Illinois should adopt the recommended 2025 Illinois Energy Conservation Code as soon as possible.

## 2024 International Energy Conservation Code:

- **Cut Energy Bills and Lifetime Costs:** PNNL analysis shows adopting the 2024 IECC would save \$133-\$309 for the average Illinois household in a new home, depending on their location in IL.
- **Support Affordable, Abundant Housing:** The updated code gives designers flexibility that could reduce housing price increases and encourage developers to build more homes.

<u>Limited Commercial Electric Readiness:</u> Electric readiness requires infrastructure for efficient, electric replacements for gas equipment. Limited electric readiness was recommended by the IL Energy Code Advisory Council for the updated commercial energy code. These amendments:

- Facilitate Consumer Choice: It allows building owners to choose either combustion or electric equipment when their old appliance fails, without the need for costly or disruptive electrical retrofits weighing on their decision. According to a 2022 report prepared for California investor-owned utilities, retrofitting a gas-heated medium office building without electric-ready infrastructure to use all-electric equipment can have an incremental cost exceeding \$150,000, risking lock-in to the gas system. Electric readiness reduces those costs.
- Reduce Inequitable Energy Burdens: According to the <u>Building Decarbonization Coalition</u>, even with a stable customer base, rates at the four largest gas utilities in Illinois would need to increase by an average of 45% by 2030 to cover rising system costs. If transitioning away from gas requires costly retrofits, lower-income tenants and small businesses could be trapped in a system that imposes high energy burdens.
- Align with State Climate Goals: Electric readiness will prepare buildings to use zero-emission electricity, which the Illinois grid will supply by 2045 under the Climate and Equitable Jobs Act.

<u>What other jurisdictions are electric ready?</u> The Chicago Energy Transformation Code and the first edition of the Illinois Stretch Energy Code both include electric readiness requirements, and similar provisions have been adopted in Massachusetts, California, and Colorado.

Why are these the best provisions out there? Thanks to the Illinois Energy Code Advisory Council, the proposals are more lightweight than any peer jurisdictions' provisions: only the easiest-to-electrify equipment is covered, and in many cases the code would only require conduit, not fully wired circuits. This minimizes upfront costs to developers while maximizing freedom of choice and affordability for future building owners.

Commercial Fuel Debiasing Language: The model energy code's structure creates a bias against efficient electric heat pumps. Electric heat pumps are 2.7x more efficient than Energy Star gas furnaces in Illinois. Buildings with combustion appliances use more energy and the model code does not require them to "catch up" to the performance of buildings with minimum-efficiency heat pumps. The fuel debiasing language in the draft commercial code would take a step toward leveling the playing field between all-electric and mixed-fuel buildings by requiring buildings that do not use heat pumps as their primary heating source to earn 25% more additional energy efficiency credits. (This equates to up to 2.3% additional, cost-effective energy savings.) This provision is part of the Illinois Stretch Energy Code and uses language developed by global energy efficiency experts in the IECC consensus process.

<u>Correcting the record:</u> Three key points merit clarification. <u>The proposed code</u>...

- 1. <u>Allows developers to choose combustion or electric equipment for any purpose</u>, and *would not* restrict or disallow either fuel type.
- 2. <u>Does not require electric infrastructure for commercial cooking equipment</u> or otherwise intervene in restaurant owners' decisions about their cooking fuel.
- 3. Recognizes the efficiency improvement from using electric heat pumps, including cases with gas backup. Projects that use gas for heating needs that exceed a building's appropriately sized electric heat pump capacity would not be subject to the 25% additional energy efficiency credit requirement.

## **Email template:**

Good afternoon, [Title + Name],

I'm writing regarding the Illinois Energy Conservation Code. As a **job or role, such as** architect, engineer, developer, contractor, etc.], I strongly support the rule submitted to JCAR by the Capital Development Board including all the recommended amendments.

The amendments to promote electric readiness and additional energy efficiency in commercial and multifamily buildings are smart and market-ready. My firm regularly works on projects that would meet these requirements not because they are in code, but because they are simply best practice, and many developers and tenants want these features. Frankly, investors want them too and including them helps bring together the capital stack. Building this way is cost-effective, and in some cases less expensive up front. To make sure all new buildings are built at this level so no one misses out on the benefits, these provisions should be included in code.

## [add a sentence or two about, and/or a link to, a recent example project if available]

The recommended amendments also leave plenty of leeway for designers to make the right choices for their own project. If a designer wants to install a large central plant for heating, cooling, and hot water, none of the electric readiness measures will apply to that. And if a designer wants individual systems for individual apartments, it's often just the difference between a 120v and 240v outlet in the wall – no problem at all during construction, but potentially very expensive or even impossible for a renter or condo owner 10 or 15 years down the line.

I can tell you from firsthand experience that a strong, forward-looking code won't dissuade a developer from siting a building in Illinois. We want to build here because it's a great state, and the opportunities it poses can't just be invented on the other side of a border where regulations aren't as up to date. But if you want hard numbers, it's been studied several times – most recently by the <u>Midwest Energy Efficiency Alliance</u>. There's no evidence that construction moves out of state when codes get stronger.

I'd be grateful for the chance to speak to you or your staff about this. Might you have 15 minutes sometime before the vote on October 14?

Thanks for your time.

[name and title]

## **Key JCAR member contact list:**

- Senator Bill Cunningham, Co-Chair, D: email: <a href="mailto:bill@billcunningham.com">bill@billcunningham.com</a> (likely to reach Joan, staff member)
- Representative Ryan Spain, Co-Chair, R: <a href="mailto:repryanspain@gmail.com">repryanspain@gmail.com</a> and/or staff member Bree Steinacher at <a href="mailto:BSteinacher@hrs.ilga.gov">BSteinacher@hrs.ilga.gov</a>
- Representative Delgado: <a href="mailto:Evadina@staterepdelgado.com">Evadina@staterepdelgado.com</a>
- Senator Castro: staff email <u>mavilen@senatorcristinacastro.com</u>
- Representative Tarver: office@repcurtisjtarverii.com
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