



August 5, 2025

Theresa Smith, Hearing Officer
Office of the Secretary
Delaware Department of Natural Resources & Environmental Control
89 Kings Highway
Dover, DE 19901

Re: Regulations for the State Energy Conservation Code (7 Del. Admin C. §2101)
Docket # 2025-R-CCE-0008

Dear Hearing Officer Smith:

Statement in Opposition to Proposed Amendments

Chesapeake Utilities Corporation ("Chesapeake Utilities") operates a natural gas distribution company and propane gas affiliate that collectively serves more than 102,000 customers in all three of Delaware's counties, with total state assets valued at approximately \$916 Million. Chesapeake Utilities' natural gas company is regulated by the Delaware Public Service Commission and has provided safe, reliable, resilient, and affordable service in Delaware for decades. As a company, Chesapeake Utilities serves as a positive and informed resource in ongoing energy and climate change discussions and is a driver of economic development and increased employment opportunities. Moreover, Chesapeake Utilities is committed to continuing to be part of the solution as Delaware addresses greenhouse gas emissions.

Chesapeake Utilities supports proper adoption of the base 2024 International Energy Conservation Code (IECC) as the requisite building code for new residential buildings. Chesapeake Utilities, however, respectfully opposes the Department of Natural Resources & Environmental Control ("DNREC") including any amendments or appendices – referred to as "stretch codes" – as a mandatory part of the building codes.

Background on SB 289. In 2024, the Delaware General Assembly adopted Senate Bill 289 as Amended by Senate Amendment No.1 ("SB 289"), titled an act to amend Title 16 and Title 29 of the Delaware Code relating to energy conservation, which requires county and municipal building codes to meet the most recent version of the IECC within 12 months of adoption by the Delaware Energy Office. This legislation was introduced after multiple meetings of Senator Stephanie Hansen's Energy Stakeholders Working Group ("ESWG" or "Working Group"), of which Chesapeake Utilities is a panelist, along with numerous others providing subject matter expertise on the development of energy legislation and policy. All the Working Group meetings are recorded for future review.

Legislative Intent of SB 289. During discussions about SB 289 at the ESWG, various panelists specifically commented about concerns that county and municipalities would be **forced** to adopt "stretch codes" as part of the adoption of the most recent IECC by the Delaware Energy Office. As a result, the ESWG agreed to include the following language in SB 289:

"However, local jurisdictions **may** adopt stretch codes based upon codes developed by national or international code authorities including the American Society of Heating,

Refrigerating and Air-Conditioning Engineers (ASHRAE) and the International Code Council (ICC) provided that no local jurisdiction may adopt a stretch code that would replace or supersede, in its entirety, the energy code most recently adopted by the Delaware Energy Office, unless the local jurisdiction initiates a formal administrative or regulatory process under the guidance of the Delaware Energy Office at least 6 months prior to adoption. Local jurisdictions may also, through an administrative or regulatory process, provide alternative compliance pathways to meet the provisions of the stretch code or stretch codes being adopted.”

Chesapeake Utilities respectfully submits that DNREC's current proposal to incorporate amendments and appendices as part of its adoption of the 2024 IECC goes beyond the plain meaning of the statute and the legislative intent of SB 289. The purpose of SB 289 was for the State to establish uniform energy efficiency building codes as the floor while allowing local governments to adopt stretch codes that exceed the base code. DNREC's current proposal, however, which seeks to make mandatory what is discretionary, will **force** all local governments to apply these stretch codes exceeding the base code. SB 289 is clear that “local jurisdictions **may** adopt stretch codes” but they are not required to do so.

Additionally, from an energy policy standpoint, adopting stretch codes that exceed the base IECC may improperly and prematurely limit a customer's energy choice, the availability of affordable natural gas service, and prop up electrification efforts that will only further burden the grid. This shift may increase demand for electricity at a time when both the state and the region are already facing real challenges meeting existing and projected future load requirements. These harms are in addition to the significant additional costs consumers will be required to pay because of adopting the proposed stretch code amendments to the base IECC code.

For these reasons, DNREC should adopt the base 2024 IECC without any amendments or appendices. Adopting the base 2024 IECC **as written** will align with the express language of the statute and legislative goals of SB 289, while also making Delaware a national leader in energy code adoption, as only one other state in the country has adopted the 2024 IECC.

On behalf of Chesapeake Utilities Corporation, and our thousands of employees and their families who deliver energy safely and contribute every day to the communities where they live, work and serve, we respectfully request DNREC to adopt the base 2024 IECC as written.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Baccino", with a stylized flourish at the end.

Chesapeake Utilities Corporation
Steve Baccino, Governmental Affairs Director

Contact: sbaccino@chpk.com