



Building Industry Association of Washington  
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June 14, 2022

MVE Standing Committee  
Attn: Kjell Anderson, Chair  
1500 Jefferson St SE  
Olympia, WA 98501

RE: Proposal 065 and 066

Dear MVE Committee,

The Building Industry Association of Washington (BIAW) gives a voice to 8,000-members that represent builders, remodelers, skilled trades professionals and their associates who help Washington families enjoy the American dream of owning a home. We are writing today in opposition to Proposal 065 and 066 – Heat Pumps for Space and Water Heating. These proposals were passed onto the MVE Committee by the Residential Energy Code Technical Advisory Group and we respectfully dissent in that recommendation.

To begin, the cost analysis provided by Rocky Mountain Institute (RMI) relies on outdated utility rate information. Because the Life Cycle Cost Analysis tool has not been updated since 2016 when originally adopted by the State Building Code Council, all cost estimates used to determine the cost-benefit of code changes since 2016 have been inaccurate. Further, information provided by RMI actually shows that these proposals are more expensive (with social cost of carbon included) than gas or mixed-fuel options. The analysis provided by RMI proves that the cost of heat pump adoption estimated by the National Association of Home Builders (NAHB) is accurate.

Proposal 065 mandates that heat pumps must be used for space heating. Based on estimates provided by NAHB, moderate climate zones (such as Washington state) will see cost increases between \$1,900 (if using a regular heat pump system) to \$8,500 (if using a cold-climate heat pump). On its own standing, this proposal would price-out 4,200 to 18,700 families from purchasing a home in Washington state.

Proposal 066 mandates that heat pumps must be used for water heating. NAHB estimates that moderate climate zones (such as Washington state) will see an increase in cost between \$1,300 for lower capacity tanks and \$2,700 for higher capacity tanks, when comparing heat pumps water heaters with gas water heaters. On its own standing, this proposal will price-out 2,860 to 5,940 families from purchasing a home.

When combining cost estimates, these proposals will add between \$3,200 to \$11,200 to the final sales price of new homes built 2023 and beyond. These two code changes (not even including other code changes) results in 7,060 to 24,640 families losing access to



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homeownership. At a time when Washington state is experiencing a housing shortage of 269,000 units and homelessness is at an all-time high, the state cannot afford to have these code changes enacted. Enacting these code changes would be detrimental to the cost of building new housing stock and will hinder any efforts made on housing affordability.

We urge the MVE Standing Committee to remove these proposals from further consideration by the full State Building Code Council.

Sincerely,

Andrea Smith  
Policy & Research Manager  
Building Industry Association of Washington