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Built Environment Today

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April 19, 2019

The Honorable Kevin Corbin
The Honorable Harry Warren
House Standing Committee on State and Local Government
North Carolina General Assembly
Legislative Building
16 West Jones Street
Raleigh, NC 27601

RE: H.B. 675, "2019 Building Code Regulatory Reform"

Dear Chairs Corbin and Warren:

Next week, under your leadership, the House Standing Committee on State and Local Government will consider several pieces of legislation, including House Bill 675, "2019 Building Code Regulatory Reform." As President of ASHRAE, I want to call your attention to two provisions in the bill that are of concern.

Let me first introduce the organization I represent. ASHRAE, founded in 1894, is an international organization of over 57,000 members, including about 1,100 in North Carolina. The Society and its members focus on building systems, energy efficiency, indoor air quality and sustainability within the industry. Through research, standards writing, publishing, certification and continuing education, ASHRAE shapes tomorrow's built environment today. I also want you to be aware that ASHRAE Standard 90.1 is currently the basis for the state's energy code, and ASHRAE Standard 62.1 is the basis for the ventilation codes in North Carolina.

First, Section 5 of H.B. 675 would amend the North Carolina State Building Code such that the Building Code Council would be required to conduct a "cost-benefit analysis for all proposed changes to the North Carolina Energy Conservation Code. The analysis [would] be based on a five-year period for calculating return on investment of the proposed change as well as impacts of the proposed change on the energy efficiency of the entire structure."

On its face, this provision appears reasonable, but such analyses can use incorrect assumptions, neglect to fully take into consideration all of the relevant costs and benefits, and result in an erroneous conclusion. ASHRAE Standing Standard Project Committee 90.1, *Energy Standard for Buildings Except Low-Rise Residential Buildings* uses the Scalar Method, which provides for a full range of factors to be considered,

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including first costs, annual energy cost savings, annual maintenance, taxes, inflation, energy escalation, and financing impacts. Without fully considering all of the factors that impact the bottom line on costs and benefits, an analysis can lead to an incorrect result. The legislation as written does not provide enough specification to ensure that a wise decision will be reached on updating North Carolina's Energy Conservation Code for all building types.

Secondly, Section 9 of the bill includes the following concerning language: "If a city chooses to review residential building plans, all reviews must be performed within two business days of submission of the plans, for plans sealed by an engineer or architect, or within five business days, for all other residential building plans."

North Carolina's building officials – as well as building officials across the country – are professionals. They have mandatory training and continuing education requirements annually. They are charged with protecting all citizens through minimum building code enforcement. Architects, engineers, general contractors and other building industry professionals rely on building officials to help them ensure code compliance throughout all stages of construction governed under the code. Setting such a short and seemingly arbitrary time limit for plan review puts at risk all building professionals who rely on the critical review of building officials to ensure the delivery of code compliant buildings for our citizens. Further, setting such a short and arbitrary review timeframe could put at risk the occupants of homes across North Carolina. Ensuring resident's safety should be the focus of the building plan reviews, and not speed.

ASHRAE would be happy to provide technical assistance as you work to improve this legislation. In particular, ASHRAE's expertise in developing energy conservation standards comes from over 40 years of experience. ASHRAE's 90.1 Standard was first published in 1975, and is a consensus based standard, which requires ASHRAE to engage interests across the building and construction sector, yielding increased levels of efficiency in a balanced manner with input from all affected parties. This perspective enables ASHRAE to provide input in a balanced and objective manner.

Thank you for your consideration of these comments on H.B. 675. If you have questions or need additional information, please do not hesitate to contact me or have your staff contact GovAffairs@ashrae.org.

Sincerely yours,



Sheila J. Hayter, PE, FASHRAE
ASHRAE President SY2018-19

cc: Members of the North Carolina House Standing Committee on State and Local Government