

AMERICAN PUBLIC GAS ASSOCIATION

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Building Energy Codes Program U.S. Department of Energy Office of Energy Efficiency and Renewable Energy 1000 Independence Avenue SW Washington, DC 20585-0121

Submitted via email to <u>RECI_RFI@hq.doe.gov</u>

RE: Comments on Department of Energy's Request for Information Pertaining to "Resilient and Efficient Codes Implementation (RECI)"

Building Energy Codes Program team:

The American Public Gas Association (APGA) appreciates the opportunity to provide comments in response to the U.S. Department of Energy's (DOE) request for information (RFI) pertaining to "Resilient and Efficient Codes Implementation (RECI)."

APGA is the trade association for more than 730 communities across the U.S. that own and operate their retail natural gas distribution entities.¹ They include not-for-profit gas distribution systems owned by municipalities and other local government entities, all locally accountable to the citizens they serve. Public gas systems focus on providing safe, reliable, and affordable energy to their customers and support their communities by delivering fuel to be used for cooking, clothes drying, and space and water heating, as well as for various commercial and industrial applications.

¹ More information available at <u>www.apga.org</u>.

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA),² which appropriated \$255 million over the next five years for DOE to make available to eligible entities (i.e., relevant state agencies) – or organizational partnerships that include an eligible entity – through a competitive bid process.³ As explained in the RFI, "[t]he overall goal is to provide support to States that will 'enable sustained cost-effective implementation of updated building energy codes.'" Accordingly, the RFI seeks to gather input from all stakeholders on the characteristics of a potential RECI funding opportunity announcement (FOA) to accomplish this goal.

As energy providers, APGA member gas systems are environmental stewards, prioritizing sustainability, emissions reductions, and anything that may positively affect their impact on the environment. As DOE works to develop a RECI FOA, APGA urges the agency to create a competitive bidding process that allows eligible entities and organizational partnerships to leverage public utilities, especially the workforce and existing assets, and natural gas more broadly to support the goals of the IIJA. To facilitate this, we offer the below comments.

Comments

APGA supports goals to reduce greenhouse gas emissions in the United States, including through the implementation of resilient and efficient codes. As a cost-effective, reliable, and efficient energy source, consumers value the ability to choose natural gas as an energy solution that works best for their budgets and lifestyles. Given its growing domestic supply and safe, reliable, and efficient delivery system reaching almost every home and business in America, the direct use of natural gas in buildings is an important part of our country's energy future and a pathway to addressing global warming. In fact, natural gas has been a big driver behind our country's declines in carbon emissions- notably, America's gas utilities have added 30 million residential customers since 1970 with virtually no increases in emissions.⁴

However, in reaching these ambitious targets, which will be facilitated by the adoption and implementation of resilient and efficient building and energy codes, APGA cautions against misguided policies that put all our "eggs in one basket" by eliminating Americans' ability to choose the energy source best fit for their needs and budget. The IIJA's authorization of this funding for a RECI FOA does not favor one energy source over another, so APGA encourages DOE to maintain that fuel neutrality as it develops a FOA. Every jurisdiction has different resources and needs to serve, so an overly prescriptive FOA will preclude many communities from participating in the competitive bidding process, which might lead to setbacks for our country's decarbonization goals.

² Public Law 117-58 (IIJA).

³ IIJA Sec. 40511.

⁴ American Gas Association, "Implications of Policy-Driven Residential Electrification," <u>https://www.aga.org/research/reports/implications-of-policy-driven-residential-electrification</u>.

As it notes, DOE plans to grant awards that enable code updates that result "in increased efficiency compared to the previously adopted building energy code." To best utilize this money allotted by Congress via the IIJA, any RECI FOA DOE issues should keep economic energy savings and carbon reduction front of mind while also allowing eligible entities and partnerships sufficient flexibility to qualify for the competitive funding. This will allow communities at varying levels of code implementation to qualify for potential funding. For additional details, responses to select questions posed within the RFI are provided below:

Category 1: Technical Requirements

1.5 What should DOE include in a potential RECI FOA to encourage consideration of resilience aspects of energy codes, like passive survivability and grid resilience, in addition to energy and emissions savings?

As discussed above, the IIJA's authorization of the RECI funding does not favor any one energy source. Accordingly, a RECI FOA should be developed in a fuel neutral manner, providing necessary flexibility to communities across the country with differing needs, resources, and budgets. This will encourage applicants to consider a range of fuels and technologies to help meet resilience goals.

Category 2: Supporting State Code Adoption

2.1 How should DOE prioritize code updates? More specifically, should updates to the model energy code be prioritized based on potential energy and/or carbon savings as compared to the current baseline within each state? How should DOE prioritize updating to a code more advanced than the current model code?

While potential energy and/or carbon savings are important considerations, to ensure the most value from this funding, DOE should prioritize code updates for which the cost per amount of energy saved or carbon reduced is lowest. Often times, incremental energy and/or carbon reductions can be very expensive, especially when steps have already been taken to ensure significant reductions. However, not all communities have yet been able to take such steps. Accordingly, DOE will help to realize the most energy and/or carbon savings from a RECI FOA if it prioritizes proposals that have a low cost associated with potential energy and/or carbon savings. At the same time, proposals that maintain fuel neutrality should also been given priority, as they will ensure flexibility for those communities that have differing needs, resources, and budgets.

Category 3: Partnerships, Eligible Entities, and Evaluation Criteria

3.2 To what extent should DOE prioritize partnerships between a state agency and other entities over sole applicants (which can only be a state agency)?

DOE should encourage partnerships to apply for a RECI FOA, especially those between communities and their state, by providing these applications with some level of priority. Involving community-level government, for instance, as much as possible will help ensure the most effective use of funds, as they are more keenly aware of the needs and restrictions of the home and building owners in their jurisdictions. For instance, APGA's members are owned and operated by their communities. Our members help implement and enforce codes within their communities and, therefore, have a better understanding of what types of code updates would be most impactful for the people they serve.

3.3 How can DOE best reach local governments in its code development activities? Considering local governments would have to partner with a state in their application for a potential RECI FOA, how can DOE help encourage states to support interested local governments with local policy support, but also connecting with underserved communities at the local level?

As discussed above, providing priority to applications of partnerships, especially those with community governments, will help all communities, including underserved ones, have the best chance of winning funds to further local code development activities.

Category 4: Funding and Period of Performance

4.3 How can this funding best leverage other sources of funding from states, utility programs, and others? Should DOE prioritize projects that leverage other funding sources? How should the applicant's ability to leverage other funding sources be prioritized?

While leveraging other funding sources can be important, APGA cautions DOE from making it a requirement or even a priority. Disadvantaged communities may not have access to additional funding sources to leverage, so DOE should be careful to not penalize applications from partnerships with disadvantaged communities for this reason.

Category 5: Energy and Environmental Justice (EEJ) Priorities

5.6 How can DOE support meaningful and sustained engagement with relevant disadvantaged communities?

Many disadvantaged communities lack the resources and/or the know-how to apply for funding opportunities, such as a potential RECI FOA. Accordingly, DOE should explore ways to help support these communities' engagement in the FOA process, including directed communications about how they might be able to form a partnership with an eligible state agency. Additionally, while many communities have already been able to take significant steps to modernize their building and energy codes, many disadvantaged communities may not have had the ability to do so. Accordingly, DOE should keep this in mind when reviewing disadvantaged communities' FOA applications, as the costs, energy savings, and/or carbon reductions may look much different than those from a community that has more resources available.

Category 6: Other

6.2 How should DOE track overall outcomes from this funding? What metrics should DOE request from each project team to better understand impacts?

It is important for DOE to track how costs and the resulting energy saved and/or carbon reduced, as well as any costs to home and building owners. Together, these metrics will help DOE better understand how impactful different proposals have been. Additionally, if any funding is granted to support the inclusion of grid-interactive technology, DOE should also track data on those technologies aided grid management by the utilities in order to better understand consumer use of these products.

Category 7: Draft Application Requirements

7.2 Should DOE only consider applications that contain a state or local code update, including energy or building?

DOE should consider as broad a range of applications as possible, including those that do not contain a state or local energy or building code update. For instance, a state agency may wish to partner with a community to apply for funding in support of upgrading code requirements specifically for its local government-owned buildings. Such a proposal would indirectly benefit community members while also helping the community further its energy reduction and/or carbon reduction goals.

7.4 Should DOE prioritize energy codes and building measures that provide long-term energy savings?

While long-term energy savings are an important component, initial costs, especially those that will be borne by consumers generally, especially homeowners, or businessowners, are also a critical component. Prioritizing energy codes and building measures that provide the longest term energy savings but that cannot be afforded by the existing community is counter-productive to achieving our nation's decarbonization goals and could lead to an increase in the need for affordable housing.

7.8 What types of buildings should applicants focus on, including new and/or existing residential, multifamily, and/or commercial buildings?

Each applicant will represent different portfolios of building stock. Because of these differences, a one-size fits all approach should not be suggested to applicants as to which buildings should be a focus. Instead, each applicant should carefully consider its building stock and determine where the most cost-effective and impactful changes can be made.

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APGA members play a critical role in delivering Americans the clean, affordable, and reliable energy they need. DOE's RECI FOA should allow states and their communities to leverage the existing natural gas distribution network and fuel delivery infrastructure to meet both the goals of the IIJA and the climate goals of the current Administration.

We thank you for the review and consideration of these comments and look forward to continuing to partner with DOE as it develops a RECI FOA. If you have any questions regarding this submission, please do not hesitate to contact us.

Respectfully submitted,

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