



NEW YORK STATE BUILDERS ASSOCIATION, INC.

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Code Development Unit

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Comments for the New York State Code Council on Electrification Mandates and Energy Codes

As the Executive Director of the New York State Builders Association (NYSBA), a trade organization whose members represent businesses that employ tens of thousands of tradespeople and professionals in New York's residential construction industry. Our members are deeply committed to environmental stewardship and support measures that responsibly promote energy efficiency and sustainability. However, we are gravely concerned that the proposed mandates for electrification in all new homes and the adoption of more stringent energy codes could worsen New York's already critical housing affordability crisis.

Impact on Housing Affordability

New York State is grappling with a severe housing shortage that is driving up costs and pushing homeownership out of reach for many families. Governor Hochul has prioritized addressing this crisis by promoting policies to cut red tape and encourage housing development. Yet, the electrification mandates and excessive energy codes under consideration risk undermining these efforts.

It is essential to recognize that 72% of households in New York cannot afford the median price of a new construction home. Even a modest increase in construction costs can substantially impact homebuyers. For example, a \$1,000 increase in the price of a home would price out an additional 6,810 households from homeownership. The electrification mandates under consideration could drive up costs significantly, adding between \$10,886 and \$15,100 for an all-electric package in colder climates where specialized heat pumps are necessary.

At a time when affordability is already at a breaking point, these mandates could further inflate home prices, locking out countless families from the dream of owning a home.

Regional Variability and Cost Implications

New York is a state of diverse climates and regions, from the hot summers of Long Island to the freezing winters of the North Country. A one-size-fits-all approach to electrification does not account for this



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variability. In colder regions, installing cold-climate heat pumps—required for electrification—can cost as much as \$8,000 to \$9,000 more than conventional systems. This significant cost increase puts undue financial burdens on homebuilders and consumers, especially in regions where electric heating is not the most efficient or cost-effective solution.

Moreover, New York’s current electric grid infrastructure may not handle the increased demand accompanying widespread electrification, raising concerns about reliability and the potential for power outages during periods of peak demand. Such vulnerabilities could further disadvantage homebuyers and homeowners, particularly in rural and underserved areas.

Limited Gains in Emissions Reduction from New Homes

While we understand the desire to reduce greenhouse gas (GHG) emissions, we must recognize that new homes are already far more energy-efficient than older ones. Modern building codes have led to significant improvements in energy efficiency, making the marginal emissions reductions from electrifying new homes relatively small.

The National Renewable Energy Laboratory estimates that upgrading the existing housing stock—130 million homes built before modern energy codes—could result in a 5.7% reduction in total annual U.S. electricity consumption by 2030. In contrast, targeting new construction homes already built to high energy standards offers diminishing returns. Focusing on retrofitting existing homes would deliver far more significant GHG reductions while avoiding the unnecessary burden of costly mandates on new construction.

Promoting Diverse and Efficient Energy Sources

Policies to reduce energy consumption and GHG emissions should recognize the importance of a diverse energy mix. While electrification can be part of the solution, it should not be the sole approach. Homes that use a combination of energy-efficient gas appliances and electricity can achieve similar, if not better, environmental outcomes without the excessive costs associated with complete electrification.

Encouraging the efficient use of energy choices and supporting a balanced energy portfolio with freedom of consumer choice, will allow us to reduce emissions while maintaining affordability and reliability.

Promoting efficient energy use and a balanced energy portfolio, along with the freedom of consumer choice, will allow us to reduce emissions while ensuring affordability and reliability.

Conclusion

Electrification mandates, while well-intentioned, pose significant challenges to the housing market and the broader goal of addressing New York’s housing crisis. We urge the Code Council to carefully consider the economic realities builders and homebuyers face. Rather than imposing costly mandates that further inflate housing prices, we recommend a balanced approach that promotes energy efficiency, targets existing housing stock for upgrades, and supports the continued use of diverse energy sources.



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Working collaboratively, we can achieve our environmental goals without sacrificing affordability or exacerbating the housing crisis. Thank you for your attention to these critical issues.

Sincerely,

Michael Fazio

Executive Director

New York State Builders Association (NYSBA)