

August 6, 2025

Hon. Gregory B. Patterson Secretary Department of Natural Resources and Environmental Control 89 Kings Highway Dover, DE 19901

RE: Docket # 2025-R-CCE-0008

Dear Secretary Patterson:

I am writing on behalf of the New Castle County Chamber of Commerce to express our concerns regarding the draft regulations pertaining to the adoption of the 2024 International Energy Conservation Code (IECC) by the Department.

The language in 10 Del. C. 7602 (c), originally enacted in 2009 as SB 59 w/ SA 3 during the 145th General Assembly (77 Del. Laws, c. 187, § 1), contains the term "zero net energy capable" and sets forth the requirement that new residential construction be "zero net energy capable" after December 31, 2025, with commercial construction required to meet the same standard after December 31, 2030. While the term has not been precisely defined in this context in the intervening years, based on the information at hand, it is our understanding that adoption of the 2024 IECC without amendments or appendices meets the requirements of the statute.

The Department's current plan to exceed the requirements of the base 2024 IECC by lowering the Energy Rating Index (ERI) from a target rating of 53 to an ERI of 42, while adding expensive appendices, is projected by the residential construction industry to substantially increase the costs of new residential construction. Projected cost increases range from \$15,000 to \$20,000 for the cost of a new home at a time when Delaware, like other states, is facing a housing affordability crisis.

As is noted in the letter submitted by the Homebuilders Association of Delaware, the median price of a new home has recently exceeded \$400,000; and every \$1,000 increase in the cost of a new home places it beyond affordability for 600 Delawareans. Recent increases in impact fees, ongoing inflation, and other economic factors will further impact affordability.

While we remained concerned about the cost increases associated with the adoption of the 2024 IECC without amendments or appendices, a decision by the Department to adopt the base code (with an ERI of 53) will mitigate the impact on the cost of new residential construction and housing affordability generally.

Prior to proceeding with adoption of any new IECC, the NCC Chamber recommends a study of the fiscal impact on prospective homebuyers, to include an analysis of the return on investment and which includes supply-side modeling.

In the current economic, statutory, and regulatory environment, there are few, if any state or federal fiscal incentives or other resources to aid in offsetting these costs. We also note with interest and concern that local energy costs are bound to be impacted as agencies move toward the stated goal of electrification. Due consideration should be given to the impacts of statutory and regulatory requirements at all levels of government on both energy and housing affordability. After considering those impacts, sound data-driven adjustments to requirements and attendant timelines are likely in order.

In closing, while the New Castle County Chamber of Commerce remains concerned about the potential affordability impacts of adopting the 2024 IECC, we believe that implementing the base code without added amendments or appendices represents a more practical and collaborative starting point. We welcome the opportunity to work together with your office and other stakeholders to find a path forward that both sustainability and economic vitality.

Sincerely,

Yvonne Deadwyler President & CEO

New Castle County Chamber of Commerce

cc: Hon. Matt Meyer, Governor

Hon. Stephanie Hansen, Chair, Senate Environment, Energy & Transportation Committee

Hon. Debra Heffernan, Chair, House Natural Resources & Energy Committee

NCC Chamber Board of Directors

NCC Chamber Government Affairs Committee