

EFFICIENT BUILDINGS SAVE TENNESSEANS MONEY

July 2025



\$515 million awarded through IIJA and IRA



51,000 energy efficiency jobs incl. **31,000** in construction



1.2 million all electric homes (as of 2020)

Tennessee Residents Save \$413 Annually from New Building Codes

Tennessee adopted the 2012 IECC and ASHRAE 90.1-2010 energy codes for commercial buildings and 2018 IECC for residential buildings in 2016 and 2020, respectively. Compared to the 2009 IECC, the residential code is estimated to save consumers:¹



RESIDENTIAL BUILDINGS

\$413 or 25% saved per year

Upgrading residential buildings to 2021 IECC could save consumers \$719 annually. Adopting 2021 IECC and ASHRAE 90.1-2019 could also create an additional 11,389 jobs over 30 years.²

Energy Efficiency and Heat Pump Jobs are Increasing in Tennessee

Companies have announced **\$25 million** for heat pump manufacturing in Tennessee.³

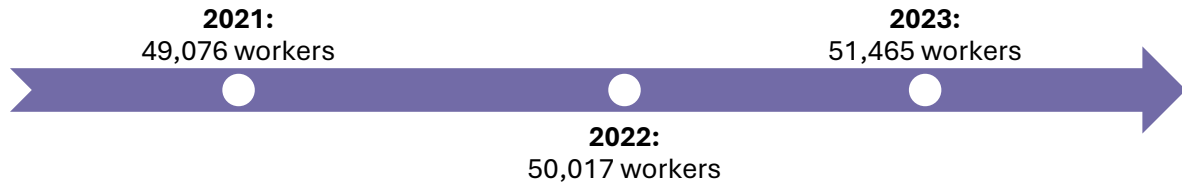
Tennessee had **51,465 workers** in the energy efficiency sector in 2023, of whom 30,562 are employed in construction and 17,928 in high efficiency and renewable heating and cooling.⁴

¹ IECC is International Energy Conservation Code and ASHRAE is American Society of Heating, Refrigerating and Air-Conditioning Engineers. Sourced from Department of Energy, [State Energy Code, Tennessee](#).

² Department of Energy, [Building Energy Codes \(Tennessee\)](#), 2021.

³ Data sourced from [Clean Economy Tracker](#). Accessed March 17, 2025.

⁴ United States Energy & Employment Report, [Energy Employment by State 2024](#), Department of Energy.



Tennessee All-Electric Homes Above National Average

As of 2020, **44.5 percent** of Tennessee homes, or about 1.2 million, were all-electric. This is well above the national rate of 25 percent and similar to the rate among Southern states of 43 percent. In Tennessee, there were 944,673 homes with heat pumps, 1,971,788 with electric water heaters, and 5,302 with solar power.⁵

\$515 Million Awarded to Tennessee in Federal Funding

Tennessee has been awarded **\$515 million** in federal funding for building programs related to electrification, energy efficiency, and pollution reduction from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA), excluding loans and tax credits. This funding covers projects and programs that include:

- **\$167 million** to establish state-run rebate programs for energy-saving or efficient appliances, home retrofits, and other home upgrades to save residents and consumers money on utility bills
- **\$66 million** to make homes more energy-efficient to reduce costs and resilient to mitigate impact during natural disasters or other hazardous events
- **\$8 million** to upgrade HVAC or install renewable energy systems at businesses in rural areas across the state.⁶

⁵ The U.S. Energy Information Administration includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia in the South. Atlas Buildings Hub, [Residential Building Characteristics](#). Accessed April 1, 2025.

⁶ Funding amounts exclude awards that have been confirmed canceled by the Trump Administration but do include awards that are currently in litigation or otherwise on hold. Funding amounts are based on program and a given program may include projects in multiple sectors. These have been disaggregated to the extent possible but some over- and/or undercounting may remain. All funding data sourced from the [Climate Program Portal](#). Accessed June 14, 2025.