

The Texas Model

A Performance-Based Framework for Energy Code Compliance and What House Bill 3215 Teaches Other States

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Abstract

Energy codes for new homes are intended to reduce energy use and lower utility costs, but increasingly complex and stringent requirements can also increase construction costs and affect housing affordability. States are therefore considering how to continue improving energy performance while giving builders greater flexibility to achieve those improvements cost-effectively.

Texas provides a real-world example. In 2021, House Bill 3215 (87th Texas Legislature, Regular Session), codified at Texas Health and Safety Code § 388.003(i)–(k), established a statewide, performance-based compliance pathway built on the HERS® Index. Rather than prescribing each individual measure a builder must use, the pathway establishes a verified whole-home energy-performance target that allows builders flexibility in how they meet it.

The results of HB 3215 are compelling. Five years of data show that increased participation and improved energy performance have occurred together. Annual HERS® ratings in Texas grew from roughly 65,000 in 2020 to a peak of 113,000 in 2024. Energy performance improved alongside that growth: the median HERS Index declined from 58 in 2020 to 53 in 2024 and continued to decline to 50 in 2025. This paper examines the structure and results of the Texas approach and identifies lessons for states considering how performance-based energy-code compliance can advance energy efficiency while providing greater flexibility to manage the cost of new construction.

1 | National Relevance of the Texas Model

Texas's experience with HB 3215 is a state success story, but its relevance extends beyond Texas. Across the country there is broad agreement on the value of improving energy efficiency, particularly as households face rising utility costs. The debate now centers on how to achieve greater efficiency while also addressing housing affordability. As energy codes become more stringent and prescriptive,

to their impact on construction costs, and whether the cost and complexity of frequent code changes can be reduced.

This creates a practical challenge for states revisiting energy codes and incentive programs. The goal is to achieve greater energy efficiency while controlling the cost of new construction and providing builders with the predictability needed to plan, design, and make purchasing decisions that help manage those costs.

Texas provides an established model for doing this. HB 3215 created a statewide performance-based compliance pathway that is operating today across more than 1,000 builders and 70 certified rating companies. The approach has broad support from Texas Home Builders Associations and provides a real-world framework for states and code bodies considering how performance-based compliance can advance energy efficiency while preserving affordability, flexibility, and predictability.

2 | Statutory Architecture of HB 3215 – Four Key Elements

HB 3215 amended Texas Health and Safety Code § 388.003 to recognize a home energy rating index, based on the American National Standard for the Calculation and Labeling of the Energy Performance of Dwelling and Sleeping Units, as a freestanding compliance pathway statewide. The ANSI/RESNET®/ICC 301¹ standard can be used for compliance anywhere in the state of Texas, regardless of which edition of the energy code a given municipality has otherwise adopted.

The pathway's durability comes from four elements working together, not from any single provision.

2.1 A Whole-Home Performance Target, Not a Prescriptive Checklist

Rather than specifying a fixed list of materials and equipment, the statute sets a single target: a verified HERS Index score at or below a defined threshold. Builders choose how to reach it.

2.2 A Mandatory Floor That Preserves Rigor

Flexibility is bounded, not open-ended. To qualify, a home must still meet the mandatory requirements of Section R406.2 of the 2018 International Energy Conservation Code, and its thermal envelope must equal or exceed the efficiency and solar heat gain coefficient levels in IECC Table R402.1.2 or Table R402.1.4. This backstop establishes minimum requirements within the performance-based pathway while preserving flexibility in how builders achieve the required HERS Index score.

¹ References to ANSI/RESNET/ICC 301 in HB 3215 are to the version of the standard in effect on January 1, 2021.

2.3 Targets That Tighten on a Published, Predictable Schedule

The statute does not leave future stringency to be decided later. It fixes, in advance, the HERS Index a builder must reach in each of three Texas climate zones on each of three future compliance dates, allowing builders to know the destination years ahead of time and to select the most economical path to it:

Climate Zone	Effective 9/1/2022	Effective 9/1/2025	Effective 9/1/2028
Zone 2 (South Texas)	59 or lower	57 or lower	55 or lower
Zone 3 (Central/Coastal Texas)	59 or lower	57 or lower	55 or lower
Zone 4 (North Texas)	63 or lower	61 or lower	59 or lower

Table 1. Statutory HERS Index compliance targets by climate zone and effective date. Source: Tex. Health & Safety Code § 388.003(j), as amended by H.B. 3215, 87th Leg., R.S. (2021).

The pathway was written to remain in effect for a full decade — it does not sunset until September 1, 2031 — giving builders, lenders, and rating companies a planning horizon that a code cycle revisited every three years cannot offer. For builders, this predictability supports more efficient design, purchasing, and procurement decisions, helping manage costs while incorporating future efficiency improvements into construction practices.

2.4 Independent HERS Verification

None of the above functions as a compliance mechanism without independent verification. A HERS Index score under HB 3215 is not self-reported; it is confirmed by a certified, third-party HERS® Rater following RESNET®'s inspection and testing protocols. That independent verification, supported by ongoing quality assurance and oversight, is what allows governments and incentive programs to rely on the resulting score.

Together, these four elements — a whole-home performance target, a mandatory floor, a published tightening schedule, and independent verification — provide the foundation of the Texas model. They give builders flexibility in how they meet performance targets, establish minimum requirements, provide predictability for future planning, and ensure that results are independently verified.

3 | Connecting Efficiency to Housing Affordability

The core policy objective embedded in HB 3215 is not efficiency for its own sake; it is achieving the greatest verified whole-home efficiency at the lowest feasible cost. A HERS Index target lets a builder optimize the combination of building envelopes, mechanical equipment, and other systems for a specific home's design, location, and climate, rather than requiring every prescriptive measure regardless of whether it is the most cost-effective route to the same performance outcome.

A performance-based approach changes not only how builders achieve energy efficiency, but also how compliance is demonstrated. Under a prescriptive code, energy performance is generally assumed based on compliance with requirements for individual components, such as an R-value, a duct leakage requirement, or a piece of equipment's rated efficiency. Under HB 3215, energy performance is measured and verified at the whole-home level. A home cannot receive credit for efficiency unless that performance is tested and confirmed.

The proven energy savings are a key benefit, but they are only one part of the analysis. The energy-cost savings documented in Section 4 demonstrate the ongoing value of the Texas pathway to homeowners. The upfront cost of achieving that efficiency also matters. HB 3215 was designed to give builders flexibility to meet energy-performance targets in cost-effective ways, helping balance long-term energy savings with the cost of building a new home.

4 | Empirical Outcomes: Participation and Performance Rose Together

The most persuasive evidence for HB 3215 is not simply that it expanded builder choice, but that greater flexibility did not come at the expense of energy performance. As participation increased, verified performance also improved.

Climate Zone	HERS Ratings Issued (TX)	Median HERS Index Score
2020	≈65,000	58
2021	≈71,000	58
2022	≈82,000	59
2023	≈89,000	57
2024	≈113,000 (peak)	53
2025	≈106,000	50
2026 (through June)*	≈42,000	50

*Table 2. HERS ratings issued in Texas and median HERS Index score, by year. *2026 reflects partial-year data (ratings issued through June 24, 2026) and is not directly comparable to prior full-year totals. Lower HERS Index scores indicate greater efficiency. Source: RESNET National Registry, RESNET® HERS® Rating Activity in Texas (2020–2026).*

Annual participation nearly doubled from 2020 to its 2024 peak before moderating somewhat in 2025, and the median HERS Index score improved by eight points — from 58 to 50 — across the period, with the steepest gains arriving as the statutory targets in Table 1 tightened in 2024 and 2025. The pattern is significant: greater compliance flexibility was accompanied by improved energy performance.

This growth built on a program that was already well established before HB 3215 took effect. Since 2013, more than 843,000 Texas homes have received a HERS rating, including over 309,000 ENERGY STAR certified homes and more than 12,000 U.S. Department of Energy Zero Energy Ready Homes.²

4.1 Measurable Benefits to Homeowners and the Grid

Relative to homes built to the prescriptive energy code, homes rated under the HERS pathway in 2024 are estimated to save homeowners more than \$58 million in annual energy costs, while reducing electricity consumption by more than 325 million kilowatt-hours and natural gas use by 4.4 million therms. RESNET estimates that the associated emissions reduction is equivalent to removing more than 29,000 cars from the road. Cumulatively since 2013, HERS-rated homes in Texas are estimated to deliver more than \$620 million in annual energy savings.

4.2 Geographic Breadth

Adoption is not confined to Texas's largest metropolitan areas, though it is substantial there: cumulative HERS ratings from 2013–2025 total 309,927 in Houston, 240,558 in Dallas–Fort Worth, 128,598 in San Antonio, and 106,884 in Austin. The pathway has also reached dozens of smaller communities — from El Paso (9,107 cumulative ratings) and Corpus Christi (6,519) to smaller cities such as Killeen, Temple, Waco, McAllen, and Fredericksburg — indicating that builders of every size and market have been able to use the pathway.

5 | Distinguishing HERS from a Generic Performance Calculation

A performance target is only as reliable as the system that verifies it. What makes the HERS Index usable as a compliance mechanism for governments and incentive programs is not the ERI number in isolation, but the infrastructure behind it: certified, independently trained HERS Raters; standardized field inspections and diagnostic testing (including blower-door and duct-leakage testing); a national registry that records and makes ratings auditable; and RESNET's quality-assurance system, which oversees rater performance and sampling.

That infrastructure is why a verified HERS Index score can be relied upon in contexts well beyond code compliance — including eligibility for Fannie Mae and Freddie Mac green mortgage-backed securities programs and utility rebate programs, each of which requires independent verification before extending a benefit. A jurisdiction adopting a HERS-based pathway is not simply adopting a metric; it is adopting an accountability system that already exists on a national scale that does not need to be built from scratch.

² Renamed in 2025 to DOE Efficient New Homes Program.

The inspections, testing, and quality assurance are already built into the HERS compliance process. For municipalities, this provides an established system for verifying energy performance without creating a separate inspection and oversight structure or unnecessarily duplicating work already performed through the rating process. This, in turn, helps reduce costs for builders and code officials.

6 | Other States Are Taking Notice

Texas's results have not gone unnoticed. In 2025, jurisdictions across Southern Nevada adopted a similar approach, recognizing the HERS Index as a pathway for complying with local energy code requirements. More recently, Utah adopted the 2024 IECC alongside a HERS Index target of 67, providing builders with a performance-based compliance option supported by independent verification.

North Carolina has also moved toward greater use of performance-based compliance. In 2026, the state enacted legislation modifying its performance pathway by removing specified thermal-envelope backstop requirements and establishing ANSI/RESNET/ICC Standard 301-2022 as the minimum standard associated with the pathway.

These approaches do not exactly replicate the Texas statute. Each reflects different state and local policy decisions. Together, however, they demonstrate a broader movement toward compliance frameworks that use whole-home performance and independent verification to provide greater flexibility in how energy efficiency targets are achieved. Texas is not an outlier; it is proof of a concept that other jurisdictions are beginning to test and make their own.

7 | A Framework for Evaluating Performance-Based Alternatives

Drawing on the architecture and results described above, a state or code-adoption body evaluating a performance-based alternative to prescriptive energy code requirements should weigh four key considerations.

- Anchor the target to a whole-home metric with existing national verification infrastructure, rather than creating a bespoke calculation that would require building an entirely new compliance-verification system.
- Publish the full tightening schedule in the statute itself, on a timeline measured in years, so builders can plan designs, material selections, and pricing well in advance. Coordinate the tightening schedule with the state's typical code adoption cycle (e.g., 3, 5, or 6 years).

- Require independent, third-party verification and registration as a condition of compliance, not an optional add-on, so the resulting score can be relied upon by lenders, incentive programs, and regulators. Third-party verification and registration also relieve code officials of some of the energy code enforcement burden, allowing them to focus on fire and life safety codes.
- Track first-cost outcomes alongside utility-savings outcomes, so the policy record can answer the affordability question directly rather than only the efficiency question.

States considering a performance-based pathway do not need to start from scratch. Texas provides an operating model that identifies several elements worth considering, while leaving states flexibility to adapt the approach to their own codes, markets, and policy priorities. The framework does not seek to replicate every feature of the Texas statute; rather, it draws on the broader principles demonstrated by Texas's experience while allowing states to adapt the approach to their own policy and code environments.

RESNET is available to support that evaluation directly. As the organization that maintains the national HERS registry, oversees rater certification and quality assurance, and tracks HERS Index activity, RESNET can provide states and code-adoption bodies with jurisdiction-specific data. This includes rating volume, score trends by climate zone, builder participation, and comparable-market benchmarks. States can use this existing data and verification infrastructure to inform policy decisions rather than building new systems from the ground up. States considering a performance-based pathway are encouraged to contact RESNET early in the process so that any determination is grounded in the same verified data described throughout this paper.

8 | Conclusion

The Texas experience demonstrates that greater flexibility in energy-code compliance does not have to come at the expense of energy performance. With clear performance targets and independent verification, builders can have flexibility in how they achieve efficiency while the results remain measurable and accountable.

HB 3215 put this approach into practice through a statewide, performance-based compliance pathway. The data show that the model is working at scale: participation has grown, median HERS Index scores have improved, and homeowners have realized measurable energy savings.

The Texas experience provides a practical model for other states seeking to advance energy efficiency while addressing housing affordability and the need for predictable code requirements. With more than 1,000 builders participating, Texas demonstrates that a verified, performance-based approach can operate successfully at a statewide scale—providing builders greater flexibility to manage costs while continuing to improve the energy performance of new homes.

Sources

1. RESNET National Registry, RESNET® HERS® Rating Activity in Texas (2020–2026).
2. Tex. Health & Safety Code § 388.003(i)–(k), as amended by H.B. 3215, 87th Texas Legislature, Regular Session (2021); bill text and analysis, Texas Legislature Online, capitol.texas.gov.