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ONE HUNDRED NINETEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE
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WASHINGTON, DC 20515-6115
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MEMORANDUM September 4, 2025

TO: Members of the Subcommittee on Energy
FROM: Committee Majority Staff
RE: Hearing titled *"Building the American Dream: Examining Affordability, Choice, and Security in Appliance and Buildings Policies"*

I. INTRODUCTION

The Subcommittee on Energy has scheduled a hearing on Tuesday, September 9, 2025, at 2:00 p.m. (ET) in 2123 Rayburn House Office Building. The title of the hearing is "Building the American Dream: Examining Affordability, Choice, and Security in Appliance and Buildings Policies*."* This hearing will examine the impact of green buildings and appliance policies on housing affordability, energy costs, grid reliability, national security, and consumer choice.

II. WITNESSES

- **Buddy Hughes,** Chairman, National Association of Home Builders;
- **Ben Lieberman,** Senior Fellow, Competitive Enterprise Institute;
- **Jim Steffes,** Senior Vice President of Regulatory Affairs, Washington Gas; and
- **Kara Saul Rinaldi**, Chief Policy Officer, Building Performance Association

III. BACKGROUND

A. Federal Efficiency Standards for Appliances and Equipment

Through authority granted in the Energy Policy and Conservation Act of 1975 (EPCA),[1] the Department of Energy (DOE) is authorized to establish minimum energy efficiency standards for consumer appliances and equipment. Since the passage of EPCA and the subsequent creation of DOE's Appliance and Equipment Standards Program, DOE has issued regulations for more than 60 products, representing about 90 percent of home energy use.[2]

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[1] 42 U.S.C. 6295.
[2] U.S. Department of Energy, *Saving Energy & Money with Appliance and Equipment Standards in the U.S.* (January, 2017), https://www.energy.gov/eere/buildings/articles/appliance-and-equipment-standards-fact-sheet

The EPCA requires DOE to follow statutory criteria for prescribing new or amended standards for covered products and equipment. DOE is also required to review energy efficiency standards of covered products no later than six years after the issuance of a final rule. DOE must either publish a determination that the standard does not need amending or issue a Notice of Proposed Rulemaking including a new proposed standard.[3] Additionally, DOE may only propose a new standard if the new standard results in a significant conservation of energy, is technologically feasible, and economically justified. EPCA prescribes factors the Secretary of Energy must consider when determining whether a standard is economically justified.[4]

Over the last several years, DOE has proposed or finalized multiple final rules that do not save a significant amount of energy and are not cost-effective. In fact, in 2020, DOE conducted an analysis which found that:

> [O]ver the last three decades, 60 percent of standards were projected to save 0.3 quads or more over 30 years, and those 60 percent of standards accounted for 96 percent of total energy savings. The other 40 percent of standards, projected to save less than 0.3 quads, accounted for just 4 percent of total energy savings.[5]

Additionally, DOE has previously proposed standards that discourage the use of natural gas in favor of electric appliances, regardless of the cost or consumer preference.[6] This violates the consumer protection measures included in EPCA.

B. Building Energy Codes

Across the country, both residential and commercial buildings must comply with a wide range of laws and regulations for design, construction practices, materials, and energy consumption. These requirements may be implemented through building codes, performance standards, and efficiency and fuel-use requirements. Usually, building codes are adopted and enforced by state and local jurisdictions, while the federal government is responsible for the adoption and enforcement of building codes for federal buildings, military installations, and manufactured housing.

Most widely adopted building energy codes are developed through a consensus-based process by standard setting organizations, like the International Code Council (ICC) and the American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE), before they are considered by state and local jurisdictions. The most recent International Energy

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[3] 42 U.S.C. § 6295(m)(1).
[4] 42 U.S.C. § 6295(o)(2)(B)(i).
[5] U.S. Department of Energy, *Department of Energy Issues Final "Process Rule" Modernizing Procedures in the Consideration of Energy Conservation Standards*, (Jan. 15, 2020), https://www.energy.gov/articles/department-energy-issues-final-process-rule-modernizing-procedures-consideration-energy
[6] White House, *Fact Sheet: New Innovation Agenda Will Electrify Homes, Businesses, and Transportation to Lower Energy Bills and Achieve Climate Goals*, (Dec. 14, 2022), https://bidenwhitehouse.archives.gov/ostp/news-updates/2022/12/14/fact-sheet-new-innovation-agenda-will-electrify-homes-businesses-and-transportation-to-lower-energy-bills-and-achieve-climate-goals/

Conservation Code (IECC) was developed in 2024 and has been adopted by one state.[7] According to DOE data, 15 percent of states have adopted the 2021 IECC residential code, 25 percent have adopted the 2018 IECC code, 15 percent have adopted the 2015 IECC code, and 35 percent have adopted the 2009 IECC code. Four percent of states have adopted a pre-2009 code, and 7 percent have no statewide requirement.[8]

Aggressive building policies can require significant renovations or installation of expensive equipment which add incremental costs to construction. Studies show that aligning with the 2021 IECC code can add up to $31,000 to the price of a new home and take up to 90 years for a home buyer to recoup the payback value.[9] Thirteen states and the District of Columbia maintain stretch code requirements that exceed the 2021 IECC base requirements by including more stringent requirements.[10] Additionally, at least 70 local jurisdictions in California, along with local jurisdictions in seven states and the District of Columbia, have enacted restrictions on natural gas use, including a state-wide ban in New York State.[11]

The Biden Administration grew the role of the federal government through the adoption and enforcement of gratuitous building codes. The last administration pushed for building codes and standards that adopted "net-zero" emissions requirements, electric appliances and furnaces, and rooftop solar panels. DOE and the Pacific Northwest National Laboratory (PNNL) developed a series of technical briefs and "model" building codes. The Inflation Reduction Act also authorized $1 billion in grants to state governments to adopt certain building codes.[12]

C. Fossil Fuel Bans in Federal Buildings

Section 433 of the Energy Independence and Security Act of 2007 (EISA) required DOE to establish regulations to phase out fossil-fuel generated energy consumption by federal buildings by 2030.[13] On May 1, 2024, the DOE published a final rule establishing energy performance for new construction and major renovation of Federal buildings, including commercial buildings, multi-family high-rise residential buildings, and low-rise residential buildings.[14] This rule eliminated the use of fossil fuels in federal buildings, including the use of

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[7] State of Rhode Island General Assembly, *Assembly passes Sen. Gu bill to update green building code*, (Jun. 20, 2023), https://www.rilegislature.gov/pressrelease/_layouts/RIL.PressRelease.ListStructure/Forms/DisplayForm.aspx?List=c8baae31%2D3c10%2D431c%2D8dcd%2D9dbbe21ce3e9&ID=373784&Web=2bab1515%2D0dcc%2D4176%2Da2f8%2D8d4beebdf488

[8] Tableau Public, *Status of State Energy Code Adoption: Residential Buildings*, (last visited Aug. 20, 2025), https://public.tableau.com/app/profile/doebecp/viz/BECPStatusofStateEnergyCodeAdoption/ResidentialDashboard.

[9] Home Builders Association of Greater Kansas City, *2021 IECC Adoption Consumer Impact*, (last visited Aug. 20, 2025), https://kchba.org/wp-content/uploads/2022/07/KCHBA-2021-IECC-Consumer-Impact_KCMO_Updated-DS.pdf.

[10] Tableau Public, *State and Local Residential Stretch Code*, (last visited Aug. 20, 2025), https://public.tableau.com/app/profile/doebecp/viz/StretchCode/ResidentialStretchCode

[11] Agustin Ros & Kelly Lear Nordby, *Natural Gas Restrictions in the U.S.: Examining the State of Play, Policy Objectives, Legal Developments, and Antitrust Implications*, Ankura (Feb. 29, 2024), https://angle.ankura.com/post/102j0y2/natural-gas-restrictions-in-the-u-s-examining-the-state-of-play-policy-objecti

[12] 136 Stat. 2041.

[13] 42 U.S.C. 6834(a)(3)(D)(i).

[14] 89 FR 35, 384.

natural gas furnaces, hot water heaters, and cooking systems. Section 433 applies to a variety of federal buildings, including military installations and housing, and will have significant economic, national security, and reliability costs.

IV. ISSUES

The following issues may be examined at the hearing:

- The impacts of federal and state buildings policies on housing affordability, energy costs, and consumer choice.
- Reforming federal energy efficiency standards for consumer appliances and equipment.
- The impacts of EISA Section 433 on our national security and grid reliability.

V. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Clara Cargile or Mary Martin of the Committee Staff at (202)-225-3641.