



Inflation Reduction Act Funding for Building Energy Codes

Introduction

The [Inflation Reduction Act](#) (IRA) includes funding for the adoption of zero energy codes and the latest building energy codes in *Section 50131 of Public Law 117-169*. This guide is intended to summarize and present key takeaways of that section. For more information, please see the U.S. Department of Energy webpage on [Technical Assistance for the Adoption of Building Energy Codes](#).

Disclaimer: This resource is following guidance as of the date of publication (June 6, 2023) and will be updated to reflect new information as it becomes available.

Key Takeaways of Section 50131 of Public Law 117-169

- Section 50131 applies to states and units of local government that have authority to adopt building codes
- \$670 million available for the adoption of zero energy codes, defined as codes that meet or exceed the zero energy provisions in the 2021 International Energy Conservation Code (IECC)
- \$330 million available for the adoption of the latest building energy code, defined as the 2021 IECC for residential buildings, and ASHRAE 90.1-2019 for commercial buildings
- A [Notice of Intent](#) (NOI) and [Request for Information](#) (RFI) were [released](#) March 31, 2023
- The NOI comes with the following disclaimer, which is typical of a NOI: *DISCLAIMER: The “Notice of Intent to Issue” is for informational purposes only; the Department of Energy is not seeking comments on the information in this notice and applications are not being accepted at this time. Any information contained in this notice is subject to change.*
- The Funding Opportunity Announcement (FOA) No.: DE-FOA-0003056 has not been released yet.

The full text of Section 50131 is cited below, but there are two critical requirements worth emphasizing:

→ **Failing to adopt the 2021 IECC and ASHRAE 90.1-2019 or equivalent could jeopardize IRA Section 50131 funding**¹

→ **Adopting 2021 IECC and ASHRAE 90.1-2019, but adding nonequivalent or weakening amendments to state building energy codes could jeopardize IRA Section 50131 funding**²

¹ This guidance does not apply to the full IRA, just for the \$1 Billion appropriated in Section 50131.

² This guidance does not apply to the full IRA, just for the \$1 Billion appropriated in Section 50131.



Public Law 117-169 Section 50131 Text

PART 3— BUILDING EFFICIENCY AND RESILIENCE SEC. 50131. ASSISTANCE FOR LATEST AND ZERO BUILDING ENERGY CODE ADOPTION.

- a) APPROPRIATION** —In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—
1. \$330,000,000, to remain available through September 30, 2029, to carry out activities under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 through 6326) in accordance with subsection (b); and
 2. \$670,000,000, to remain available through September 30, 2029, to carry out activities under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 through 6326) in accordance with subsection (c).
- b) LATEST BUILDING ENERGY CODE** —The Secretary shall use funds made available under subsection (a)(1) for grants to assist States, and units of local government that have authority to adopt building codes—
- (1) to adopt—
1. *a building energy code (or codes) for residential buildings that meets or exceeds the 2021 International Energy Conservation Code, or achieves equivalent or greater energy savings;*
 2. *a building energy code (or codes) for commercial buildings that meets or exceeds the ANSI/ASHRAE/IES Standard 90.1–2019, or achieves equivalent or greater energy savings; or*
 3. *any combination of building energy codes described in subparagraph (A) or (B); and (2) to implement a plan for the jurisdiction to achieve full compliance with any building energy code adopted under paragraph (1) in new and renovated residential or commercial buildings, as applicable, which plan shall include active training and enforcement programs and measurement of the rate of compliance each year.*
- c) ZERO ENERGY CODE** —The Secretary shall use funds made available under subsection (a)(2) for grants to assist States, and units of local government that have authority to adopt building codes—
1. *to adopt a building energy code (or codes) for residential and commercial buildings that meets or exceeds the zero energy provisions in the 2021 International Energy Conservation Code or an equivalent stretch code; and*
 2. *to implement a plan for the jurisdiction to achieve full compliance with any building energy code adopted under paragraph (1) in new and renovated residential and commercial buildings, which plan shall include active training and enforcement programs and measurement of the rate of compliance each year.*
 3. **STATE MATCH.** —The State cost share requirement under the item relating to “Department of Energy—Energy Conservation” in title II of the Department of the Interior and Related Agencies Appropriations Act, 1985 (42 U.S.C. 6323a; 98 Stat. 1861), shall not apply to assistance provided under this section.
 4. **ADMINISTRATIVE COSTS.** —Of the amounts made available under this section, the Secretary shall reserve not more than 5 percent for administrative costs necessary to carry out this section.