

Opinion Editorial submitted to the News & Observer

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For Safety and Savings, Vote Against H488

The NC Building Code Council has nearly completed an update to the Building Codes. However, the General Assembly is getting ready to pass House Bill 488, which would throw out two years of work by the current Building Code Council, and keep the residential Energy Conservation Code at about a 2009 level. This would be an unprecedented disaster.

H488 would (1) lead to higher energy bills for new homeowners, effectively passing a new tax on homes; (2) prohibit safety measures such as fire sprinklers and inspections; and (3) waste taxpayer dollars by creating a new residential-only building council, ill-equipped to deal with complex issues. H488's new Residential Code Council is composed mostly of residential homebuilders and contractors – and not a single architect or engineer, putting the fox in charge of the hen house.

Independent analysis and results from homebuilders using updated Energy code, show that it will save new homeowners \$399 a year in utility costs. Updating the codes per the 2021 International Energy Conservation Code will create thousands of new jobs, boost the North Carolina economy, and result in \$5.3 billion in savings [1] to residential consumers over thirty years.¹ These savings estimates are probably too low, as they do not consider recent info on future rate increases by Duke Energy.

The North Carolina Home Builders Association (HBA) is lobbying for H488, which will cost North Carolinians hundreds of millions of dollars in higher utility bills and increased insurance rates; loss of hundreds of millions of dollars in Federal Grants; and more homes destroyed by hurricanes. It would also be a setback for North Carolina's Clean Energy Plan, which calls for an updated Energy Conservation Code.

There is bipartisan concern about H488. Mike Causey (www.bit.ly/3qDr1zr), the Republican Insurance Commissioner, opposes H488, because delaying building code updates “could disqualify cities and counties from federal Building Resilient Infrastructure Program (BRIC) grants,” and could have “long-term consequences to the citizens through adverse effects on insurance rates...” ‘Adverse effects’ on insurance rates means higher rates.

H488 *prohibits* an update to the Energy Conservation Code until 2031, which means lower scores for applications to FEMA's Building Resilient Infrastructure grant program (BRIC), and loss of BRIC grants. North Carolina applied for \$141 Million of FEMA BRIC funding in 2022.

The Home Builders Association has over-estimated the cost of a better insulated home, i.e. \$20,400 vs about \$5,000. Despite being informed of their error, they continue to say this. If H488 passes, new homes will be poorly insulated, and homeowners' utility bills will get much higher. Duke Energy is proposing a 19% increase over the next three years, and WRAL reported that in 2026, Duke is likely to request an even larger increase, doubling current electric rates. [2]

FEMA rates North Carolina at ZERO% on their resiliency rating of Southeastern states because of its outdated codes, compared to 51% for South Carolina, 92% for Georgia, and 99% for Florida. [3] These states have seen lower housing price increases in recent years than North Carolina.

Hurricane Ian hit Florida in 2022, and hit the Babcock Ranch community. The Babcock Ranch developer built that community to stringent building code standards, several of which H488 would block. [Babcock Ranch suffered only minor damage](#), while surrounding communities were devastated.

If the current Building Code Council is allowed to finish its work, the economic benefits to the 10 million people of NC are: \$5.3 Billion in utility bill savings over the next 30 years, increased tax revenue, more manufacturing jobs, and creation of job training programs that will give more North Carolinians a living wage. We'll have new homes that are more likely to survive hurricanes and homeowners with more affordable electricity bills.

To our legislators:

- **Think of your children and grandchildren.**
- **Stop governmental overreach and frivolous waste of taxpayer dollars.**
- **Vote No on H488.**
- **For safety. For savings. For North Carolina.**

If H488 passes, we will ask Governor Cooper to veto it.

[1] Pacific Northwest National Laboratory. Cost-Effectiveness Analysis of the 2024 North Carolina Energy Conservation Code, Page 2, PNNL-180509. March 24, 2023

[2]<https://www.wral.com/story/talk-about-electric-shock-your-monthly-power-bill-could-double-in-the-coming-years/20876520/>

[3] FEMA Fact Sheet. 2023 Building Code Adoption Tracking: FEMA Region 4