

March 20, 2025

City of Austin
Attn: City Council Members
City Manager
301 W. Second St.
Austin, TX 78701

Re: Joint Comments on Certain Mandatory Aspects of City of Austin's Proposed Adoption of 2024 IECC Codes

Austin City Council Members:

Atmos Energy, the Austin Chamber, the Home Builders Association (HBA) of Greater Austin, Opportunity Austin, the Real Estate Council of Austin, Texas Gas Service, and the South Central Hearth, Patio & Barbecue Association ("Joint Commenters") respectfully submit this letter in response to the City of Austin's ("City") proposed adoption of the 2024 International Energy Conservation Code ("IECC"). The following is a summary of the specific issues raised by the Joint Commenters related to the City's proposed mandatory building code provisions.

Joint commenters are concerned about new code provisions proposed for both commercial and residential buildings. In its current form, the proposed codes increase costs for homeowners and commercial building operators as compliance increases costs of new construction—making homeownership in the city less affordable and negatively impacting consumers' ability to choose affordable appliances. In addition, we believe the draft code conflicts with state law and facilitates the impermissible regulation of the consumption of natural gas via federally protected appliances.¹ Statutes such as these are preempted under the federal Energy Policy and Conservation Act (EPCA) and are therefore unenforceable.

It is more important than ever that Austinites have access to a clean, reliable, and affordable energy portfolio to achieve the City's climate equity goals. However, we are also concerned that the problematic code provisions in the City's proposed 2024 IECC will not result in increased building energy efficiency or a reduction in GHG emissions. We recommend considering whether energy consumption and emissions would, in fact, increase as a result of these provisions while also potentially placing greater constraints on the electric grid.

We request that the following code provisions be removed or revised as non-mandatory provisions within the City's proposed 2024 IECC:

Residential:

- Appendix RB: Solar-Ready Provisions – Detached One- And Two-Family Dwellings

¹ See generally, California Restaurant Assoc. v. City of Berkeley, No. 21-16278 (9th Cir. 2024).

- and Townhouses
- Appendix RE: Electric Vehicle Charging Infrastructure
- Appendix RK: Electric Readiness

Commercial:

- Section C8.4.5: Additional Electric Infrastructure
- Appendix CB: Solar-Ready Zone – Commercial
- Appendix CG: Electric Vehicle Charging Infrastructure

Below are some critical questions to consider in addressing the effectiveness of the proposed building codes:

- What are the specific projected retrofit costs associated with additional electrical infrastructure requirements? How are such costs and projections calculated and do the benefits outweigh such costs? How will such costs affect low-income residents?
- What are the cost implications and requirements associated with compliance with the on-site transformer requirements under section 8.4.6?
- Has the city and Austin Energy conducted an analysis of grid reliability?
- What are the emissions reductions associated with requiring additional electrical infrastructure?
- In light of Austin Energy's 2035 resource generation plan, has the city analyzed or accounted for GHG emissions resulting from the use of additional electric infrastructure? (i.e., the city's continued use and reliance on gas-peaker plants is less efficient and increases emissions when full fuel cycle calculations are considered. Natural gas end use is a more efficient means of delivering energy to the home, retaining 90% of energy during the delivery process. Converting natural gas or coal to electricity retains only 30% of energy during the delivery process.)
- In consideration of the anticipated increase in demand on the electric grid, has the city considered the safety implications of relying on all-electric heating and cooking appliances, in a state where electric grid reliability is in question?
- Has the city considered that such electric-readiness provisions will disincentivize the installation of natural gas appliances through additional cost and compliance, therefore rendering natural gas appliances useless?
- What will it cost to convert from an all-electric home to natural gas?
- Can the city prove that such costs and additional compliance will not prevent appliances from using natural gas?
- Would the City be opposed to delaying the adoption of the 2024 IECC until after SECO has conducted its mandatory determination of energy savings?
- Has the City considered the permissibility of adopting the above-referenced code sections pursuant to Texas Utilities Code Section 181.903?

We thank the Austin City Council Members for considering our comments. We look forward to working with the City Council to develop an equitable, fuel-neutral building energy code for all

Austinites. We are available to meet with Council members to provide additional information or to answer any questions you may have.

The Home Builders Association (HBA) of Greater Austin is the leading professional trade organization dedicated to residential construction and remodeling in Central Texas. With more than 750 member companies and over 2,000 individuals working in the home building industry, the HBA works with government, public, business, and community organizations in seven counties – Bastrop, Burnet, Caldwell, Hays, Lee, Travis, and Williamson. Our mission is to advance the practice and professionalism of the home-building industry, and our vision is to build strong communities enabling residents to thrive.

Texas Gas Service Company, a division of ONE Gas, Inc. (“Texas Gas Service”), proudly provides affordable, reliable and clean natural gas service to over 245,000 customers inside the City of Austin (“City”) (275,000 including customers in the Austin Metro area). In 2024, ONE Gas, Inc. (“ONE Gas”), Texas Gas Service’s parent company, received a rating of AAA (on a scale of AAA to CCC) in the MSCI ESG Ratings assessment. ONE Gas also holds a “Prime” environmental, social and governance (“ESG”) corporate rating from Institutional Shareholder Services (ISS).

Atmos Energy is the nation’s largest natural-gas-only distributor, serving more than three million natural gas distribution customers in over 1,400 communities in eight states, from the Blue Ridge Mountains in the East to the Rocky Mountains in the West. Included in Atmos Energy’s service territory is the City of Austin, within which Atmos Energy serves approximately 11,000 customers. Atmos Energy’s vision is to be the safest provider of natural gas services, and the company is committed to the safety and success of our communities, the environment, delivering a reliable source of energy, and providing exceptional customer service. This vision continues to fuel Atmos Energy’s investment in modernizing its system, which is integrated with our comprehensive environmental strategy focused on reducing the environmental impact from our operations. This strategy includes a robust set of programs that improve consumer energy efficiency within our service territories.

The South Central Hearth, Patio & Barbecue Association (SCHPBA) has been representing the interests of the hearth industry in the south for over two decades as a regional affiliate of the Hearth, Patio & Barbecue Association (HPBA) – the national trade association representing the industry’s legislative, regulatory policy and business interests in Washington, DC. Our mission is to promote all aspects of the hearth, patio and barbecue industries, to educate consumers on the benefits, proper use and maintenance of all hearth systems and products, and to communicate effectively with legislators and regulators while advocating for the interests of our members in our region’s state governments.

SCHPBA is member oriented, and member focused. We provide an infrastructure and format for the education, interaction, and unification of all those operating in the hearth industry. Our continuing education programs are a valuable professional resource for local building officials, home inspectors and all authorities who have jurisdiction over hearth safety.

Respectfully submitted,

Atmos Energy:



Michael Street
Vice President, Marketing
Mid-Tex Division

Austin Chamber:



Jeremy Martin
President and CEO

**Home Builders Association
of Greater Austin:**



Taylor Jackson
CEO

Opportunity Austin:



Ed Latson
CEO

**Real Estate Council of
Austin:**



Alina Carnahan
Vice President of Advocacy

**Texas Gas Service, a Division
of ONE Gas, Inc.:**



Jason Ketchum
Vice President, Commercial
Activities

**South Central Hearth, Patio
& Barbecue Association:**



Karen Arpino
Executive Director