

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Subcommittee on Energy, Climate, and Grid Security
Ranking Member Diana DeGette

Hearing on “Green Building Policies: Jeopardizing the American Dream of Homeownership”

May 28, 2024

Thank you, Mr. Chairman and I would like to thank the witnesses for being here today to share their experience with us. Mr. Howard, I would like to offer congratulations to both your family and your son on his high school graduation tomorrow. As I have stated several times this Congress, this isn't about oversight. If we were truly focused on addressing costs for our constituents, we could be holding a hearing today on alleged price collusion to boost oil prices and requiring the American people to pay more at the pump. We could even investigate the FTC complaint against Pioneer CEO Sheffield.

Instead, we are continuing the series of hearings, markups, and even floor votes of the anti-efficiency House Republican agenda. We will hear facts today on how such policies increase new home prices at much higher rates than the Energy Department, our national labs, including the Pacific Northwest National Laboratory recent study, and Mr. Howard has found them to cost.

Finally, much of what we will talk about today is not federal issues. As my colleagues know, there is no national or federal building code, as under the U.S. Constitution, the regulation of construction is a state right, with some localities going further. However, voluntary building codes address many of a nation's most important concerns, including public health, safety, and environmental protection. Because they are developed by a democratic and deliberative process that applies improvements incrementally, the building codes also address cost efficiency and investment value.

In large part, building codes establish a building's quality, safety and energy performance for years to come because initial design and construction decisions determine operational and maintenance costs for the life of the building. Many aspects of building performance are “designed in” at the beginning. Building codes and design and construction decisions affect us every day. Some requirements such as fire safety codes and structural and seismic standards affect us in obvious ways. Others, such as lighting quality, acoustics and the air we breathe are less noticeable but also have major effects on our health and productivity.

We spend nearly 90 percent of our lives inside buildings, according to the U.S. Environmental Protection Agency, which is why the EPA is concerned about the impact of building codes on public health. Model codes — a set of minimum requirements for building design, construction, and operation to protect public health, safety, and the natural resources that sustain us —help us “build it right” at the beginning when it matters most. But model codes are effective only if they are used and enforced by state and local governments.

The U.S. code development process is unique in that it brings together all interested parties to participate and decide what is needed and feasible for the construction of new buildings. Regular,

incremental improvements help us continue to build better and smarter buildings as cost effectively as possible. Waiting longer between code updates means many buildings are not current when built.

The new energy codes are making a major contribution toward solving our energy problems. The average American building wastes energy because it was not designed and constructed with energy efficiency as a priority. This doesn't need to be the case at a time when best practices for sustainable design are widely known and taught, when energy efficient appliances and equipment are a growing percentage of suppliers' and retailers' inventories and given the multiple benefits of reducing our energy consumption.

Buildings in the United States account for about 70% of electricity use, about 40% of the total U.S. primary energy consumption, and about 30% of operational GHG emissions. All that consumption (and waste) unnecessarily costs homeowners and building owners billions of dollars each year, which is both ironic and inexcusable in times of budgetary and economic stress. Buildings constructed to the new codes will close a significant portion of the gap between how energy efficient the average building is and how efficient it could be.

Updated codes that produce a more valuable building should benefit builders in addition to owners. On the residential side, the relatively small percentage increase in construction costs for homes built under updated codes is more than offset by improved quality and safety. Likewise, a home costing less to own and operate should produce a higher return at sale and resale.

Builders are right to be concerned that U.S. mortgage underwriting standards do not enable appraisers and lenders to properly value enhanced efficiency and safety features. Outdated housing policies need to be revised if we want the green building market to truly take off. The U.S. Department of Energy estimates energy efficiency improvements pay for themselves in a few years, leaving the average homebuyer with hundreds of dollars in energy savings every additional year he/she owns the home. During the period of a 15-, 20- or 30-year mortgage, these savings go to homeowners instead of power companies.

Minimum building codes are an effective way to protect public health and safety; reduce building energy consumption, greenhouse gas emissions and costs; and improve the building industry. And we will hear from a witness today who builds "above-code, high performance" buildings such as those that use zero fossil fuels for energy.

Building codes are an essential tool to save our constituents money, dramatically reduce energy consumption, and decrease climate pollution at a time we are trying to make it to Net Zero Emissions by 2050. One might say that codes are more valuable and important today than ever before.