Affordability Impact Statement

2026 National Electrical Code and Local Amendments

Replacement of Article 4 (*Electrical Code*) of City Code Chapter 25-12

Date: 3/5/2026

Proposed Regulation

The City is proposing adoption of the 2026 National Electrical Code (NEC). The current ordinance adopts the 2023 NEC with local amendments. Because the State of Texas will adopt the 2026 NEC on September 1, 2026, aligning the City's electrical code with the State will improve consistency, reduce confusion, and support uniform application of electrical standards across jurisdictions.

Proposed changes to the local amendments:

A. Removal of the term "specification" from plan review requirements. Specifications set project quality and design intent—managed by the design team, contractor, and owner. Plan reviewers enforce minimum code requirements and approved plan details for public safety and legal compliance.
B. Modification of two permit exemptions.
    a. Temporary wiring in laboratories: Clarified or adjusted exemption criteria.
    b. Low-voltage installations: Updated exemption language to reflect current practices and safety standards.
C. Removal of Homestead requirements. Homestead-specific provisions will be deleted, with requirements now referenced back to the Building Criteria Manual for consistency.
D. Deletion of "registered industrial plant program" from the annual permit section. The annual permit provisions will no longer reference this program, which is outdated.
E. Addition of Fire Code reference for fire pump disconnects. A cross-reference to the Fire Code has been added to ensure compliance with fire pump disconnect installations.
F. Return to model code for main electrical service disconnect requirements. Local amendments on service disconnects will be removed, reverting to the model code standards for location and accessibility.

Changes from the 2023 to the 2026 NEC[1]:

Housing staff, with supporting materials and subject-matter input from Austin Development Services, reviewed the major changes between the 2023 and 2026 NEC to assess potential cost and process impacts.

Structural Reorganization

- Sections and articles have been reorganized to improve clarity and prepare for the larger structural shift expected in the 2029 NEC.
- Load calculations and energy management/PCS/EMS provisions are now more centralized.

Load Calculation

- General lighting receptacle load for dwellings is reduced from 3 VA/ft² to 2 VA/ft² but branch circuits must still be calculated at 3 VA/ft².
- Power Control Systems (PCS) can now be factored in to load calculations.
- Minimal residential impact in Austin because the City's 2024 Energy Code "electric readiness" requirements already increase service sizes.
- Potential benefit for large multifamily where PCS/EMS may allow right-sizing of feeders and services.

Expanded GFCI and Shock-Protection

- GFCI protection now required for all outdoor outlets ≤ 60A.
- Minimal cost impact for typical homes where 60A outdoor outlets are uncommon. Breaker cost difference between 50A and 60A is negligible.

Arc-Flash Labeling

- Arc-flash warning labels will be required for commercial and large multifamily projects but not one- and two-family dwellings.
- A high-end label costs approximately $6. The assessment can be done in two different ways, either by the project's electrical engineer or by the required level of personal protective equipment, which would just require referencing the tables in NFPA 70E (free access).

EV Infrastructure, PCS, and EMS

- The 2026 NEC more fully integrates Power Control Systems (PCS) and Energy Management Systems (EMS) into load calculations and service sizing and continues to refine requirements around EV charging and limited-energy systems.

Lighting Circuits and Wires

- The 2026 NEC allows 10-amp lighting circuits using 16-gauge copper or 14-gauge copper-clad aluminum. This could result in potential material savings once products become widely available.
- A preliminary cost estimate by DSD found that the new circuits permitted may reduce material costs:
  - 14 gauge copper (current code): ~$2,100 for a typical 2,000 sq ft home
  - 16 gauge copper (2026 NEC): ~$900 for a typical 2,000 sq ft home

[1] 2 *What Changed in the 2026 NEC?* https://www.nfpa.org/news-blogs-and-articles/blogs/2026/01/29/2026-nec-key-changes. Accessed 24 Feb. 2026.

- Energy consumption would not be impacted but this change could reduce material costs for affordable housing and small multifamily once supply chains catch up.

Summary of Changes

Overall, the 2026 NEC introduces several structural and technical updates, most of which have minimal cost implications for residential construction in Austin. Some changes, such as arc-flash labeling for commercial and large multifamily projects or expanded GFCI requirements, may result in minor cost increases or adjustments in design practice. At the same time, other updates, including new lighting circuit options, may offer material savings once products become widely available. Many changes reflect current practice or align with existing City requirements, and most cost impacts are project-specific rather than systemic. Considered all together, the 2026 NEC is not expected to significantly increase development costs, though individual projects may experience modest adjustments depending on their scope and system types.

Land Use/Zoning Impacts on Housing Costs

The proposed changes would have a **neutral** impact on housing costs.

Impact on Development Cost

The proposed changes would have a **neutral** impact on development cost:

- The proposed changes have a minimal overall impact on development costs, with small project-specific increases and decreases. Minor cost increases may occur where new requirements apply, including arc-flash labeling for commercial and large multifamily projects or expanded GFCI protection. At the same time, new lighting circuit options may reduce material costs once products become available. Most updates reflect current practice or align with existing City requirements, resulting in limited net cost effects.

Impact on Affordable Housing

The proposed changes would have a **neutral** impact on affordable housing.

Overall Impact

The proposed changes would have **neutral** overall impact:

- The proposed changes have a neutral overall impact on development costs and housing affordability. Cost effects are modest, project-specific, and largely offset by updates that improve clarity or reflect existing practice. No systemic cost increases are anticipated for residential, multifamily, or affordable housing projects.

Other Policy Considerations

- Adopting the 2026 NEC ensures alignment with the State of Texas, reducing discrepancies for designers and contractors working across jurisdictions. Planned public education efforts by City Staff in Development Services, including monthly virtual sessions, will support a smoother transition and help minimize design or inspection errors during implementation.

Manager's Signature

References

What Changed in the 2026 NEC? https://www.nfpa.org/news-blogs-and-articles/blogs/2026/01/29/2026-nec-key-changes. Accessed 24 Feb. 2026.

Additional Resources

Austin Development Services Presentation on 2026 Electrical Code Amendments

https://www.austintexas.gov/sites/default/files/files/Development_Services/2026-12-Electrical-Code-Amendments.pdf

2026 Electrical Ordinance Draft

https://publicinput.com/Customer/File/Full/d24da85e-ce2f-4efc-8e04-5bc030c42ba3