

29 July 2024

The Honorable Jeff Duncan  
Chair  
Subcommittee on Energy, Climate, and Grid Security  
2229 Rayburn House Office Building  
Washington, DC 20515

The Honorable Diana DeGette  
Ranking Member  
Subcommittee on Energy, Climate, and Grid Security  
2111 Rayburn House Office Building  
Washington, DC 20515

Re: "Green Building Policies: Jeopardizing the American Dream of Homeownership."

### **Additional Questions for the Record**

#### **The Honorable Jeff Duncan**

- 1. The energy and green building policies of the Biden administration are raising costs for everyday families and the American people simply cannot afford it. This administration is driving up energy poverty in our communities for the sake of climate radicalism. In your testimony, you stated your business, JCE Co-op, serves rural communities who will be the most impacted by these rising costs.**
  - a. Can you elaborate on what gas bans and policies of the Biden administration will do to communities that your business serves? A theme of the Biden administration is making Americans pay more for less. Americans are pushed by this administration to use unreliable sources of energy that cost exponentially more than natural gas.**

**According to the Federal Reserve Bank of St. Louis, homeownership has decreased from 67.9% in 2020 to 65.6% in 2024.**

- b. Will these policies that prioritize climate gains over affordability help rural communities like yours increase homeownership or make it more difficult?**

Mike Casper:

- a. Community-owned gas systems across the country, including JCE Co-op, are facing unprecedented attacks on the direct use of natural gas from various levels of government. Members of our community should not have to sacrifice the benefits that the direct use of natural gas offers because of government leaders' flawed policy agendas. Policies that set unjustified minimum appliance efficiency standards, the adoption of restrictive code and standard provisions, and even outright bans on new natural gas infrastructure make it difficult for Americans to access affordable, reliable,

and efficient natural gas. Our member consumers significantly benefit from the affordable energy that is delivered through the reliable pipeline infrastructure JCE Co-op operates. The Department of Energy (DOE) published its “2023 Representative Average Unit Costs of Energy,” acknowledging electricity is around \$46 per million Btu, and natural gas is about \$14 per million Btu.<sup>1</sup> Commercial and industrial customers have saved more than half a trillion dollars over the last decade by using natural gas.<sup>2</sup> Natural gas service disruptions across the country are rare. On average, according to GTI Energy, only 1 in 800 natural gas customers experience an unplanned outage in any given year. In comparison, electric system customers experience an average of one unplanned outage per year per customer.<sup>3</sup>

- b. Households that use natural gas for heating, cooking and clothes drying save an average of \$1,132 per year compared to homes using electricity for those applications.<sup>4</sup> People looking to buy a home may consider this cost and determine they do not want to own a home. Policies that fail to recognize the affordability that the direct use of natural gas offers may potentially impact members, and their ability to own a home. Plus, this Administration’s desire to achieve climate gains doesn’t recognize carbon dioxide emissions from residences using natural gas are about 22% lower than those attributable to a typical all-electric home. Drastic moves that force electrification cause Americans, like JCE Co-op’s customers, to question whether they want to buy a house, given the higher utility cost, without accounting for the environmental benefits of the direct use of natural gas.

### **The Honorable Randy K. Weber**

- 1. Ultimately, the taxpayer pays the bills for federal buildings. Forcing the phase out of fossil fuels in federal buildings by 2030 will increase the cost to the taxpayer. I do think there are other things the government can consider to help reduce the cost to taxpayers. For example my bill, H.R. 4663, The Federal Mechanical Insulation Act, recognizes the role mechanical insulation can play in lowering the operation costs in federal buildings – ultimately saving the taxpayers money. Do you believe the recent federal rule to phase out fossil fuel use in federal buildings is the best way to save energy and protect taxpayer dollars?**
- 2. In your written testimony, you highlight that the average cost of the installation of a high-efficiency gas furnace is around \$6,710. The average cost of the installation of the electric heat-pump alternative is around \$20,000. Can you speak to the stark contrast in affordability and efficiency between electric appliances and gas appliances?**

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<sup>1</sup> Department of Energy, “Energy Conservation Program for Consumer Products: Representative Average Unit Costs of Energy,” <https://www.govinfo.gov/content/pkg/FR-2023-08-28/pdf/2023-18532.pdf>.

<sup>2</sup> Ibid.

<sup>3</sup> GTI Energy, “Assessment of Natural Gas and Electric Distribution Service Reliability,” <https://www.gti.energy/wp-content/uploads/2018/11/Assessment-of-Natural-Gas-Electric-Distribution-Service-Reliability-TopicalReport-Jul2018.pdf>.

<sup>4</sup> American Gas Association (AGA), “Playbook,” <https://playbook.aga.org/affordable>.

Mike Casper:

1. No, this new rulemaking is not the best way to save energy and protect taxpayer dollars. The “Clean Energy for New Federal Buildings and Major Renovations of Federal Buildings Rule” will significantly restrict many federal buildings’ future use of onsite energy from fossil fuels, including affordable and resilient natural gas. American taxpayers will be forced to bear the brunt of higher energy costs, and expensive retrofits to accommodate new electric appliances in buildings like VA hospitals, prisons, military installations, federal housing, etc. The direct use of natural gas is already three times more efficient than gas-generated electricity. If you pair that with other effective ways to save energy, such as mechanical insulation, federal buildings will be energy efficient. Policymakers should protect American taxpayers by working on policies that recognize the energy and cost savings offered by a combination of solutions like mechanical insulation and direct use of natural gas.
2. Forced electrification policies discount the affordability and efficiency benefits that gas appliances provide. One of DOE’s many new, minimum efficiency standards for gas appliances is the final rule for gas-fueled furnaces that establishes a 95% efficiency standard for furnaces, which can only be met by condensing furnaces, effectively banning non-condensing furnaces that have been in millions of American homes for a generation or more. Some homeowners may be altogether unable to switch to a condensing furnace and in that case, will be forced to pay higher electricity rates and significant installation and retrofitting costs for the electric alternative. This and many other DOE energy conservation standards are not cost-justified and do not result in significant reductions in energy consumption. Also, when natural gas is burned as the direct source of energy, only around ten percent is lost between the point of production and the burner tip, making the direct use of natural gas three times more efficient than gas-generated electricity. Americans should be free to choose the appliances that best fit their unique needs.