



Spray Foam Coalition



Insulate America



## Insulation Industry Leader:

Congress is heading into the home stretch of the 2019 legislative session, and there is substantial action on legislation that could favorably impact the insulation industry (read more below).

In addition, mark your calendars, the annual Insulation Industry National Policy and Advocacy Conference will be held in Washington D.C. on May 19-20, 2020. An official “Save the Date” will be sent in the near future.

The Insulation Industry National Policy and Advocacy Conference has a brand new [website](#). Bookmark it and stay tuned for additional info on the 2020 Conference.

In May, insulation leaders joined together and went to Capitol Hill to talk with our elected representatives about our industry and policy priorities. Since that time, important progress has been made on federal policies likely to impact our industry and the markets we serve.

## Federal Energy Efficiency Legislation

Senators Portman (R-OH) and Shaheen’s (D-NH) “Energy Savings and Industrial Competitiveness Act” (S. 2137) proposes policies designed to promote energy efficiency in the residential, commercial and industrial building sectors. This bill promotes three important policies that benefit the insulation industry. First, it requires federally backed home mortgages to value energy efficient homes and give lenders full credit for the value energy efficient homes deliver. Second, the bill creates a grant program to train the construction trades in meeting updated code requirements.

The bill also provides incentives to states that update building energy codes. Energy efficiency advocates and the “pro-efficiency” business community defeated efforts by the National Association of Home Builders (NAHB) to strip this provision when the bill came up for debate and passage in the Senate Energy Committee last month. Republican Senators Alexander (R-TN), Gardner (R-CO) and Murkowski (R-AK) joined Energy Committee Democrats in defeating the NAHB amendment that would have stripped the bill of this pro-efficiency policy.

## Energy Efficiency Tax Credits

U.S. Senators Susan Collins (R-ME) and Maggie Hassan (D-NH) and U.S. Representatives Jimmy Gomez (D-CA) and Mike Kelly (R-PA) introduced the bipartisan *Home Energy Savings Act* to revive and improve the 25C tax credit for energy-efficient home upgrades. The bill makes the following improvements to the now expired tax credit:

- Extends the credit through 2026



- Raises the credit amount from \$500 to \$1,200
- Raises the expenditure levels from 10 percent to 15 percent of eligible investments
- Lifts the lifetime cap on the credit so homeowners who have already taken the credit can use it for additional efficiency investments

In addition, these same legislators are proposing the “*New Home Energy Efficiency Act*”, which reinstates and expands the Section 45L tax credit for builders of new, energy-efficient homes. Their legislation extends the now expired credit through 2022 and raises the credit amount from \$2,000 to \$2,500 for homes that achieve prescribed levels of efficiency beyond the 2006 model energy code. Twenty percent of the required efficiency improvements must come from the building envelope.

### **Implementing Change for Disaster Preparedness and Resilient Communities**

In October 2018, Congress passed the [Disaster Recovery Reform Act](#) (DRRA) that modernized the nation’s disaster preparedness and relief funding. The reforms include recognizing that modern building codes and standards are critical tools for constructing resilient buildings. The importance of strong building codes (including building energy codes) has been spotlighted once more in 2019 by [6 disaster events with losses exceeding \\$1 billion each](#).

The Federal Emergency Management Administration (FEMA) is charged with the implementation of DRRA and is working to create a new pre-disaster grant program, the [Building Resilient Infrastructure and Communities](#) (BRIC). The energy efficiency community is asking FEMA to recognize building energy efficiency and energy code programs within the BRIC eligibility criteria. Additionally, the new law gives state applicants who adopt hazard-resistant building codes and design standards increased federal funding. The insulation industry benefits when disaster policies recognize that adoption and enforcement of codes reduces damage caused during severe weather events. Our continued emphasis on building energy efficiency as a resiliency tool will be critical as FEMA and Congress continue to address the growing challenges of natural disasters.

### **The “C” Words (“Climate Change”)**

Recent press suggests that the United States is not adequately addressing climate change. While a reasonable debate could be held on level of response, the 116<sup>th</sup> Congress is developing strategies to address climate change. The House of Representatives is considering numerous proposals that set limits on greenhouse gas emissions, promote energy efficiency, or mitigate the impacts of climate-related disasters. The House is holding hearings on climate change in the Energy and Commerce Committee and the Select Committee on the Climate Crisis. Energy and Commerce committee chairman Frank Pallone has committed to completing a climate policy blueprint by the end of 2019. In the Senate, 10 Democratic Senators have started the Senate Democrat’s Special Committee on the Climate Crisis. This Special Committee has held several hearings but has been less active proposing legislation.

The Environmental and Energy Study Institute has developed a somewhat comprehensive list of proposed legislation on climate action, available at: <https://www.eesi.org/articles/view/how-the-116th-congress-is-addressing-climate-change>.

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