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September 18, 2015

The Honorable Julián Castro  
Secretary  
U.S. Department of Housing and Urban Development  
451 7th Street, SW  
Washington, DC 20410

The Honorable Shaun Donovan  
Director  
Office of Management and Budget  
725 17th Street, NW  
Washington, DC 20503

The Honorable Tom Vilsack  
Secretary  
U.S. Department of Agriculture  
1400 Independence Ave., SW  
Washington, DC 20250

Dear Secretary Castro, Secretary Vilsack, and Director Donovan,

Earlier this year, your agencies saved money for millions of homeowners, reduced federal energy bills for subsidized homes, *and* helped meet the president's climate goals with your affordability determination on energy efficiency standards for federally assisted housing.

**We are asking you now to take the next step. The May 2015 final determination noted that “HUD and USDA intend to follow this Notice of Final Determination with an advance notice that addresses the next steps the agencies plan to take on the 2015 IECC and ASHRAE 90.1-2013 codes” (80 FR 25901). We urge you to move forward without delay.**

For more than two decades federal law has required that new homes with federally assisted mortgages and new public housing meet minimum energy efficiency standards. This smart policy protects homeowners and renters in those homes from high energy bills, protects the agencies from loan defaults by reducing volatility of homeowner expenses, improves housing stock, and protects the environment by reducing energy waste. It also promotes federal policy under the Energy Policy Act of 1992 and the Recovery Act that encourages or requires states to adopt up-to-date building energy codes and improve compliance efforts.

Under the Energy Independence and Security Act of 2007, HUD and USDA are required to update the standards within one year of updates to the model building energy codes (October 2013 for

ASHRAE Standard 90.1-2013 and June 2014 for the 2015 International Energy Conservation Code). The backstop use of the model codes themselves requires a determination on energy savings from the Department of Energy, which it completed September 2014 for 90.1-2013 and June 2015 for the 2015 IECC.

However, applying these updates still awaits a determination that they will not harm the affordability or availability of covered housing. There is ample evidence of this:

- The Department of Energy (through the Pacific Northwest National Laboratory) has already completed a careful cost-effectiveness analysis that concluded that, when compared to the 2009 IECC, the 2015 IECC benefits homeowners in all climate regions, with lifetime savings ranging from \$4,418 to \$24,003 and positive cash flow (savings exceed added down payment and mortgage payment) within two years.
- Furthermore, DOE concluded that, compared to 90.1-2007, a mid-rise apartment with 31 units that meets the 90.1-2013 would yield life-cycle net savings between \$42,000 and \$80,000 (combining analyses of 90.1-2010 and 90.1-2013).
- About a dozen states have already adopted and are successfully implementing the 2012 IECC, which is very similar to the 2015 IECC.

An advance notice to seek additional stakeholder input should be quick, with review by the Office of Management and Budget expected within ten working days (EO 12866).

Given the benefits to homeowners, federal agencies, and the environment, as well as the legal requirement, we urge you to issue the advance notice immediately, and to move quickly to complete the determination in less than a year.

Sincerely,

Alliance to Save Energy

American Chemistry Council

American Council for an Energy-Efficient Economy

ASHRAE

Building Codes Assistance Project

Cellulose Insulation Manufacturers Association

Consumer Federation of America

Consumers Union

Earthjustice

Energy Efficient Codes Coalition

Home Performance Coalition

Institute for Market Transformation

International Code Council

National Association for State Community Services Programs

National Association of Energy Service Companies

National Consumer Law Center (on behalf of its low-income clients)

Natural Resources Defense Council

North American Insulation Manufacturers Association

Polyisocyanurate Insulation Manufacturers Association

Responsible Energy Codes Alliance

Seattle City Light

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cc Dan Utech, Deputy Assistant to the President for Energy and Climate Change  
Rick Duke, Council on Environmental Quality  
Ali Zaidi, Office of Management and Budget