolers &
Freezers

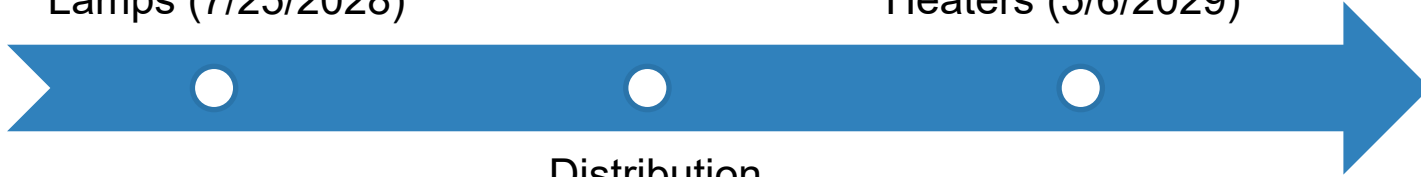
Electric Motors rated at 1
– 750 horsepower

DOE Appliance Standards - Key Rulemakings Updates

- DOE Final Rules published (and effective dates):

General Service
Lamps (7/25/2028)

Residential Water
Heaters (5/6/2029)



Distribution
Transformers
(4/23/2029)

- These are all “game changers”

DOE Appliance Standards – General Service Lamps

Affects all “omnidirectional” (traditional pear-shape bulbs), “directional” (floods, reflectors), and linear LED.

- For a 810-840 lumen light bulb in the past, there was:
 - 60-Watt incandescent (14 Lumens/Watt)
 - 42 to 43-Watt halogen (20 Lumens/Watt)
 - 13 to 15-Watt compact fluorescent (~ 60 Lumens/Watt)
 - 10-Watt or lower LED (81+ Lumens / Watt)
- Under the previous DOE rule, the 2023 standard was 45 Lumens/Watt.

Question 5: DOE Appliance Standards – General Service Lamp Question

What is the 2028 standard for omnidirectional light bulbs with a light output of 810-840 lumens?

- 56.3 Lumens / Watt (25% increase over current 45)
- 70.0 Lumens / Watt (55.5% increase, Energy Star)
- 90.1 Lumens / Watt (100% increase)
- 124.6 Lumens / Watt (176.9% increase)

Answer:

- 124.6 Lumens / Watt (**176.9% increase**)
- DOE chose “max tech” for nearly all products.
- Impacts (based on 2024 Energy Star lamp database):
 - Goodbye to all Compact Fluorescent Lamps.
 - Goodbye to 98.96% of Energy Star Omnidirectional lamps.
 - Goodbye to 82.15% of Energy Star Directional lamps.
 - Goodbye to Energy Company Residential Lighting Efficiency Programs by 2028
 - Goodbye to Energy Company Commercial Lighting Programs (when combined with recent versions of IECC/ASHRAE 90.1)

Distribution Transformers

- Affects all liquid-filled (energy company) and dry-type (customer-side) transformers
- Proposed Rule was high standard that could only be met by amorphous core units, starting Jan. 1, 2027.
- That would have eliminated 95-98% of units from the market.
- Final rule:
 - Starts on April 23, 2029.
 - Allows more choice (“only” 25% have to be amorphous core)

Distribution Transformers Impacts

- Q: Which transformers have to be amorphous core?
A. The larger ones serving many of your buildings.
- Energy Company side (liquid-filled):
 - Single Phase, > 100 kVA and ≤ 833 kVA
 - Three Phase, ≥ 15 kVA and < 500 kVA
- Customer side (dry type):
 - Single Phase, all sizes
 - Three Phase, all sizes
- Will there still be supply chain issues?

Residential Water Heaters

- Affects all configurations (storage, instantaneous) and all fuel types (electric, gas, and oil).
- Proposed Rule:
 - All new / replacement electric storage units under 55 gallons are heat pump water heaters (over 55 gallons already are).
 - All new / replacement gas storage units under 55 gallons are condensing units (over 55 gallons already are).
 - All new / replacement gas instantaneous units are condensing units.

Residential Water Heaters Final Rule

- Announced on May 6, 2024. Final decisions:
 - All new / replacement electric storage units 30-54 gallons are heat pump water heaters (< 0.95 UEF to 2.3 UEF) in 2029.
 - All new / replacement electric units 55-120 gallons go from 1.78-2.18 UEF to 2.5 UEF in 2029.
 - All new / replacement gas storage units under 55 gallons increase efficiency by 3-5% and are not condensing in 2029. No efficiency change for units sized at 55-120 gallons.
 - DOE delayed its decision on new / replacement gas-fired instantaneous units.

Residential Water Heaters Final Rule Impacts

- DOE estimated the following installed cost increases for similar electric and gas storage water heaters (40-50 gallons):
 - Gas: DOE estimated increase of \$146
 - Electric: DOE estimated increase of \$953
- From national hardware retailer web sites:
 - 50-gallon electric resistance storage WH: \$540 to \$740, depending on warranty.
 - 50-gallon electric heat pump water heater: \$1700 to \$1860, depending on brand and UEF.

Key Revision to Analysis

- In a Notice of Data Availability released in August, DOE announced plans to switch their estimates of the Social Cost of GHG's. (for CO₂, current "mid point" starts in 2020 at \$51/metric ton, 3% discount rate).

Table ES.1: Estimates of the Social Cost of Greenhouse Gases (SC-GHG), 2020-2080 (2020 dollars)

SC-GHG and Near-term Ramsey Discount Rate									
Emission Year	SC-CO ₂ (2020 dollars per metric ton of CO ₂)			SC-CH ₄ (2020 dollars per metric ton of CH ₄)			SC-N ₂ O (2020 dollars per metric ton of N ₂ O)		
	Near-term rate			Near-term rate			Near-term rate		
	2.5%	2.0%	1.5%	2.5%	2.0%	1.5%	2.5%	2.0%	1.5%
2020	120	190	340	1,300	1,600	2,300	35,000	54,000	87,000
2030	140	230	380	1,900	2,400	3,200	45,000	66,000	100,000
2040	170	270	430	2,700	3,300	4,200	55,000	79,000	120,000
2050	200	310	480	3,500	4,200	5,300	66,000	93,000	140,000
2060	230	350	530	4,300	5,100	6,300	76,000	110,000	150,000
2070	260	380	570	5,000	5,900	7,200	85,000	120,000	170,000
2080	280	410	600	5,800	6,800	8,200	95,000	130,000	180,000

Values of SC-CO₂, SC-CH₄, and SC-N₂O are rounded to two significant figures. The annual unrounded estimates are available in Appendix A.5 and at: <https://www.epa.gov/environmental-economics/scghg>.

Key Final Rules Under Review at White House

These final rules below are under final review by OMB/OIRA (as of 9/26/2024):

Battery Chargers

Ceiling Fans

Commercial Fans and Blowers

Dehumidifiers

Expanded Scope Electric Motors

Walk-in Coolers and Freezers

This proposed rule is under review:

Portable Electric Spas

AI! AI! AI!

AI and Electricity Usage

- How much will AI increase electricity usage by computers in your building and at data centers?
 - A single ChatGPT query “requires 2.9 watt-hours of electricity, compared with 0.3 watt-hours for a Google search, according to the International Energy Agency.”
 - “Goldman Sachs has estimated that electricity use by data centers will increase 160 percent by 2030.”
 - “A recent forecast by the International Energy Agency projected that demand would more than double by 2026.”
 - Source: https://www.nytimes.com/2024/08/26/climate/ai-planet-climate-change.html?unlocked_article_code=1.GE4.PhN1.tDEU1X33sg17&smid=nytc-ore-ios-share&referringSource=articleShare

Question 6: AI and Electricity Usage

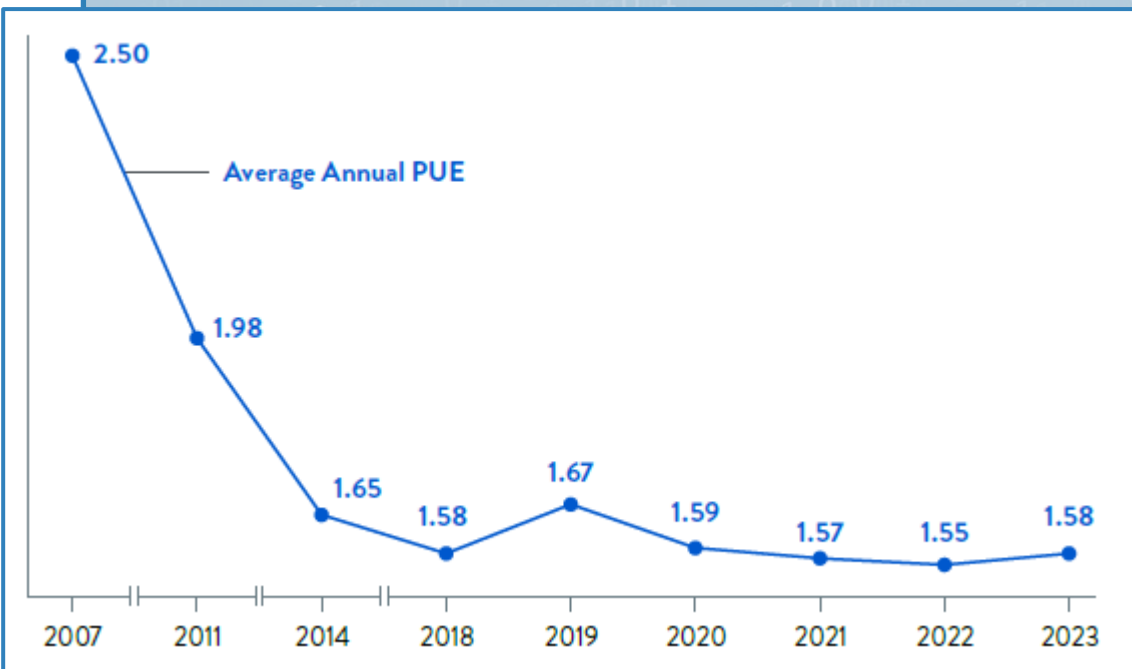
According to the New York Times article, the computing output of the world's data centers jumped sixfold (about 500%) from 2010 to 2018. How much did data center energy consumption increase?

- 500%
- 250%
- 100%
- Some lower %

Answer: Some lower %

6%

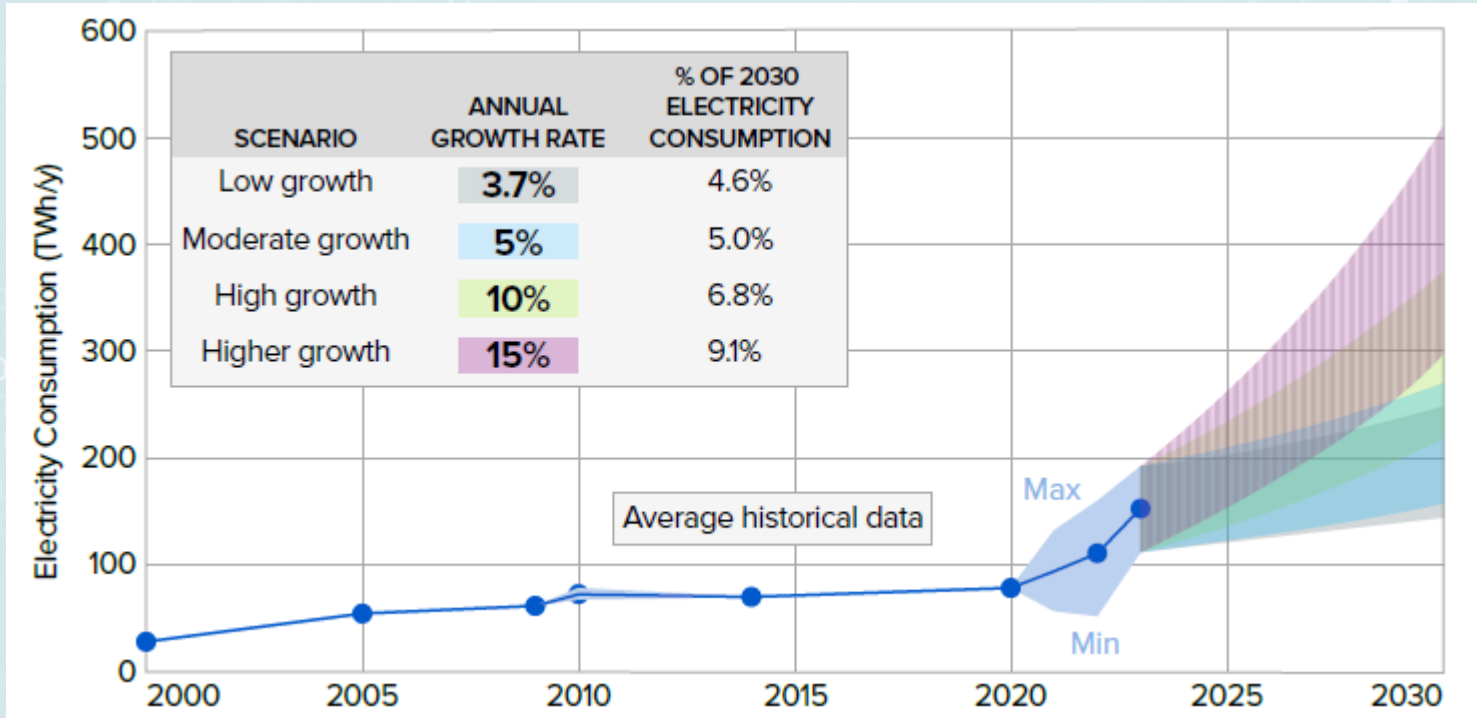
*Higher process efficiency + higher cooling efficiency =
Lower PUE values.*



EPRI May 2024 Report
“Powering Intelligence”:

<https://www.epri.com/research/products/000000003002028905>

EPRI Report on AI and Electricity Usage



EPRI May 2024 Report “Powering Intelligence”:

<https://www.epri.com/research/products/000000003002028905>

State / City News

CA South Coast Air Quality Management District Rule Approved

- On June 7, 2024, the SCAQMD approved updates to a rule on water heater emissions.
 - It requires new and existing buildings to transition to zero-emission residential and commercial water heating systems (including pool heaters, water heaters, boilers, and process heaters).
 - These water heating systems also are required to meet a zero-emission nitrogen oxides (NO_x) standard when replaced.
- Compliance starts on January 1, 2026.

CA South Coast Air Quality Management District Rule Approved

- SCAQMD covers 4 counties: Los Angeles (city and county), Orange, Riverside, and San Bernardino.
- The region is home to over 17 million people (~44% of the population of CA).
- Map of area affected:
<http://www.aqmd.gov/docs/default-source/default-document-library/map-of-jurisdiction.pdf>
- (the Bay Area AQMD approved a similar measure in 2023 for 9 counties in the San Francisco Bay Area that goes into effect in 2027)

CA Air Resources Board Approves Requirement for Zero Emission Forklifts

- On June 27, 2024, the California Air Resources Board (CARB) approved the Zero-Emission Forklift Regulation with requirements for forklift manufacturers, dealers, rental agencies, and forklift fleet operators.
 - Manufacturers can't produce or sell fossil fuel forklifts Class IV or Class V LSI units, as of January 1, 2026.
 - Large fleet phase-out (26 units or more) starts Jan. 1, 2028
 - Small fleet phase-out (under 25 units) starts Jan. 1, 2029
- Western Propane Gas Association sued CARB on August 23, 2024.

CEC Approves Title 24-2025 and 2025 CalGREEN on Sept. 11, 2024

- On March 29, 2024, the CA Energy Commission (CEC) released the “45 Day Language” for the next version of Title 24.
- On June 13, 2024, the CEC released the “15 Day Language” for Title 24.
- On August 16, 2024, the CEC released the “15 Day Language” for the 2025 CalGREEN.
- On August 22, 2024, the CEC released an updated “15 Day Language” for Title 24 (only changes since June were open for comments).

Significant Changes Approved for Title 24 - 2025

- Title 24 - 2025 biggest “game changers”:
 - Mandatory solar thermal or heat pump water heaters for pools and spas.
 - All-electric readiness required for Commercial Kitchens.
 - Increased prescriptive requirements for solar PV and battery energy storage at commercial buildings (and more building types are now covered).
 - New prescriptive heat pump requirements for certain commercial existing buildings (Retail, Office, & Schools).
- Title 24 - 2025 enforcement starts on January 1, 2026.

Title 24 – 2025 PV Examples

- Title 24 – 2022 PV requirements (Sect 140.10):
 - Hotels: 0.39 – 0.58 W/ft² of conditioned floor area
 - Restaurants: 0.39 – 0.58 W / ft² of conditioned floor area
 - Retail: 2.62 – 3.53 W / ft² of conditioned floor area
- Title 24 – 2025 PV requirements (as of 1/1/2026):
 - Hotels: 1.66 – 2.72 W/ft² of conditioned floor area
 - Restaurants: 8.16 – 12.25 W / ft² of conditioned floor area
 - Retail: 3.01 – 4.60 W / ft² of conditioned floor area
 - <https://www.energy.ca.gov/programs-and-topics/programs/building-energy-efficiency-standards/2025-building-energy-efficiency> (under “Rulemaking” tab)

CA Restaurant Association / Berkeley Settlement on Gas Ban

- On March 22, 2024, the CRA and the City of Berkeley announced a settlement. The city agreed to halt enforcement of the ban on natural gas piping.
 - The Berkeley City Council will repeal the ordinance.
 - The parties agreed to put the case on hold to allow the City time to take pass the repeal.
 - After the repeal is passed, the case will be dismissed.
- After nearly 4½ years....
- **But wait, there is more from Berkeley!!!**

Berkeley Initiative on November 2024 Ballot

- On July 30, 2024, the Berkeley City Council voted to add an ordinance on the ballot to add a tax on buildings larger than 15,000 sf that use natural gas.
- It is the “Large Buildings Fossil Fuel Emissions Tax”.
 - If passed, the tax would be assessed on 609 buildings starting in 2025 and collection would start in 2026.
 - In 2025, the first rate would be \$2.96 per therm of natural gas.
 - Then it will rise annually by the US CPI % increase plus 6%.
 - If CPI = 2-3%, then tax doubles every 8-9 years. So about \$6 per therm by 2034 and about \$12 per therm by 2043...

Colorado PUC Approves Xcel Energy Clean Heat Plan

- On June 10, 2024, the CO PUC approved Xcel Energy Colorado's 2024-2028 Clean Heat Plan.
- It includes:
 - \$310.5 Million in direct incentives and rebates to reduce gas use and end-use electrification.
 - \$32 Million to promote all-electric new construction.
 - \$30.5 Million for market transformation projects.
 - \$10 Million for recovered methane purchases.
- In August, Atmos Energy and Black Hills Colorado Gas reached settlements with the PUC on their Clean Heat Plans.

Colorado State and Denver Sued over Building Performance Standards

- In late April, the state of Colorado and the city of Denver were sued.
 - Denver started this year, for buildings over 25,000 square ft.
 - CO state starts in 2026 for buildings over 50,000 square feet.
- Plaintiffs: Colorado Apartment Association; Apartment Association of Metro Denver; Colorado Hotel and Lodging Association; and the CO chapter of the Commercial Real Estate Development Association.
 - In June, the city and county of Denver asked a US District Court to throw out the lawsuit.

Colorado State and Denver Receive EPA Grants

- In July, EPA announces \$4 Billion in decarbonization grants nationwide.
 - The State of Colorado received \$129 million for its “Colorado Decarbonization Accelerator,” which will fund energy efficiency improvements in commercial and multifamily buildings across the state, and fund local government projects to reduce emissions from all sectors.
 - The Denver Regional Council of Governments (DRCOG) received nearly \$200 million grant on behalf of its 58 member governments for its “Decarbonize DRCOG” initiative for homes and buildings.

Colorado State and Denver Receive DOE Grants

- In August, DOE announced \$240 Million for advanced building codes and standards nationwide.
 - Colorado will create a statewide program that will provide technical assistance and resources to under-resourced buildings (URBs) to directly respond to the needs identified by disadvantaged communities to comply with Colorado's building performance standard. (Award amount: \$20 million)
 - Denver, Colorado will implement and enforce their existing 2022 Denver Building Energy Code, as well as providing funds for the adoption and implementation of future code cycles. (Award amount: \$7.5 million)

New York Gets Statewide Ban on Fossil Fuels in New Buildings - Update

- In October 2023, the state was sued over its gas ban.
- The case is *Mulhern Gas Co. v. Rodriguez* and was heard in the United States District Court for the Northern District of New York.
 - Other plaintiffs include NAHB, NPGA, IBEW, and NY State Builders Association.
- The judge dismissed the lawsuit on August 29, ruling in favor of the New York State Attorney General's office.
 - Will the plaintiffs take this to Circuit Court?
 - If so, how long will it take to decide?

Background on New York Statewide Ban on Fossil Fuels in New Buildings*

- On May 3, 2023, Governor Hochul signed the first US statewide ban into law. The ban was approved as part of the annual budget process.
- The ban starts for new homes, multi-family buildings, and businesses with 7 floors or fewer (and under 100,000 square feet) on January 1, 2026.*
- The ban expands to all new buildings on 1/1/2029.*
- *There are several exceptions.
 - Such as alterations and additions to existing buildings.

Exceptions in the New York Statewide Ban on Fossil Fuels in New Buildings**

- **Fossil fuel ban exceptions:
 - Manufacturing facilities
 - Restaurants
 - Laboratories
 - Car Washes
 - Laundromats
 - “Critical Infrastructure”
 - ***The exceptions are not permanent. The NY State Building Code Council can revoke any or all of them based on the state’s progress towards clean energy and climate goals.
- Where the PSC determines that the grid can’t provide enough electric service to a building project.
- Hospitals
- Mobile Homes
- Standby emergency generators

New York City Local Law 97 Lawsuit Update

- In November 2023, the State Supreme Court found in favor of the city and granted the city's motion to dismiss the lawsuit.
- In May 2024, a panel of appellate judges from the New York State Supreme Court reinstated the lawsuit contesting New York City's building emissions law.
 - The judges stated that the defendants, including New York City, failed to show that the state's climate law did not preempt Local Law 97.
- There will be another trial. Local Law 97 is still being enforced.

Key Washington State Initiatives on the November 2024 Ballot

- Initiative 2117, the “Prohibit Carbon Tax Credit Trading Initiative,” would repeal the 2021 law, the “Climate Commitment Act”, that established the state’s cap and invest program to reduce greenhouse gas emissions.
- Carbon prices have dropped since last year.

Key Washington State Initiatives on the November 2024 Ballot

- Initiative 2066, the “Protect Energy Choice Initiative,” would prohibit both state and local governments from restricting the use of natural gas in buildings.
- This would have an impact on the state’s building energy codes and recently enacted state laws (such as HB 1589).
 - If it passes, Washington would be the 27th state to prohibit local gas bans (Nebraska became #26 in April).
 - Washington state is currently being sued over its most recent state building energy code.

Summary

The rules/
regulations
for federal
tax
incentives
have been
finalized for
your 2024
projects.

Goodbye to
Lighting
Efficiency
Programs by
2028.

More and
more
lawsuits =
Even More
Regulatory
Uncertainty

EPA and DOE
funds are
assisting more
states and
localities on
building
efficiency and
decarbonization

AI will have
an impact
on the
energy
usage of
data centers
(and
elsewhere).

Q & A

The floor is open!

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