

**Committee:** House Energy & Commerce Subcommittee on Energy

**Event:** Building the American Dream: Examining Affordability, Choice, and Security in

Appliance and Buildings Policies

Date: September 9, 2025

**Time**: 2:00 PM

Place: 2123 Rayburn House Office Building

## **Member Toplines:**

<u>Chair Bob Latta (R-OH-02)</u>: Latta asserted that the Biden administration forced adoption of the 2021 model energy codes through *Inflation Reduction Act* (IRA) funding, restricting gas use and promoting electrification, despite gas homes being three times more affordable. He stated that the government's focus has strayed from enhancing efficiencies and realizing cost savings.

Ranking Member Kathy Castor (D-FL-14): Castor attested to the value of the IRA home improvement tax credits, arguing that the credits were cut to pay for "tax breaks" for billionaires and corporations. She noted that President **Donald Trump** and Republicans have broken their promise to lower costs, highlighting increasing electricity prices, tariffs, cuts to weatherization funding, deregulation, and an effort to eliminate Energy Star. She noted that energy efficiency appliance standards save households over \$500 annually. Castor also attested to the value of building codes.

Full Committee Chair Brett Guthrie (R-KY-02)<sup>1</sup>: Guthrie stated that under the Energy Policy Conservation Act (EPCA), the Department of Energy (DOE) must evaluate energy equipment standards every six years and impose new standards as needed. Guthrie asserted that the new standards lead to heightened costs with minimal efficiency yields, noting that homeowners spend 34 percent more on appliances than 15 years ago. He asserted that restrictions on natural gas appliances have led to increased purchasing of electrical appliances, placing further strain on the grid and increasing consumer costs.

<u>Full Committee Ranking Member Pallone (D-NJ-06)</u>: Pallone noted that Republican policies, including tariffs, have directly harmed economic growth, citing recent job reports. He spoke about the value and importance of building energy codes and energy efficiency standards, clarifying that the law prohibits DOE from eliminating products based on their fuel source. He concluded that Republicans have favored Trump's wants over every day Americans'.

#### Witness Toplines:

<u>Buddy Hughes, Chair, National Association of Homebuilders:</u> Hughes asserted that restrictions on "energy choice" have increased prices for homeowners. He called on Congress to protect families from higher costs by preventing appliance standards from becoming gas bans. He

<sup>&</sup>lt;sup>1</sup> Chair Guthrie's opening statement was not available online at the time of this memo's composition.

emphasized that the federal push to adopt the 2021 International Energy Conservation Code has led to an increased cost of \$31,000 for homebuilders. Hughes instead emphasized the energy savings value of retrofits.

Ben Lieberman, Senior Fellow, Competitive Enterprise Institute: Lieberman stated home appliances are now subject to multiple rounds of successively tighter standards, increasing costs. He explained that there were issues with overregulation in 1996, which prompted DOE to institute process reforms. Lieberman asserted that the upcoming furnace and water heater regulations will lead to such steep cost increases that homeowners may not earn back via energy savings. He reported that dishwashers, washing machines, and refrigerators do not function or last as long as they used to. He advocated for the elimination of the lookback period and highlighted proposed mandates that savings must exceed costs of further regulation. He expressed that the Don't Mess With My Home Appliances Act (H.R. 4626) could go further and exempt certain appliances from further conservation upgrades, such as lightbulbs, adding that he believes stoves should never have been initially regulated.

<u>Kara Saul Rinaldi, Chief Policy Officer, Building Performance Association</u>: Rinaldi attested to the value of energy efficiency, which drives local job growth, decreases stress on the energy grid, and generates energy savings. She explained that retrofits are more expensive than initially building a new home to efficient standards. Rinaldi also noted that data center growth will impact the cost of energy for all consumers.

Jim Steffes, Senior Vice President of Regulatory Affairs, Washington Gas: Steffes attested to the value of upgrading natural gas pipelines and increased state engagement with the Pipeline and Hazardous Materials Safety Administration (PHMSA). He argued that building performance standards and net-zero building codes ban natural gas and "force" electrification at the expense of natural gas use. He concluded by calling for the passage of the Reliable Federal Infrastructure Act (H.R. 4690) and the Energy Choice Act (H.R. 3699).

# Major Takeaways:

#### Transformers

- Latta noted that there is a significant need for energy capacity and associated
  infrastructure, highlighting transformers. He reported that the previous administration
  proposed a transformer standard under EPCA that would require a complete retooling
  of the product design and material composition, while yielding an efficiency gain of less
  than one percent. He emphasized that this standard will exacerbate supply chain
  issues. Lieberman, in response, noted EPCA forbids the DOE from setting a new
  standard if it does not save a "significant" amount of energy.
  - Latta asked if a product could be exempted from EPCA if it has achieved maximum achievable energy efficiency gains. Lieberman noted that some appliances have been regulated over four times.

#### Cost Savings & Housing Resiliency

Castor asked how building and energy efficiency standards help address load growth.
 Rinaldi noted they will decrease energy demand and grid strain, emphasizing that

current demand rate necessitates investment in efficiency and capacity. Rinaldi attested to the value of using buildings as a "virtual power plant."

- Later in the hearing, Rep. Gabe Evans (R-CO-08) flagged potential security risks with utilities having access to a home's on demand appliances.
- Democrats, including Reps. **Jennifer McClellan** (D-VA-04) and **Doris Matsui** (D-CA-07) also attested to the value of energy efficiency and related tax credits.
- Pallone asked Rinaldi what would happen if Republicans continued to "gut" energy
  efficiency standards. Rinaldi replied that without standards, consumers will purchase
  the cheapest products, yet ultimately spend more on monthly utility bills.
  - Rep. Kevin Mullin (D-CA-15) asked Rinaldi to explain how energy efficiency standards help renters save money.
- Guthrie asked how the right balance of building regulations can be established at the state and local level. Hughes replied that homes and corresponding resiliency are "already there," and that extra energy requirements are not needed.
  - Reps. Marianette Miller-Meeks (R-IA-01) and John James (R-MI-10) expressed concern that the adoption of newer building codes leads to higher costs.
- Rep. **Marc Veasey** (D-TX-33) emphasized that energy efficiency and programs like the Community Development Block Grant have been historically bipartisan.
- Rep. Kim Schrier (D-WA-08) attested to the value of Energy Star, as well as the Pacific Northwest National Laboratory's (PNNL) work on evaluating building codes and associated savings. She noted that related PNNL funding has been decimated, yet the need for data driven innovation is only growing.

#### **EPCA Implications**

- Republicans, including Reps. Randy Weber (R-TX-14) and Troy Balderson (R-OH-12) highlighted that non-condensing gas furnaces would not be available after 2028 due to the furnace rule that will take effect that year. Both asked about increased costs, with Weber noting that many American families cannot afford furnace upgrades.
- Pallone had Rinaldi speak to the collaborative development of energy efficiency standards, as well as how domestic manufacturers benefit from their implementation.
- Balderson asked if these new EPCA home appliance standards were economically justified. Hughes replied that these new iterations of appliances are not cost effective as they do not last long.
  - Miller-Meeks later asked Rinaldi about the environmental cost and cost to families of replacing an appliance every six years as opposed to every 10 plus. Rinaldi did not have an answer regarding the impact on landfills.
  - Hughes flagged that the installation of energy efficiency appliances are often not accounted for in the appraisal of homes.
- Rep. Rick Allen (R-GA-12) highlighted his bill, <u>H.R. 4626</u>, and asked Lieberman of the cost of the Biden administration's rules. Lieberman spoke about air conditioners, arguing that they are double regulated by the DOE and the Environmental Protection Agency (EPA).
  - Allen added that some products do not function well, reporting that some people must wash their clothes multiple times.

- On Allen's bill, Lieberman stated that it would inhibit excessive future regulation.
   He commended the "lookback provision," which would enable future examination and revision of previous regulations.
- Rep. Diana DeGette (D-CO-01) stated that she is opposed to overregulation but expressed confusion at how Republicans think energy efficiency standards hurt, rather than benefit, consumers. She pointed out that Republicans cut the energy efficiency commercial buildings deduction and the energy efficiency home improvement tax credit, both of which assisted with the installation of energy efficient appliances that have long term savings. She also noted that Republicans voted to halve the DOE Energy Efficiency and Renewable Energy program. She then had Rinaldi speak about how air quality impacts health and leads to increased healthcare expenses. She also touted the FEMA cost savings report.
  - Guthrie pushed back that products should be made affordable so they do not need to be subsidized.
- Rep. Diana Harshbarger (R-TN-01) asked Lieberman how they can ensure that the DOE does not reverse or change standards in a way that would allow foreign manufacturers to flood the market. Lieberman answered that as standards are revisited, a glide path should be considered. He stated he did not have sympathy for air conditioner manufacturers that have lobbied for more stringent standards.
- Harshbarger asked if the seven factor test that guides the DOE's economic justification for efficiency standards needs to be altered. Lieberman highlighted that installation costs should be factored in, as well as impacts on product reliability and lifetime.
- Veasey asked Rinaldi to respond in writing on how gutting the DOE's authority to set efficiency standards heightens business costs and confusion.
- Rep. Michael Rulli (R-OH-06) took issue with the EPA's changing refrigerant standards and the cost imposition of changing and installing new compressors, particularly for small grocers.

#### Weatherization

- Mullin attested to the value of weatherization and building resiliency and highlighted his and Rep. Paul Tonko's (D-NY-20) bill, the Weatherization Enhancement and Readiness Act (H.R. 1355). He asked Rinaldi to elaborate on how homes built to higher standards withstand extreme weather.
  - Tonko had Rinaldi speak to the benefits of weatherization funding and why small businesses support the program.
  - Rep. Lizzie Fletcher (D-TX-07) asked Rinaldi to respond via written testimony on weatherization savings, as well as how low income Americans will be impacted by cuts to efficiency standards.

### Other

- Guthrie asked Steffes to explain how gas restrictions will lead to heightened electricity costs.
- Rep. Rob Menendez (D-NJ-08) asked Rinaldi if she was aware of any steps the Trump administration is taking to prevent the cost of data centers from being shifted to households. She answered no.
- Menendez spoke about the importance of renewable energy in meeting growing energy demand.