

## Talking Points for NYSBA Members on All-Electrification of Buildings Proposal in the NYS Budget

Final 3/28/22

- Language in the New York State Budget empowers the building code council to prohibit combustion fossil fuels in new construction beginning with buildings three stories or under at the end of 2024 (Senate's proposal) or 2025 (Governor's proposal) and those above three stories either at the end of 2027 (Senate's proposal) or 2028 (Governor's proposal).
- NYSBA supports a thoughtful, practical, and deliberate transition to decarbonization of new construction and the residential building stock. BUT we believe this transition cannot be safely accomplished with the flick of a light switch. We need guard rails to ensure a successful transition and moderate effects that could make homeownership even less affordable for working families.
- NYSBA has specifically been calling for amendments to do the following:
  - Electrification of the building stock requires a grid which is able to handle increased demands on the electric system. We need a state agency working with the New York Independent System Operator to certify that there is both sufficient supply and a reliable grid capacity in each region of the state before the transition occurs.
  - Builders who have commenced starting a subdivision and committed to infrastructure prior to the prohibition date for fossil fuels should be grandfathered from any prohibition or codes changes that were adopted after the project begins.
  - This transition will require code changes to be made to the building's envelope. Any such code changes should be adopted prior to the implementation of the prohibition on fossil fuels.
  - The precise costs of the electrification with installation of a heat pump and the potential code changes to upgrade the building envelope are not precisely known but will certainly be substantial. The price impacts need to be offset with a rebate that covers both the heat pump and the additional code changes for homebuyers. This additional cost increase comes at a time when home mortgage interest rates are escalating, exacerbating problems with housing affordability. The National Association of Home Builders (NAHB) determined that 69% of US households are unable to afford a median-priced new home (\$412,505). A thousand dollar

increase to the median home price would price out an additional 117,932 US households.

- In climate zones subject to cold temperatures, homeowners and multi-family buildings should be able to use a hybrid system with both a heat pump and a backup gas furnace. This dual system would be helpful to the electric grid by eliminating pressure on the electric grid during cold snaps to help ensure reliability.
- Backup generators in the case of the elderly, infirm and those requiring life support devices are essential. There is no reason not to provide for a direct exemption for backup generators without the approval of the building code council.