

# Draft Comments on the International Code Council (ICC) Proposed International Energy Conservation Code Expanded (IECCX).

Comments back to AGA by Wednesday, February 11, 2026

## **Transparency**

All comments submitted to the ICC Board of Directors should be available for public review, as well as formal responses from the Board. Transparency is a fundamental, critical tenet of consensus codes and standards development. The “expanded” IECC as proposed is really a code modification of the existing IECC. Therefore, public comments on the new code should be treated in the same manner as any other code change proposal: with published, publicly available documentation.

It is immeasurably valuable for stakeholders to have access to all of the concerns considered by the Board and how those concerns were addressed. As with any code change proposal, publishing the development documentation gives stakeholders a better understanding of the intent of the deciding body, as well as an idea of what compromises and conditions impacted the final decision.

Finally, public documentation helps stakeholders understand each other and find common ground. Every industry or interest group can only read the code change proposal from their own perspective. The public comments can help stakeholders identify issues that they were unaware of or considered low priority, but that impact those they will ultimately work with to develop new code requirements. This greater understanding can only improve communication between interest groups during the often-frenetic revision cycles.

## **IECCX Title and Scope**

AGA lauds the effort to return the International Energy Conservation Code (IECC) to its original intent. The proposed topics and approach to the “base” IECC will provide a document focused on energy conservation. “Energy conservation” generally includes actions to reduce the amount of end-use energy consumption, including the selection of energy-efficient appliances and construction that maximizes the benefit of those appliances. AGA has raised many objections in the current and recent IECC code cycles about the “scope creep” from an energy conservation code to an all-encompassing energy policy document.

The current IECC, and the proposed International Energy Conservation Code - Expanded (IECCX), are being used to address issues that are in no way related to energy conservation or energy efficiency, including electric vehicles, grid stability, reduced water usage, and demand-side management. Therefore, IECCX is not an appropriate title for the new code

and may lead to confusion in jurisdiction resulting in erroneous adoption of a code in jurisdictions that may not fully grasp the distinction between the IECC and an “IECCX.”

The appropriate document for the non-conservation topics is the International Green Construction Code (IgCC). The published intent of the Green Building Code is as follows: “The intent of this code is to provide minimum requirements for the siting, design, construction and plans for operation of high-performance green buildings to: reduce emissions from buildings and building systems; enhance building occupant health and comfort; conserve water resources; protect local biodiversity and ecosystem services; promote sustainable and regenerative materials cycles; enhance building quality; enhance resilience to natural, technological, and human-caused hazards; and support the goal of development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

This broad scope positions the IgCC perfectly for incorporation of those non-conservation topics and would eliminate the potential for future confusion for adopters and users of the IECC.

### **Fuel Neutrality**

AGA acknowledges the inclusion of direct, unambiguous language related to fuel neutrality in the draft IECC Intent. However, additional guidance from the Board is still needed to ensure that committees actions are aligned with the Intent. Policies or regulations should be established to ensure that committees identify proposals that indirectly impact selection of equipment or fuel source. In particular, the consensus committees should be required to generate “reason statements” that address concerns raised by proponents of code change proposals or public comments, particularly as they relate to fuel neutrality, restrictions on appliance selection, or cost effectiveness. IECC staff should be empowered to identify inadequate reason statements and actively engaged in that specific part of the process.

In addition, Appendix A describes the “advanced credits” as a penalty for “buildings using fossil fuel energy equipment/appliances.” Regardless of these “advanced credits” being in the main body or the appendix, they cannot be considered fuel neutral, nor do they represent an “additional resource...for greenhouse gas emissions.” Site energy metrics are not an effective measure of emissions and will result in a false narrative on the environmental impact of a building’s operation. Source energy analysis accounts for the true emissions of all energy used in the operation of a building, whether the electricity is supplied by the fossil-fuel supported public grid, a local renewable microgrid, or on-site

renewable assets. If the true goal is to reduce greenhouse gas emissions, then this should be disallowed even as an optional appendix.

### **Cost-Benefit Analysis**

AGA welcomes the inclusion of a required cost-benefit analysis (CBA) to the IECC and IECCX development process. The requirement of a CBA, and specifically the inclusion of maintenance costs in that analysis, will provide invaluable data related to the cost of construction and the cost of homeownership. However, AGA has concerns about the implementation of the analysis and the proposed payback periods.

The language regarding the use of the maximum payback period “when determining the viability of a proposed energy solution within a respective category” is not strong enough, particularly in light of the proposed Scope and Intent statement provided for the IECCX. “Life-cycle cost effectiveness” is a part of the 2024 IECC Scope and Intent, and is a concern routinely ignored by the consensus committees. In their response to SIQ-00016, the Board also effectively ignored concerns raised about the consensus committees’ willingness to accept proposals without any evidence of cost effectiveness. Therefore, stronger language around the use of the cost-benefit analysis as an exclusionary tool is needed to ensure true adherence to the Scope and Intent of the proposed documents.

In addition, all energy-related provisions published in the upcoming 2027 IECC should be reviewed to establish cost effectiveness prior to inclusion in the draft of the 2030 edition. This could be accomplished by ICC Staff or by a dedicated, interest-balanced working group established by the IECC. The working group should be tasked with completing the analyses prior to the deadline for code change proposals for the 2030 edition so that any current provisions that are not cost effective can be deleted in the first committee reviews.

Finally, the payback periods proposed for the IECC and IECCX extend far beyond the timelines under which real world residential and commercial investments are made. Most U.S. real estate assets, especially multifamily and commercial, are underwritten for 5–10-year hold periods. Requiring measures that only “break even” in year 30 forces a structural mismatch between code and market, drives up first costs, and jeopardizes housing affordability.

The draft’s Functional Cost Benefit Analysis (CBA) formula appears mathematically neutral, but several embedded assumptions bias outcomes toward approving high-cost mandates. Specifically:

- A 30-year IECCX horizon lets minor annual savings justify excessive upfront costs. Private investors will not accept this logic.

- A 4.5% discount rate undervalues risk and overvalues distant future savings. Real-world hurdle rates for residential and commercial investments typically range from 6.5%–10%, depending on leverage and asset class.
- Assuming electricity prices escalate at 2.96% annually, compounded savings over 30 years are unrealistic. Energy markets are volatile, and long-term escalation assumptions introduce significant error.

### Recommended Corrections to the Cost-Benefit Analysis

#### 1. Add a 1% annual proxy to the residential maintenance cost assumption

The draft sets Residential IECC maintenance costs to \$0 in simple payback calculations. This is inaccurate for several reasons:

- High efficiency heat pumps, ERVs, advanced controls, and envelope systems require more frequent, specialized maintenance than standard systems.
- Eliminating maintenance skews ROI and misleads stakeholders on true cost-effectiveness.
- Commercial systems must include maintenance costs (“as calculated”), but residential systems are exempt — creating an inconsistent and biased economic framework.

The AGA recommends that the analysis includes actual calculated maintenance costs for all systems, or a standardized proxy of 1% of the component’s installed cost per year where data is unavailable. This aligns with industry norms for mechanical and envelope system maintenance and helps prevent artificially inflated payback periods. This single correction significantly changes the economic viability of many proposed measures.

#### 2. Align Maximum Payback Periods with Real Hold Periods

A 30-year payback across all asset types ignores real market timelines and is unacceptable. In reality, residential buyers typically move within 7–12 years and multifamily and commercial assets are underwritten over 5–10-year horizons. Under the IECC and IECCX timelines, most savings occur well beyond typical ownership periods, meaning the homeowner/investor who pays for the measure never recovers the cost.

The AGA recommends updating the payback thresholds as follows:

Asset Category	Draft IECC / IECCX	Recommended Market Alignment

1–2 Family	12 / 30 years	<b>7 / 12 years</b>
Multifamily	7 / 30 years	<b>5 / 15 years</b>
Commercial	10 / 30 years	<b>8 / 15 years</b>

These ranges reflect actual U.S. underwriting standards and prevent long-horizon mandates from being justified by unrealistic payback assumptions.

### 3. Update the Discount Rate to Reflect Cost of Capital

The draft's 4.5% discount rate resembles a municipal bond rate rather than the cost of private capital.

The AGA recommends a rate of 6% - 8% to reflect commercial lending rates, mortgage rates, developer WACC, and private equity hurdle rates. This adjustment would significantly change which measures appear "cost effective." Without a market-aligned payback cap, IECCX could become a vehicle for policy goals that extend beyond the draft Scope and Intent.