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BUILDING THE AMERICAN DREAM: EXAMINING AFFORDABILITY, CHOICE, AND SECURITY IN
APPLIANCE AND BUILDINGS POLICIES

TUESDAY, SEPTEMBER 9, 2025

House of Representatives,
Subcommittee on Energy,
Committee on Energy and Commerce,
Washington, D.C.

The subcommittee met, pursuant to call, at 2:17 p.m., in Room 2123, Rayburn House Office Building, Hon. Robert E. Latta [chairman of the subcommittee] presiding.

Present: Representatives Latta, Weber, Palmer, Allen, Balderson, Pfluger, Harshbarger, Miller-Meeks, James, Bentz, Fry, Lee, Langworthy, Rulli, Evans, Goldman, Fedorchak, Guthrie (Ex Officio), Castor, Menendez, Mullin, McClellan, DeGette, Matsui, Tonko, Veasey, Schrier, Fletcher, Ocasio-Cortez, Auchincloss, and Pallone (ex officio).

Staff Present: Ansley Boylan, Director of Operations; Christian Calvert, Press Assistant; Clara Cargile, Professional Staff Member, Energy; Andrew Furman, Professional Staff Member, Energy; Sydney Greene, Director, Finance and Logistics; Calvin Huggins, Staff Assistant; Megan Jackson, Staff Director; AT Johnson, Special Advisor, Finance and Logistics; Sophie Khanahmadi, Deputy Staff

Director; Mary Martin, Chief Counsel; Ben Mullaney, Press Secretary; Jake Riith, Staff Assistant; Jackson Rudden, Staff Assistant; Chris Sarley, Member Services/Stakeholder Director; Peter Spencer, Senior Professional Staff Member, Energy; Timothy Trimble, Staff Assistant, Finance and Logistics; Jane Vickers, Press Assistant; Keegan Cardman, Minority Staff Assistant; Waverly Gordon, Minority Deputy Staff Director and General Counsel; Kristopher Pittard, Minority Professional Staff Member; Kylea Rogers, Minority Policy Analyst; Medha Surampudy, Minority Professional Staff Member; and Tuley Wright, Minority Staff Director, Energy.

Mr. Latta. Good afternoon, and welcome to today's hearing, "Building the American Dream: Examining Affordability, Choice, Security in Appliances and Building Policies." And thank you to our witnesses for appearing with us today.

The chair recognizes itself for 5 minutes for an opening statement. Today, we will discuss policies that have raised energy and product prices for American families and business owners, putting America's homeownership out of reach and jeopardize good reliability. Many of these policies have been implemented in the name of energy efficiency, but the force electrification from the left does not equate to increase energy efficiency and ignores affordability and consumer choice.

Energy conservation will play an important role in meeting our Nation's growing energy demand. However, consumer choice affordability and innovation must be prioritized in the execution of these goals.

Over the last decade, it has become apparent that the statutory process for energy efficiency standards is broken. We must reform the process to restore consumer choice, appliance affordability, and true energy savings as the foundation of DOE's appliance and equipment standards program.

Everyone here supports true energy efficiency and the benefits it yields to our constituents and consumers. However, over the last several years, the focus is clearly straight from enhancing efficiencies and realizing cost savings.

This direction has gone well beyond DOE's energy conservation standards. We have also seen a misalignment of priorities in building codes, performance standards, and State local restrictions on the use of fossil fuels. Nor is that more reflective that the cost of homes.

Over the last 15 years, home prices have steadily increased, putting the dream of homeownership out of the reach of millions of Americans. Today, more than 80 percent of adults in the United States say housing affordability is a problem in the city or county in which they live. And homeowners now spend 34 percent more on household appliances than they did in 2010. While

there are a variety of factors that have contributed to these rising costs, we can't ignore the impact of misguided policies at hand.

The Biden administration tied Inflationary Reduction, the IRA funding to the forced adoption of the 2021 model energy codes which restricted the use of gas and promoted electrification even if it was not an appropriate choice for the consumer. This was done despite their own data that showed homes with natural gas focus over three times more affordable than electric options.

But the Biden administration didn't stop there. The DOE issued a rule to eliminate the use of fossil fuels in all-new and modified Federal buildings beginning in 2030. This would have included military installations and houses, some residential buildings and sites of critical national security importance like the Pentagon.

Not only would this compromise our security, but the rule would also have actually increased energy usage and added for the strain to our Nation's electric grid. We must strike a healthy balance between utilizing affordable energy and implementing commonsense effective energy conservation measures.

Again, I want to thank our witnesses for their participation here today, and we look to hearing their perspectives. And I want to again thank you all. And I yield back the balance of my time and now recognize the ranking member of the subcommittee, the gentlelady from Florida's 14th District, for 5 minutes for an opening statement.

[The prepared statement of Mr. Latta follows:]

***** COMMITTEE INSERT *****

Ms. Castor. Well, thank you, Mr. Chairman. Good afternoon, everyone. I have been looking forward to this hearing because it provides us with an opportunity to remind Americans that significant savings and tax credits are available if you need to replace a household appliance, upgrade your AC and heating system, or make other home improvements. These savings were intentionally provided by Democrats in the Inflation Reduction Act that we passed in 2022. The savings were supposed to be available to all Americans for 10 years, but Republicans ended them early to pay for huge tax breaks for billionaires and big corporations in their big, ugly bill. But there is still time.

If you need to install a new energy efficient appliance or make home improvements, by the end of year, you can save a whole bunch of money. In 2023, 3.4 million households saved over \$8 billion from these tax credits. And that doesn't count the reduction in electric bills. Hardworking Americans could really use those savings as electric bills and costs continue to skyrocket.

In Florida, the largest power utility in our state proposed a nearly \$10 billion rate hike earlier this year. That is reported to be the largest hike in American history. And all across the country, customers are grappling with surging electric bills. And I think we have to say now, here we are in September, it is clear that Donald Trump and Republicans have broken their promise to lower costs. And their reckless policies are making life more expensive.

In addition to the harsh impact of the Big Ugly Bill, Trump tariffs are causing pain and creating chaos. And to add insult to injury, Republicans in Congress and the Trump administration has taken a hatchet to energy efficiency standards, which is so silly because energy efficiency saves people money. Appliance standards typically save households more than \$500 on their energy bills each year. Homeowners will save \$15,000 for homes built using the 2021 building codes compared to the old ones.

And my neighbors back in Florida, they know firsthand about the importance of building energy codes. They keep people safe in well-insulated homes amid record heat waves like the one

we experienced this summer.

Families and businesses also save money when codes and design standards help their building stand up to strong winds and flooding and increasingly intense hurricanes. Strong building codes provide insurance companies with greater certainty in high-risk areas, allowing them to offer less costly insurance policies and saving taxpayers from becoming the insurer of last resort.

Federal codes and standards are developed collaboratively with local officials, builders, manufacturers, industry, and consumer reps. And neither Congress nor the administration, they don't force it on anyone, they are adopted and enforced by state and local jurisdictions, not the Federal Government. And when these standards are not updated, it also hurts America's global competitiveness. The modern standards increase incentives to innovate and protect domestic companies against competition from inferior projects.

Now, all of this -- so you have the tariffs, you have the Big Ugly Bill, you have got energy -- a war on energy efficiency, and then President wants to eliminate EPA's Energy Star Program. That is what I heard when I was home all summer. Let's make things more expensive. Let's make our appliances more expensive. Let's take that public information away from people who need it. No.

Let's be clear, energy efficiency saves electricity, reduces consumer costs, and increases household comfort, reliability, and resilience. So Republicans can kill consumer savings, they can turn a blind eye to tariffs, they take a hatchet to efficiency. And just last week, Republicans passed their energy and water spending bill which is another way they are raising costs on American families. Because weatherization of homes is very popular. But you know what they did in their spending bill? Then ratcheted back those important weatherization assistance programs that help families save about \$372 more every year.

So, unfortunately, my Republican colleagues are going in the extreme opposite direction they are proposing to prevent any future regulations on products like dishwashers and washing machines, stoves, or light bulbs. They want to trap Americans with outdated and expensive technologies

forever while the rest of the world moves on without us. That is an expensive proposition that we reject. I yield back my time.

[The prepared statement of Ms. Castor follows:]

***** COMMITTEE INSERT *****

Mr. Latta. The gentlelady yields back.

And the chair now recognizes the chairman of the full committee, the gentleman from Kentucky, for 5 minutes for an opening statement.

The Chair. Thank you. Thank you, Chair Latta. Thank you for holding this hearing, and I thank our witnesses for being here.

Under the Energy and Policy and Conservation Act, DOE must evaluate energy efficiency standards for equipment categories every 6 years. But it may also impose new or amended standards if it finds that such standards are technologically feasible, economically justified, and will result in significant energy savings.

Unfortunately, DOE's Appliance and Equipment Standards Program has strayed far from its original intent and now yields de minimus energy efficiency benefits while imposing sufficient costs on consumers and manufacturers.

Today's homeowners spend about 34 percent on appliances or more than they did 15 years ago. From 1995 to 2005, the average homeowner replaced appliances every 12 to 13 years. Now that timeline has shrunk from eight to nine. And I can tell you that from personal experience, even more concerning aspiring homeowners also record housing prices in part due the rising costs to compliance with owners' regulations under the guise of energy efficiency.

The Biden-Harris administration's DOE issued nearly 30 energy efficient regulations, totaling over 60 billion in costs to the economy. Biden's DOE proposed and finalized -- President Biden's DOE proposed and finalized new standards to regulate virtually every appliance American consumers use, forcing families to spend more or less reliable options.

Sadly, these costs hit the working families the hardest. In fact, several regulations promulgated by the Biden administration went as far as banning natural gas appliances, a blatant attack on consumers in the market, forcing American families to purchase electric appliances. And the irony is that in doing so demand on our electric grid, exacerbating reliability issues they are

already facing due to another -- misguided electric grid policies.

At least 70 local governments in California as well as dozens more in States in Washington, D.C., also have active restrictions on gas appliances. New York has a statewide gas ban. And many States have adopted building codes and performance standards that acts as de facto gas bans.

As if this wasn't going far enough, the latest administration -- the last administration also finalized regulations to enforce a fossil fuels ban on all Federal buildings, including installations. Residents are housing in sites with highly sensitive functions like NIH and the Pentagon. These building and appliance policies are dangerous, unsustainable, and expensive.

American rate payers are seeing the impact of these misguided policies reflected in their utility bills already. As more strain is placed on the grid and base-load sources like natural gas are restricted, prices will rise and reliability will plummet.

I look forward to working with Chair Latta and members of this committee to develop policies and make homes and appliances less expensive for consumers, strengthen our electric grid, and allow more families to realize the American Dream. It doesn't make products cheaper to make them more expensive and just subsidize on the back end. What we need to do is make the products that people -- allow manufacturers to make products that people want to buy at the price they want to pay for it. So I thank you for that, and I yield back.

[The prepared statement of The Chair follows:]

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Mr. Latta. Thank you. The gentleman yields back.

The chair now recognizes the gentleman from New Jersey, the ranking member of the full committee for 5 minutes for an opening statement.

Mr. Pallone. Thank you, Mr. Chairman.

Today's hearing continues Republicans' illogical plan to increase monthly energy bills for American families who are already struggling to make ends meet as prices on everyday goods increase thanks to Trump's trade war. The latest jobs report, the worst since the start of the COVID-19 pandemic, prove just how devastating Republican policies are.

In August. Job growth came to a crawl, adding just 22,000 jobs. At a time when home energy bills are raising all over the country in large part thanks to the disastrous and malicious policies of the Trump administration and congressional Republicans. House Republicans have chosen to double down on their attacks on the very tools that we have to keep energy bills low.

In my home state of New Jersey, energy prices have already increased thanks to PJM's inability to add new resources to the grid. These increases, coupled with the devastating project finding and cuts from the Trump administration hurt New Jersey families. And now House Republicans seem to have decided rather than helping everyday families with monthly energy bills, they want to make our homes more expensive to heat and cool.

Today, we are likely to hear Republicans misrepresent the facts around energy efficiency, conservation standards, and building codes. And let me set the record straight about some of the misinformation, committee Republicans continue to circulate a factually inaccurate claim about the cost of meeting the 2021 International Energy Code. Their numbers result of double counting and including measures not required by the code. The reality building energy codes have a negligible impact on housing prices, but they save homeowners real money on their monthly energy bill from the moment they move into the house. And Republicans also suggest that energy efficiency standards disproportionately target natural gas products. But in reality, the law prohibits DOE from

eliminating products based on their fuel source.

This is all incredibly important at a time of rising energy prices, increased energy demand on the grid, and slow job growth. Republicans' Big Ugly Bill is projected to raise electricity prices by an astonishing 61 percent over the next decade, costing Americans nearly \$300 more each year. And Trump ran on a promise to cut energy costs in half in his first year. The Republicans jammed through this disastrous bill that provides giant tax breaks for their billionaire friends while sending American utility bills through the roof.

Energy efficiency standards are popular. In 2024, American households saved over \$500 on their energy bills thanks to industry-supported appliance standards. And in 2023, energy efficiency jobs employed almost 2.3 million people.

But I am not surprised that we are here debating all of this again. Energy efficiency used to be a bipartisan topic. But over the last few years, Republicans have politicized and polarized these commonsense policies.

Congressional Republican in the Trump administration spent the first 8 months of the year, gutting the Department of Energy, targeting efficiency standards for numerous Congressional Review Act resolutions, gutting clean energy incentives, keeping expensive fossil fuel plants online, and imposing costly tariffs that are supercharging inflation. These actions directly result in rising costs for Americans.

Republicans don't care about lowering costs. All they care about is rewarding their oil and gas friends, punishing clean energy, and keeping President Trump happy. It doesn't matter what the facts are. If Trump doesn't like his showerhead, congressional Republicans will prioritize his needs over the needs of everyday Americans.

And I want to thank the witnesses for being here today. I hope we are able to have a productive conversation centered around facts, and the merits of energy efficiency. And with that I yield back the balance of my time, Mr. Chairman.

[The prepared statement of Mr. Pallone follows:]

***** COMMITTEE INSERT *****

Mr. Latta. Well, thank you very much. The gentleman yields back the balance of his time.

And that now concludes member opening statements. The chair reminds members that pursuant to committee rules, all members' opening statements will be made part of the record.

Again, we want to thank our witnesses for being with us today and taking time to testify before the subcommittee. Each witness will have the opportunity to give an opening statement of 5 minutes followed by a round of questions from the members.

And just some housekeeping, you want to make sure that the mike is pulled up close to you. And turn that mike on when you speak. If you see the light goes red when you are in your statement, that means it is time to sum up.

But our witnesses for today are Mr. Buddy Hughes, the Chairman of the Board at the National Association of Homebuilders; Mr. Ben Lieberman, Senior Fellow at the Competitive Enterprise Institute; Ms. Kara Saul-Rinaldi, Chief Policy Officer at the Building Performance Association; and Mr. Jim Steffes, the Senior Vice President of Regulatory Policy and Advocacy at Washington Gas.

Again, we appreciate all of you being here today.

And, Mr. Hughes, you are recognized for 5 minutes for an opening statement.

STATEMENTS OF BUDDY HUGHES, CHAIRMAN, NATIONAL ASSOCIATION OF HOME BUILDERS; BEN LIEBERMAN, SENIOR FELLOW, COMPETITIVE ENTERPRISE INSTITUTE; KARA SAUL RINALDI, CHIEF POLICY OFFICER, BUILDING PERFORMANCE ASSOCIATION; AND JIM STEFFES, SENIOR VICE PRESIDENT OF REGULATORY AFFAIRS, WASHINGTON GAS

STATEMENT OF BUDDY HUGHES

Mr. Hughes. Chairman Latta, Ranking Member Castor, and members of the subcommittee, thank you for this opportunity to testify here today.

My name is Buddy Hughes. I am small builder from Lexington, North Carolina. And for 2025, I am chairman of the Board for the National Association of Homebuilders.

Our members are on the front lines of an affordability crisis. Seventy-five percent of households can't afford a median-priced new home, and half the renters in this country spend over 30 percent of their income on housing costs. New Washington mandates will only make this crisis worse.

One of the biggest drivers of those costs are restrictions on energy choice, appliance standards, and mandates on energy codes. While often well-intentioned, the reality is they drive up prices, limit choices for families, and take important decisions out of the hands of homeowners.

Energy choice is at the top of our list. More and more States and cities are moving to ban natural gas. New York has already passed a ban that takes effect in 2026, and that means no gas stoves, no gas water heaters, no gas furnaces in new homes.

In cold weather States, meeting those requirements can add more than \$15,000 to the cost of a home. That is just not sustainable in a place where most households are already priced out of the new home.

Families feel it every month in their utility bills. Last winter, households using natural gas spent about 42 percent less and saved over \$125 billion over the last decade.

That is why NHB believes families, not government mandates, should decide what energy and appliances make sense in their own home. Appliance choice is part of that same story. DOE's recent rules on furnaces, water heaters, and and stoves phase out natural gas, raise costs, and cut off choices.

Congress can protect families from higher costs by preventing appliance standards from being turned into backdoor gas bans.

Now, let me be clear, when it comes to building energy codes, NHB supports reasonable and most of all cost-effective codes. We have worked with state and local governments for decades to modernize codes. But what we can't support are rigid Federal mandates that force every state and local government into the same costly outcome.

The push to require the 2021 IECC as the national base line is a prime example. Compliance with this code can add more than \$31,000 to the cost of a new home. And the payback period on that extra cost and upgrades is approaching 90 years. This problem is compounded by Section 50131 of the Inflation Reduction Act which conditions a billion dollars in Federal funds on adoption of the 2021 IECC. Now tying dollars to a single code, the program eliminates local flexibility, undermines state authority, and pressures communities into costly mandates that hurt affordability.

You don't have to look any further than Kansas City, Missouri. After adopting the 2021 IECC to qualify for these funds, single-family housing permits drop 22 percent while permits in the surrounding communities jumped 117 percent. The resulted was fewer homes, fewer jobs, and higher costs for families.

New homes are already highly efficient. The bigger opportunity lies in the 130 million older homes built before modern codes, where retrofits can deliver far greater energy savings than adding cost to the small share of new homes built each year.

NHB supports practical, cost-effective energy policies of Federal mandates on energy, appliances, or codes that ignore affordability would only make the housing crisis worse.

Thank you, again, for the opportunity to testify here today, and I look forward to your questions.

[The prepared statement of Mr. Hughes follows:]

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Mr. Latta. Well, thank you very much for your statement.

And, Mr. Lieberman, you are recognized for 5 minutes for your opening statement.

STATEMENT OF BEN LIEBERMAN

Mr. Lieberman. Chair Latta, Ranking Member Castor, members of the subcommittee, the dedicated staff, thank you for the opportunity to testify today.

My name is Ben Lieberman. I am a Senior Fellow with the Competitive Enterprise Institute, a nonpartisan public policy organization that concentrates on regulatory issues from a free market perspective. Prior to that, I worked on several of these issues as a staffer on this committee from 2011 to 2018. But I have actually been following these issues all the way back to 1990s. And over that span, I have seen some of the problems with these regulations only getting worse for consumers.

When I started, most home appliance were subjected to one or at most two rounds of Department of Energy efficiency regulators -- regulations. But now many have been hit with, four, or five or even six rounds of successively tighter standards. And the law requires DOE to periodically revisit these standards and consider tightening them, but does not allow the agency to make them less stringent or sunset them, even if there is clear evidence that they backfired on consumers.

Now as far back as 1996, there was widespread recognition that there were problems with appliance over regulation, and DOE instituted a number of process reforms to restore balance. I bring this up for two reasons: It demonstrates that some of the problems were already evident almost 30 years ago. And given that these reforms were instituted under President Clinton, it shows that this issue wasn't always as partisan as it is today. But, unfortunately, the 1996 process reforms were not judicially reviewable and have sometimes and quite often been ignored.

Now all of these standards raise the upfront cost of appliances. And in some cases like the upcoming furnace and water heater regulations, the increase is so steep that homeowners may not earn back the upfront costs in the form of energy saving. The law has a provision that the initial cost increase not be more than that is earned back within 3 years, but this metric is not mandatory and is routinely bypassed.

Other rules compromise product quality. Perhaps most annoying are dishwashers which now take two or more hours to do a normal cycle, twice as long as it took before standards were in place. Washing machines have been subjected to regulations in 1994, 2004, 2007, 2015, 2018, and most recently in 2024, and have also caused several performance problems. And refrigerators don't last as long as they used to.

Choices are also being limited, and not just incandescent light bulbs. For example, the option of a non-condensing gas furnace will no longer be available in 2028 when the latest rule takes effect.

Climate change has become a finger on the scale favoring more regulations and has been used to disproportionately target natural gas using appliance in favor of electric versions.

Now H.R. 4626, the Don't Mess With Home Appliances Act contains a number of very good ideas and deserves serious consideration. Best of all is the lookback provision which would allow the agency to fix problems with existing regulations. I mean, do we really want to keep pretending that Department of Energy appliance regulators have never made mistakes that need correcting? And do we want to keep pretending that there aren't homeowners who aren't happy with the results of some of these regulations? I would note that this commonsense reform was one of the recommendations in the National Academies Report on appliance regulation.

The bill also contains provisions to ensure that any new rule saves consumers more money than it costs, which makes so much sense that most people would be surprised that it isn't already standard practice at the agency.

The bill also states that these regulations cannot be used in post-climate policy, and that natural gas appliances cannot be disproportionately targeted.

In addition H.R. 4758, the Homeowner Energy Efficiency Act takes the critical re-step of repealing several Inflation Reduction Act programs that pursue this anti-natural gas agenda. Needless to say, the American people don't want to see our tax dollars being used to take away our energy choices.

I do think these bills could go further. In particular, there are several home appliance that have already been so badly overregulated, they should be exempted from any further rules. I would suggest dishwashers, washing machines, and light bulbs. I also believe that stoves should never have been regulated in the first place and ought to be excluded.

But overall, the less government interference with you our client's choices, the better. If we can't sunset the program entirely, let's at least do some judicious pruning, and these bills are a good start. Thank you.

[The prepared statement of Mr. Lieberman follows:]

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Mr. Latta. That you, Mr. Lieberman.

And, Ms. Saul-Rinaldi, you are recognized for 5 minutes for your opening statement. Thank you.

STATEMENT OF KARA SAUL RINALDI, CHIEF POLICY OFFICER, BUILDING PERFORMANCE ASSOCIATION

Ms. Saul-Rinaldi. Subcommittee Chair Latta, Chair Guthrie, Subcommittee Ranking Member Castor, and Ranking Member Pallone, and members of the subcommittee, thank you for the opportunity to testify.

The buildings sector is responsible for nearly 30 percent of U.S. energy consumption, but a significant portion of this is energy is wasted. Energy efficiency and buildings and appliances lowers costs for families and businesses. Policies and they are building homes more efficiently, and retrofitting over 120 million existing residential units across the country will not only help homeowners save money, but will also improve household comfort, health, safety and resiliency.

Advancing energy efficiency across the U.S. reduces demand on our energy system while driving local job growth among the small business contractors that I am proud to represent here today.

My name is Kara Saul-Rinaldi, and I serve as the Chief Policy Officer for the Building Performance Association. The BPA is a membership-driven association dedicated to advancing the home and building performance industry.

I appreciate the opportunity to represent BPA to share how energy efficiency isn't about doing less. It is about using America's greatest resource to do more, better, and at lower costs.

Last month, the U.S. Department of Energy released its United States Energy and Employment Report or the USEER. The 2025 USEER affirmed what past reports have repeatedly shown, that the

energy efficiency sector is the largest employer across the entire energy sector, employing nearly 2.4 million Americans and more workers than the entire U.S. fuels and electric generation industries combined.

Using data from the USEER BPA release is an annual energy efficiency jobs in America report featuring district-level data. And I look forward to sending it to each of your offices when the report is ready later this fall.

A home built today is an existing home tomorrow and may be part of our housing infrastructure for a century. If it is not built with adequate insulation, air ceiling, efficient duct work, heating and cooling and windows, homeowners will be hard-pressed to spend the time and money to upgrade their home at a cost significantly more than building the home efficiently in the first place.

Building codes and standards also protect renters. According to the 2023 census data, 35 percent of Americans live in rental properties. Tenants usually pay the electric fuel bills. Business landlords do not receive energy savings benefits when replacing appliances, they have no incentive to invest in more efficient equipment. Building energy codes and appliance and equipment standards provide the minimum efficiency baseline to protect American homeowners and renters.

According to ACEEE, while we continue to see rising energy demand, energy efficiency saves American approximately \$1 billion annually. By investing in energy efficiency, we have built buildings and appliances that save more, do more, and last longer while using less energy. And we need to continue this innovation if we are to mitigate the cost of bringing new data centers online.

While data centers accounted for roughly 4.4 percent of U.S. electricity use, as of 2023, this figure is projected to rise as much as 12 percent in the next 3 years and will greatly impact the cost of energy for everyday Americans.

We know that capital investments to meet peak energy demands is a primary driver of costs. But if American homes are allowed to invest in dynamic efficiency improvements, we can mitigate

billions of dollars of long-term distribution system costs.

Energy efficiency upgrades and utility data access paired with smart devices can reduce peak demand and allow new data centers to join the grid without significant costs to rate payers. Given the time needed to build new transmission, energy efficiency, and flexible demand technology are the only solutions that can meet the rapid pace of data center deployment.

Roughly 60 percent of homes were built before 1980 before modern energy codes leading to unnecessarily high utility bills for many Americans. Over 33 million American households are energy insecure, with nearly 25 million households reducing food or medicine to pay for energy costs.

DOE estimated that while the average household spends \$2,000 on their annual utility bills, between \$200 or \$400 of this is wasted from inefficiency.

In conclusion, despite the incredible strides in energy efficient building, including the appliances and equipment in them as among the largest consumers of energy and some of the greatest opportunities to support dynamic change.

With policy and program innovation that brings the pieces I have discussed together to optimize energy usage, we can deliver more reliable and affordable energy, all while making buildings healthier, sturdier, cheaper, and more comfortable places to live and work.

Thank you, and I look forward to your questions.

[The prepared statement of Ms. Saul-Rinaldi follows:]

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Mr. Latta. Thank you very much opening statement.

And, Mr. Steffes, you are recognized for 5 minutes for your opening statement.

STATEMENT OF JIM STEFFES

Mr. Steffes. Thank you, Chair Latta, Ranking Member Castor, and members of the subcommittee. Thank you for this opportunity to testify today.

My name is Jim Steffes. I am the Senior Vice President of Washington Gas. Washington was a small town when Washington Gas brought light to its first customer, the U.S. capital in 1848. We have grown with this community ever since and cared deeply about the more than 1.2 million customers we serve today across the District of Columbia, Maryland, and Virginia. We deliver affordable energy to heat homes, cook food, and enjoy hot showers.

This safe and reliable energy is easy to take for granted, but it is only available because of the more than 1,000 dedicated employees and our continued capital investment, maintaining a vast network of essential infrastructure.

Every day at Washington Gas we work to earn our customers' trust and confidence. Our mission is simple: Deliver affordable, reliable, safe, and secure energy to the National Capital Region.

Energy security is critical and inseparable from national security. Our community and customers, including the Federal Government depend upon natural gas from Federal offices and military installations to mission-critical research campuses, to hospitals and homes, our gas service allow customers to do what needs to get affordably and reliably.

Disruptions and challenges to delivering natural gas across the natural capital region would ripple both far beyond the local community, threatening the functioning of Federal agencies and their ability respond to energy and our Nation's needs. That is why Washington Gas continues to

make strategic investment in safety and modernization.

Energy delivery in the National Capital Region is not just a utility service, it is an essential underpinning of Federal Government operations. Make no mistake, our region is facing significant energy challenges, especially electricity market challenges.

The National Capital Region has seen a price for a power capacity surge -- 964 percent since the summer of 2023. Analysts project household electricity rates could rise 30 to 60 percent by 2030.

Eliminating or restricting natural gas at a time of sizable electricity demand growth would further destabilize the grid.

While transmission and power generation projects are underway, they are slow to develop interconnect. PJM power capacity price forecast highlight this lengthy process. In the meantime, modernizing our gas pipeline infrastructure is a proven, effective way to keep energy affordable and reliable. That is why we have continued to invest over \$500 million annually, all while creating good-paying jobs.

To continue our infrastructure modernization efforts, we asked to direct PHMSA to reengage actively with state regulatory commissions, as PHMSA did under Secretary Ray LaHood's leadership through the 2011 call to action. Safety mattered then, and it still matters today.

PHMSA must urge regulators in the District of Columbia, Maryland, and Virginia to continue to authorize accelerated replacement mechanisms with a clear focus on safety. PHMSA engagement with the States is critical to ongoing pipeline replacement programs and derisking our pipeline network.

Energy choice is also under threat. New-use restrictions of the local and state limit our customers' choice for natural gas. Instance, both the District of Columbia and Montgomery County Maryland have passed building performance standards and net zero building codes that restrict customer energy choice, force electrification, and impose millions, if not billions of dollars in

compliance costs.

At the Federal level, Section 433 of the Energy Independence and Security Act requires new and renovated Federal buildings to eliminate fossil fuel use by 2030. These local, state, and Federal policies impose new costs onto household, businesses, and the Federal Government. These policies also risk amplifying the crisis in the electricity market.

To overcome these restrictions on energy trades, Congress should do two things to support energy security and energy choice. First, pass the Reliable Infrastructure Act which repeals Section 433 and allows Federal buildings to take a balanced approach to their energy future.

Second, pass the Energy Choice Act which prevents state and local gas bans from restricting energy choice in a balkanized and haphazard manner. Together, these two actions safeguard energy affordability, energy reliability, and energy choice for consumers, including Federal facilities.

Natural gas is indispensable to heating our homes, to powering our families, to delivering energy affordability, to growing our economy, and to ensuring long-term energy security.

Washington Gas is committed to working with you to modernize our infrastructure, protect energy reliability, and preserve energy choice so we can meet the energy needs of today and tomorrow affordably and securely. Thank you, and I look forward to your questions.

[The prepared statement of Mr. Steffes follows:]

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Mr. Latta. Well, thank you very much for your testimony. And that will conclude our witnesses' opening statements. And at this time, we will go to the members' questions. And I will begin with my questions and for 5 minutes.

U.S. utilities have committed to 116 gigawatts of large capacity additions in the next few years. Approximately, 15.5 percent of the current peak demand. There is significant need for energy capacity and associated infrastructure, and the market is responding. A leading industrial firm will double gas turbine production capacity within the next 2 years. Distribution transformers are also in high demand.

The previous administration proposed a standard and EPCA for transformers that would have required a complete retooling of the product design and material composition while yielding an efficiency gain of less than one-tenth of a percent. This standard will exacerbate supply chain issues.

Mr. Lieberman, do you know if efficiency gain of less than one-tenth of a percent qualifies as yielding a significant energy savings as required by EPCA?

Mr. Lieberman. Well, clearly, it doesn't. And there is a provision in the underlying law, the Energy Policy Conservation Act, explicitly forbidding DOE from setting a new or an amended standard unless it saves a significant amount of energy. That is in the statute more than once.

Unfortunately, it never quantified significant conservation of energy. And we have seen over time it has become eye of the beholder, and DOE will set a standard even if the energy conservation seems to be trivial.

Another example of that is the most recent stove standard which saved gas stove cook top owners about 21 cents a year. That was considered significant.

So I think there is some value and the Don't Mess With My Home Appliances Act puts numbers and percentages on conservation of energy. So it is not really changing the underlying statute toward provisions, it is just making them easier or making them harder to get around.

So I think the answer is, yes, it was a trivial amount of energy, and that standard should not have --

Mr. Latta. Well, let me ask you another question. When a product has maximized technologically achievable energy efficiency gain, is it reasonable to allow products to no longer be regulated under EPCA.

Mr. Lieberman. Yes, and some of these appliances have been regulated now four time, five times. Some of them are on to the sixth round of successively tighter standards where we are proving the law of diminishing larger returns or maybe even negative returns. I think it makes perfect sense to have stopping points.

I believe the original statute contemplated that. But we are not seeing that. As somebody once said, bird fly, fish swim, and regulators regulate. So we will just keep seeing more and more regulations over time, even if they don't necessarily make sense.

Mr. Latta. Well, thank you.

Mr. Steffes, Section 433 of the Energy Independence and Security Act required DOE to phase out fossil fuel generated energy consumption in new and remodeled Federal buildings by 2030.

How will this impact energy reliability at sites of high national security importance like the Pentagon and Fort Mead?

Mr. Steffes. Thank you, Mr. Chairman. You know, the energy network is built upon two distinct networks -- the gas network and the electricity grid. They work together removing natural gas from facilities, Federal facilities. Whatever form they are, office buildings or military installations will reduce the ability to have redundant energy needs, backup energy needs in the moment of crisis. Clearly that will challenge reliability.

Our system, our natural gas system is 99.7 percent reliable. We were very proud of that fact as an underground network. Removing that removes our reliability. I also think it will challenge affordability by doing that. The government will have to invest money that it would otherwise not

need to invest. And worst of all you are going to be driving up the demand in a very difficult time for the electricity market. All of those things are coming to bear if we don't repeal 433.

Mr. Latta. Well, thank you.

Mr. Hughes, in my last about 45 seconds, the previous administration took a whole of government approach to develop a mandate, green building policies to end all your use of fossil fuel for heating and cooking. And how are these policies already impacting Americans despite the current administration's efforts to correct course? I have got about 22 seconds.

Mr. Hughes. And I am sorry, I didn't understand.

Mr. Latta. Yeah, the previous administration took a whole of government approach to develop the mandate green building policies and use of fossil fuel energy for heating and cooking. And the question is how are these policies already impacting Americans despite the current administration's efforts to correct course. Unfortunately, I am out of time, and I am going to ask to get that in writing from you. And at this time I yield back.

And I will recognize the gentlelady from Florida, the ranking member of the subcommittee, for 5 minutes for her questions.

Ms. Castor. Thank you, Mr. Chairman.

Ms. Saul-Rinaldi, this committee has heard repeatedly that we can anticipate unprecedented increases in electricity demands in the coming years. How do appliance standards and energy efficiency and building emergency codes help address the growing load growth requirement?

Ms. Saul-Rinaldi. Load growth is going to need to be addressed by energy efficiency. There is no way to actually be able to kneed it as rapidly as load growth is without being able to deploy energy efficiency. Codes and standards set a baseline. And then what we really need is to have an additional dynamic efficiency that is using buildings as virtual power plants so that we can meet these additional peak loads.

We have to remember that utilities build power plants to meet their peak needs. And so

buildings can be a part of meeting those peak needs by reducing energy use during those peak times.

But building codes and buildings and appliance standards will add additional -- will bring additional demand off the grid and further help meet the needs of that load growth.

Ms. Castor. And talk about the speed and the timeline of deploying energy efficiency to address load growth or building a new power plant, whether it is renewable or gas.

Mr. Steffes. To permit and build a power plant can take 5 to 7 years. Whereas, depending on whether or not the technologies have already been deployed, deploying energy efficiency by virtual power plant way which is connecting all of those buildings and all of those smart systems can take, you know, 5 to 7 months. So it is significantly faster to deploy energy efficiency. And then, of course, as you move energy efficiency in and give opportunities, whether it is tax credits to buy those more efficient appliances, those are things that can further push the higher efficiency elements into the marketplace.

Ms. Castor. And it seem like just a recipe for higher are costs if you denigrate the ability of energy efficiency to help with load growth issue.

I was also really surprised in your testimony that you pointed out the 2025 U.S. Energy and Employment Report. I had no idea that the Energy Efficiency Sector employs 2.5 million, while if you add up petroleum, natural gas, coal combined, it is 866,000 workers. That is surprising to me.

So now that Republicans have repealed tax credits and savings in their Big Ugly Bill, and when you add on the tariffs and you are cutting weatherization, and now obviously they are setting up some bills to come to committee to undermine energy efficiency, and savings, what do you project is going to happen to all of those job?

Ms. Saul-Rinaldi. It is hard to know because we just had the bill, and it just recently passed. And we still have the tax credits. The 25(C) tax credit which is the energy efficiency credit for homeowners. They have until the end of the year to take advantage of those tax credits. So contractors are working really hard to make sure that their customers know that if they were

thinking about putting in a heat pump, they were thinking about putting more installation in their home, this is a time to take advantage of that tax credit if they have a tax liability. So we don't know quite yet. We do know that these tax credits passed -- the 25(C) tax credit passed in 2005, and it did lead to an increase in jobs.

And so as we take those opportunities away from homeowners to be able to meet those additional higher technology jobs, which do cost a little bit more, and be able to offset that with a tax credit, it is unclear exactly what that is going to do to jobs where there will be an impact.

Ms. Castor. You know, thank you very much, because that is where I started my testimony. Folks have until the end of the year to take advantage of that. And back home in Florida, do you know how important it is as people rebuild from the hurricanes? We are one year out from Helene and Milton. And this is a Godsend because those tax credits can go to doors, windows, insulation. You are replacing your AC with a much more efficient heat pump that will save you money.

So let the word go forth. These have to be installed by the end of the year. And the American people deserve these savings. It is just not right for Republicans here in the Trump administration to serve the bottom line of polluters and billionaires rather than hardworking Americans.

Thank you, Mr. Chairman, I yield back.

Mr. Latta. Thank you. The gentlelady yields back the balance of her time.

The chair now recognizes the vice chair of the subcommittee, the gentleman from Texas for 5 minutes for questions.

Mr. Weber. Thank you, Mr. Chairman.

Mr. Hughes, I want to come to you first. As you know, I was an air conditioning contractor for 35 years. So I have been in a small business, and I have watched this whole episode of the SEER ratings moving up on not only air conditioning units, but on a gas AFUE settings as well.

You said a couple of things as a small builder. You said you are concerned about this

because this is restrictions on the energy source -- and I will come back to you in just a second -- then said it was mandates, and then you said it affected appliances. Describe for us what you meant by it was restrictions on energy source.

Mr. Hughes. Well, it is getting to be more of a concern that we are losing those choices on what energy. And having to change different equipment, different appliances, it is going to add to the cost. In some cases, they are simply not practical. Some of the new codes, for instance, require duct work replaced in heated space, which is not practical on slab homes.

Mr. Weber. Amen, brother. I have been there. I have been in those homes. I have watched what I would call Middle America's American Citizens in Texas. When that -- you are familiar with SEERS, Seasonal Energy Efficiency Ratings on air conditioners.

When I got in the business in 1981, it was eight -- was it -- it was 8.0 SEER. Then they went to nine, then ten, then twelve, then fourteen, and fifteen. And you watched the price of those units to almost double. So now you had a homeowner whose working family -- my guy of 49 years was a teacher for 27 years, and I was in this company but 35 years -- we watched working families struggling. They lived in a house that was 15, 20, or 25 years old. For them to get on all new equipment at the higher SEER ratings make take a complete system change up from \$12,000 to \$18,000. And they could well afford the first price much less the next price, even though they had tax incentives on it because they struggling.

Mr. Lieberman, I am going to come to you. Non-conditioned gas furnace, you said in your comments, would not be available after 2028. We all know that the AF -- some of us know that the AFUE rating on those furnaces go up to 92 percent. It also requires the change in the venting. You know this. It requires a grip rake and requires all kinds of stuff that normal don't require. Especially in Texas, there is a no reason why the Department of Energy or anybody else, EPA should be mandating that Texans have to have a efficiency. You are aware of what AFUE furnaces, I trust.

Mr. Lieberman. Yes.

Mr. Weber. Go ahead.

Mr. Lieberman. No two homes are alike. No two homeowners are alike. And we all know our own individualized circumstances and preferences better than any one-size-fits-all regulator process. And so with the rule that it will take in 2018, there are a lot of homes that won't get the furnace that makes the most sense for them. And as it turns out, it tends to be older, smaller, space constrained homes owned by generally lower-income Americans. One size fits all is very much a problem with some of these --

Mr. Weber. It really is. It affects not just lower income but also no income. I can't tell you how many times I have been in a house that was 20, 25 years old or older, and I said, sir, ma'am, there is a crack in your heat exchanger. And your old original furnace, it is going to have to be changed. But it is also going to have to be a upper AFUE rated furnace, you need a new evaporator coil, and a new outside unit. And now instead of a furnace that is usually choosing \$1,800, \$1,900, or whatever it is. You are now looking at about seven, \$8,000 back in the eighties or 9,000. Much, much higher than that.

And I have had people look me in the eye and say, well, Mr. Weber, you said there is a minor crack in the heater exchanger that puts out carbon monoxide? Yes, sir. They said, how dangerous is that? And I said, well, you know, if you get enough in your bloodstream it can kill you, and the next morning you can wake up dead, which is not a bad way to go if you are ready to go. And they literally would look me in the eye and say, what are the odds, what is the percentage rates that it would actually kill somebody in our family? And I said, well, they are actually pretty low, but when it happens, they are just as dead as they could be.

And families can't always afford these mandates. It is a good idea. I know that we want less pollution, and we want all this stuff that they want to happen. But we have to take into account that American families can't always afford these good ideas.

Ms. Rinaldi, I am going to come to you. Everything you said sounds good about all the

energy savings, but I just laid out a scenario for you where Americans can't really afford all this.

So I am just going to end my comments, Mr. Chairman, by saying, it is like "the best-laid plans of mice and men," and I yield back.

Mr. Latta. Thank you very much. The gentleman yields back the remaining balance of his time.

The chair now recognizes the ranking member of the full committee for 5 minutes of questions.

Mr. Pallone. Thank you, Mr. Chairman. I have three questions of Ms. Saul-Rinaldi. So I am going to try to get through the three.

At a time when Americans are struggling with everyday prices, the Trump administration and congressional Republicans have enacted policies that in my opinion only result in increased energy prices for American families.

So my first question is with these increased energy costs, can you please talk about the role of energy efficiency in helping households keep monthly energy bills affordable? And what happens if Republicans continue to gut efficiency standards, if you will?

Ms. Saul-Rinaldi. Well, without efficiency standards, then homeowners would buy whatever is cheapest in order to put it in their house. That would likely not include the higher efficient technologies. And they would be spending more on their monthly utility bills. I think one of the key things is most of the time -- we all know when we buy a new appliance is because something broke, it is because our air conditioner broke, or our dishwasher broke. And what ends up happening is that they don't necessarily have thousands of dollars or even hundreds of dollars burning a hole in their bank account. So that homeowner needs to figure out how they are going to serve the needs of their family in the most cost-effective way possible.

I know they will buy often what is just at standard. And so what building standards do and what appliance standards do is provide that baseline standard so we make sure to protect

homeowners from the least efficient appliances and the least efficient codes. So that is why they are just really critical.

Mr. Pallone. All right. Thanks. And my second question is I mentioned this, what I said was a factually inaccurate number in my opening statement. I would like to get your take on it.

Republicans claim that meeting the 2021 International Energy Code can add up to \$31,000 to the price of a new home. But based on my review, this number includes several items that are not even required by the code.

So have you seen this number before? And can you confirm that it includes several items that are not required by the code?

Ms. Saul-Rinaldi. Yes, about 80 percent of that number is different. There is many different pathways for both prescriptive and performance in the code. And that number is choosing more expensive pathways. I can give you some examples if you would like.

Mr. Pallone. You want give us an example?

Ms. Saul-Rinaldi. So, for example, there is a number of -- on double-wall construction, it leads to \$18,000 in that example of that 31,000. That \$18,000 can be led to in much cheaper ways through different pathways which include single wall and wrapping the house. There is also \$3,000 for the ventilation energy package which can often be substituted with a hot water heater. For example, a more efficient hot water heater.

So there is different pathways to get -- to meet the model energy code. And that \$31,000 number is more elevated than one would see in the marketplace normally.

Mr. Pallone. Fall right. Thank you. Then my third question is about -- let me get to it here -- is about energy efficiency and this idea that energy standards helps provide clarity and stability to American manufacturers.

Can you elaborate on the collaboration that takes place between DOE and manufacturers as it relates to energy efficiency and energy conservation standards? How do these standards help

American manufacturers compete and avoid being undercut by inefficient farm products, if you will?

Ms. Saul-Rinaldi. Remember when I talked about some of those really potentially cheap products that could flood the market, those would likely be foreign products. And American manufacturers work with the Department of Energy. They go through the standards. The standards process takes sometime. Not every single appliance that is reviewed has a new standard. It has to be cost-effective and technologically feasible, and that they work with the manufacturers and other stakeholders to make sure that they are coming up with something that will work for the marketplace.

And then the manufacturers -- what that does is it helps strengthen the manufacturers to make sure that the lines of products that they put on the market are from that base standard, and then additional efficiency so that they cannot have to be competing with foreign manufacturers that might have cheaper less efficient products on the market.

Mr. Pallone. All right. Thank you so much.

Thank you, Mr. Chairman, I yield back.

Mr. Latta. Thank you. The gentleman yields back the balance of his time.

The chair now recognizes the gentleman from Ohio's 12th District for 5 minutes for questions.

RPTR KRAMER

EDTR HUMKE

[3:16 p.m.]

Mr. Balderson. Thank you, Mr. Chairman. Thank you all for being here today. I appreciate your time.

My first question is to Mr. Steffes. I appreciate you discussing the critical role natural gas plays in maintaining an affordable, reliable, and resilient energy mix. Similar to the service territory of Washington Gas, the district I represent, Ohio's 12th congressional district, is in the PGM footprint, and we are currently experience a massive increase in the development of new data centers across central Ohio.

Mr. Steffes, as we are seeing this historic demand grow due to electrification and the buildout of new data centers to support AI, we are also seeing efforts by local and State officials to ban natural gas use. How do decisions by local officials to phase out natural gas use, which may seem like local, isolated decisions, negatively impact consumers and consumers in other regions or other States?

Mr. Steffes. Thank you, Congressman.

Straightforward question of supply and demand. For the customers that I serve, a lot of their needs is heating, natural gas heating, hot water, cooking. If you mandate as in our communities no more natural gas will be used, those customers are going to find another way to provide heating. They are not going to go without heat. They will use electric heat. That will add additional demand to the electricity market while it is very difficult to add supply. Additional demand without supply increases prices.

Mr. Balderson. Agree.

Mr. Lieberman, I would like to get your thoughts on how natural gas bans can impact reliability and resiliency.

Mr. Lieberman. Well, natural gas takes a good bit of the load that would otherwise have to

be carried by electricity for residential use, which is what I have looked at most closely. And there is a reason people choose natural gas. It is three and a half times cheaper on a per unit energy basis, and that is from the Department of Energy. So there is a lot of good reasons for home owners to choose a natural gas water heater, natural gas furnace, a natural gas stove. Others who are into cooking swear by the superiority of gas cooking. But from a energy perspective, gas is cheaper, and it takes some of the load off of electricity at a time where we are struggling to keep up with increasing demand.

Mr. Balderson. Thank you, Mr. Lieberman.

My next question is directed to Mr. Hughes. In your testimony, you note your concerns with the previous administration's final rule on residential furnaces, which effectively bans noncondensing gas furnaces after 2028. Can you walk us through how this rule would increase costs for consumers and specifically how it would disproportionately impact seniors and low income families?

Mr. Hughes. Well, just the added cost of installation in most cases. We are a big proponent, as Ms. Rinaldi is, to upfitting existing homes. But in too many cases, condensing units aren't practical, aren't always practical. So just a -- the added installation cost alone and the added equipment cost alone is a huge factor.

Mr. Balderson. Thank you. I will do a follow-up with you, Mr. Hughes. I think many on this committee, myself included, have deep concerns on that the efficiency standards proposed and finalized by the previous administration failed to meet EPCA's requirement that the standard is economically justified.

Do you believe those efficiency standards finalized on home appliances were economically justified or cost effective? Question. And how would some of those appliance standards hurt consumers and new owners?

Mr. Hughes. In most cases, we found that they are not cost effective. New appliances to these new standards I found personally simply don't last as long. They are more expensive, and

they simply don't last as long. So that adds to costs also.

Mr. Balderson. Mr. Lieberman and Mr. Steffes, would you like to add anything to that?

Mr. Lieberman? You can go first.

Mr. Lieberman. Well, for one thing, the statute has a provision in it that says that the higher upfront costs should be no more than is earned back in the form of energy savings over 3 years. But we see that provision bypass -- it is not a requirement. I think making that a requirement, making certain that consumers save more than it costs, would be -- would be very valuable.

I would also say there is no downside to not regulating. Anyone who wants an ultra efficient appliance is always free to buy one, and there is plenty of models available. Manufacturers have shown that they will make models that go above and beyond. Go to Home Depot, Lowe's. You can find appliances in any category that are much more efficient than the standard.

But the standard doesn't make sense for everyone, and that is why I think we should go to a more -- approach with consumer choice rather than Federal mandates.

Mr. Balderson. Thank you.

I apologize, Mr. Steffes, but Mr. Chairman, I yield back.

Mr. Latta. The gentleman yields back.

And the chair now recognizes the gentlelady from Virginia's fourth district for 5 minutes for questions.

Ms. McClellan. Thank you, Chairman Latta and Ranking Member Castor for holding this very timely hearing.

Across the country, one in three households is forced to cut basic on basic necessities just to afford their energy bills. In Virginia, families face electricity rate hikes of at least \$10 a month. This is on top of rising grocery prices caused by President Trump's reckless tariffs and draconian Medicaid cuts that strip health coverage for millions of low income Americans.

And rather than addressing these problems, the Trump administration has frozen or cancelled

funding for clean energy projects even though clean energy consistently delivers cheaper electricity than dirty fossil fuels. And the Republicans' big ugly bill terminating clean energy tax incentives that were already helping homes and businesses save money through energy upgrades. And Republican leadership used the Congressional Review Act to reverse the Biden-Harris administration's commonsense energy efficiency standards that had broad public support and save customers money by reducing their individual demand.

In 2024, DOE standards helped the average American household save over \$500 on their utility bills. And in this committee, we often discuss how growing energy demand from manufacturing and data centers and the urgent need to bring more generation online. But energy efficiency is one of the quickest and most cost effective tools we have to reduce peak demand, to reduce individual demand and therefore lower individual customer bills, lower greenhouse gas emissions, and strengthen grid resiliency and energy security.

Now, Virginia is home to more than 600,000 veterans, many of whom face unique challenges transitioning to civilian life and finding good paying jobs. But energy efficiency jobs have provided important opportunities for veterans who currently make up about 10 percent of the workforce in this sector alone. For many veterans, energy efficiency jobs offer a meaningful way to leverage their leadership and technical skills while continue to contributing to our national security.

So Ms. Saul-Rinaldi, could you discuss how Federal energy efficiency policies support workforce development and create career opportunities for veterans and other workers?

Ms. Saul-Rinaldi. Absolutely.

And I am glad you brought up workforce training. Workforce training is critical right now. In the building sector, every time we talk with contractors, we always are looking for trained workers. And veterans are a big part of where they seek to find and bring in new workers to be a part of their teams.

Workforce training is critical, and unfortunately, the unobligated funds from the workforce training grants were taken out in the last -- in the OBBA legislation. But workforce training is critical. We need to have on-the-job training as well as apprenticeship programs. We need to be investing in apprenticeship programs and workforce training so that these contractors can go into the homes and be able to understand how to size appropriately the furnaces, how to -- how much insulation is needed, and how to make sure to make the most cost effective upgrade for that home. Whether that home is fueled by gas or whether it is electric, the contractors need to be trained to make sure that they are making the best decisions for those home owners.

Ms. McClellan. Thank you.

And one of the programs under the Bipartisan Infrastructure Law was a \$500 million Renew America's School program to help public schools lower energy costs and improve indoor air quality, creating healthier learning environments for students and teachers across the country.

In the 2024 funding cycle, Richmond public schools in my district was one of 16 districts across the country to receive over 15 million to support much needed upgrades at 22 Title 1 schools. Many of these schools were over 50, and in some cases, over 100 years old. So you can imagine how inefficient energy-wise they were. But in January, President Trump issued executive orders illegally freezing funding for the Renew America Schools.

Ms. Saul-Rinaldi, how has the uncertainty created by the Trump administration's funding freezes impact its schools and businesses looking to upgrade their facilities?

Ms. Saul-Rinaldi. Well, I think any of the funding freezes that we have seen or cancellations has created some uncertainty in the marketplace, particularly when it comes to job creation and hiring and for contractors who are unsure whether or not certain programs are going to be there to fund those upgrades. They certainly don't want to promise something and go through all the effort to put together a school redevelopment or a church redevelopment for those nonprofits in that program and then find out that they don't have the funding there to be able to meet that need.

So uncertainty is really hard in general for the marketplace, particularly for the small business contractors.

Ms. McClellan. Thank you. I yield back.

Mr. Latta. Thank you very much. The gentlelady's time has expired, yields back. The chair now recognizes the gentleman from Georgia's 12th district for 5 minutes for questions.

Mr. Allen. Thank you, Chair Latta, for holding this important hearing to discuss appliances and -- appliance and building policies, and I thank the witnesses for being here today.

During the Biden administration, there was a 4-year assault on consumer choice of appliances from gas stove, refrigerators, and freezers to washers, dryers, dishwashers, and air conditioners. No household appliance was off limits in their pursuit of a radical rush to green agenda. In fact, I tell you, I got more questions in the district this last -- it was August work period. I mean, people asked me, "Why is my new air conditioner costing three times what I paid for it 10 years ago?" And because of this new gas and this -- yeah, these -- yeah, I thought technology was supposed to lower prices, and that is the comments I got. But it is really -- it is a real problem for our consumers.

And, of course, that is why I am proud that I -- to introduce the bill, Don't Mess With My Home Appliances Act, which implements necessary reforms to the Energy Policy and Conservation, or EPCA, prevent future administration from issuing burdensome standards on household appliances that would drive costs and reduce availability. And like I said, I don't know where we are getting these numbers about all this money we are saving, but like I said, the costs are enormous.

In fact, I had to do something I never thought I would do in my lifetime, stand on the House floor and defend my wife's gas stove. And we won that battle. She got to keep it. So -- but again, what is important is to preserve consumer choice and maintain a diverse energy mix.

Mr. Lieberman, you mentioned in your testimony the issues with EPCA and how costly it can be to implement new appliance regulations. You have an average of how much the Biden Department of Energy's rules on some appliances cost consumers?

Mr. Lieberman. Well, you mentioned air conditioners. Central air conditioners are in the very unfortunate position that they are hit with Department of Energy and Environmental Protection Agency regulation, and it is that one-two punch that has really done a number on appliances. A DOE rule that predates the Biden administration but took effect in 2023 raised the cost of home air conditioners.

And then a Biden EPA rule that took effect for manufactured equipment after January 1st of this year has really done a number on appliance affordability, especially air conditioners. And I have talked to air conditioner installers who say that that EPA rule alone added \$1,500 on top of the other regulations. So it is definitely a cumulative effect. And a number of these regulations were from the Biden administration, but a number of them predate the Biden administration as well.

Mr. Allen. Well, another problem is some of this stuff doesn't work. I mean, the washing machines, I am told, don't -- you got to wash your clothes multiple times. I mean, we had one lady that wrote in here, said she had to put more water in her washing machine to get her clothes clean, had to drag the water hose in there and put it in the -- I mean, you can't believe this stuff.

You mentioned my bill, the Don't Mess With My Home Appliances Act, to reform EPCA. How would this bill help with ensuring consumer choice and lower costs of appliances?

Mr. Lieberman. Well, I think it would reinstate some safeguards against excessive future regulations. That is very useful. It would also have this lookback provision so we can -- we can revisit past regulations, have a notice in comment rulemaking where those who think the appliance standard was just fine can say so, but those who think there have been problems can say so. And we can -- we can revisit some of these past standards, maybe even make them less stringent if it is efficiency that comes at a cost of choice, performance, features, reliability, and longevity.

Mr. Allen. It is called common sense or street smarts, whatever you want to --

Mr. Lieberman. Yeah, trusting consumers to do the right thing.

Mr. Allen. Mr. Steffes? Is that correct? Part of my bill, the Don't Mess With My

Appliance Act, prohibits the Secretary of Energy from banning products based on their type of fuel source; most notably, natural gas. Natural gas traditionally uses less energy. So can you share how many natural gas appliances and natural gas, such as my wife's gas stove, is a fuel source in building would strain the grid and raise energy cost?

Mr. Steffes. Thank you, Congressman.

Absolutely. Driving gas out of homes will raise -- will increase electricity demand because people will still want to cook. They will still want heat. That will only increase demand in a tight supply market, and the prices are going to go up from there.

Mr. Allen. All right. Well, I am out of time. Mr. Hughes, I had a question for you. For the record, I will get that to you. But obviously, we have a huge housing shortage in this country, and affordability is a big issue. We got to solve that problem for the American people.

Thank you, and I yield back, Mr. Chairman.

Mr. Latta. The gentleman's time has expired, yields back.

The chair now recognizes the gentleman from California's 15th district for 5 minutes for questions.

Mr. Mullin. Thank you, Mr. Chair. And thank you to our witnesses for your testimony today.

As we know, affordability is a huge challenge. While the majority has passed One Big Beautiful Bill, their policies have increased energy bills by hundreds of dollars a year for families across America. This is on top of higher costs at the grocery store and diminishing coverage at the doctor's office.

Instead of dealing with this affordability crisis, the President has mandated that outdated coal plants keep running, which will cost billions of dollars a year. Republicans have proposed bill after bill to roll back efficiency standards, which would only lock in higher costs for families.

Americans are being squeezed on many fronts, and for utility bills, they simply have to eat the

cost or turn out the lights. For renters, this issue is especially urgent because while they pay their own energy bills, they don't have control over whether their homes and appliances are energy efficient. So Ms. Saul-Rinaldi, can you explain how strong appliance standards and building codes protect renters and home owners from higher monthly bills?

Ms. Saul-Rinaldi. Absolutely. And you are correct. That split incentive is critical for the third of the country that rents and that -- one of the key issues that appliance standards can do is that a typical household has saved \$576 per house per year as a result of appliance and equipment standards.

So once they -- once these purchases are made by the landlord for the renter, those energy savings are recouped by the renter. So by setting a standard as the lowest cost that a landlord can put into a home or apartment is critical. And home owners get the same. They purchase the appliance with some -- potentially an upfront cost, potentially not. I think the cost of appliances aren't necessarily weighed directly against standards. There is also inflation. There is also the cost of the installation. So there is many things that go into the cost of installing a new unit and why those costs might go up.

But the appliance standards and the building standards are just setting a baseline to make sure that we are protecting our home owners and our renters from appliances that are really wasteful.

Mr. Mullin. Thank you for that.

I would also like to take a moment to talk about the impact of housing codes on resilience to extreme weather for both buildings and the electric grid. According to a FEMA report from the first Trump administration, communities with modern building codes avoid 32 billion, with a B, in disaster losses over 20 years compared to places without them. That is why I introduced my Weatherization Resilience and Adaptation Program, or WRAP Act, to help low income families harden their homes against natural hazards.

We also know that more energy efficient homes and appliances will reduce strain on the grid by lowering demand during heat waves and cold snaps.

So again, Ms. Saul-Rinaldi, beyond lowering bills, can you speak to how stronger codes and home hardening investments work together to reduce our disaster losses?

Ms. Saul-Rinaldi. Well, one important piece that you had noted is that when you upgrade the efficiency of a home, it also means that they can -- that installation helps that home withstand heat or the loss of -- if it is during a heat wave, they can withstand the energy air conditioning, it can hold in the air conditioning. It can hold in the heat if they have lost power during -- if it is cold out. So it makes the home itself act a bit like a cooler rather than a paper bag. So the home itself helps maintain the temperatures within it even if there is a loss of power. So that is -- that is one of the key ways that it helps.

There is also -- just in general, the homes are built with -- sturdier, and those sturdier homes are able to withstand some of the more extreme weather events that we have been seeing.

Mr. Mullin. Appreciate that answer very much. Thank you all for your testimony. Mr. Chair, I yield back.

Mr. Latta. Thank you. The gentleman yields back the balance of his time.

The chair now recognizes the gentleman from Texas's 11th district for 5 minutes for questions.

Mr. Pfluger. Thank you, Mr. Chairman.

I want to get to the heart -- Mr. Hughes, I will start with you. I want to get to the heart of -- efficiency is good, and it is happening. And things -- and there is lots of different industries that are making things more efficient. But I don't need, in west Texas, to be hurricane-proof because we don't have hurricanes in west Texas. And I think the -- as we consider different things that are mandated, we want to make sure that we are not overreaching, which is exactly what has happened in the last 4 years. And we are trying to swim out of that, that mess.

Housing prices are obviously -- they are very expensive right now. We have lower numbers of first-time home buyers. And I would like to hear your thoughts as you have kind of mentioned already today on the additional Federal appliance code mandates that have impacted the affordability of homes and just broad thoughts on how to tackle it to make sure we do gain efficiency but we don't overreach.

Mr. Hughes. Absolutely. As has been mentioned several times, it is not a one size fits all. And you are right. You don't have hurricanes in Texas, but we do in North Carolina. It should be left up to individual States and local governments to tailor those codes to those areas.

As far as the cost, the more regulations we pile on, the more it drives that cost up. We feel like the homes that we have built in the last 20 years perform very well. We feel like we have reached a good base, and continuing to pile on is simply not cost effective. You are not going to recover that extra funds. We are big advocate for upfitting existing homes, and we feel like that is where a lot more good can be done.

Now, as far as how that increases resiliency, unfortunately, that is not quite as easy. But I can assure you in North Carolina, we are constantly looking for ways to be more resilient. And there are a lot of great innovative products out there that increase resiliency. And luckily today, a lot of those products also increase efficiency.

Mr. Pfluger. Right.

Mr. Hughes. Unfortunately, they all cost more.

Mr. Pfluger. We have to be careful about what we mandate and how that affects the one size fits all -- I hope -- I hope that this committee is listening to that.

Mr. Steffes, I will go to you. You testified that 20 percent -- changing subjects completely here -- but 20 percent of Washington's gas service goes to Federal facilities including buildings at the White House and the Pentagon. And what risks do you see if Section 433 -- if Section 433 forces those facilities to abandon natural gas in favor of an all-electric mandate?

Mr. Steffes. A few risks there, Congressman. Thank you for the question.

First, the risk that I see is -- because energy security in multiple redundant networks to deliver energy is critical. I see a risk to national security and our ability -- the country's ability to continue to operate when storms come through, when matters that are critical to citizens are dealt with.

I also see a fundamental question and challenge around affordability. As Federal office buildings are mandated to move down one path and only one path, clearly they are going to spend more money when they could otherwise use a different technology and solution.

We trust strongly that the Federal government -- the people that run the buildings, that operate these facilities, will make the right choices for affordability, for reliability, for security, as well as for safety.

Mr. Pfluger. Mr. Hughes, I will go back to you.

Forced electrification. You testified that the cost can be as much as 40 percent more. So in the same way that we are asking Federal buildings whether they want forced electrification, what is your opinion on that with houses?

Mr. Hughes. Well, again, it is all about the cost. It is going to drive up costs. We have to change appliances to meet those regulations, the cost of the appliance and the installation. It is all about the cost. And again, the point has been made. The best plan in the world isn't worth anything if the home owner -- if the home buyer can't afford it.

Mr. Pfluger. Finally, Mr. Lieberman, cost question. You note in your testimony that DOE rules could add hundreds of dollars to the cost of furnaces and water heaters. And what kind of effect is that going to create for first-time home buyers?

Mr. Lieberman. It adds to the cost --

Mr. Pfluger. Push your mike.

Mr. Lieberman. It adds to the cost of that first-time home.

I should say that the water heaters rule, it actually impacts existing homes a little bit more

than the new homes because most of those are built with the condensing furnaces. But again, there is a cost for existing home owners, but there is also a cost for new home owners. I think the biggest single appliance affecting new homes is central air conditioners, which have become very, very expensive because of this one-two punch of Department of Energy and Environmental Protection Agency regulations. But almost every room in the house has something that is going up in price, and it adds up.

Mr. Pfluger. Thank you. I appreciate the testimony. I yield back.

Mr. Latta. Thank you. The gentleman's time has expired, yields back.

The chair now recognizes the gentlelady from Colorado's first district for 5 minutes for questions.

Ms. DeGette. Thank you so much, Mr. Chairman.

Mr. Chairman, I am always happy to talk about overburdensome government regulation because, unbelievably, maybe, to Republicans, I am opposed to that too. I think that government regulation should be lean and mean, and I think it should help consumers. Nonetheless, I was really perplexed because my colleagues on the other side of the aisle seem to think that all of these efficiency standards they are talking about are actually going to hurt consumers rather than save them money in the long run. And so I was -- I was ruminating about what the Republican majority has been doing yesterday to slash things because they don't comport with their drillbitty drill agenda, which will actually hurt consumers. And I just give a couple of examples from the big bad bill.

One. They slashed the energy efficient commercial buildings deduction to assist with the installation of energy efficiency appliances and commercial buildings. So this was money that was going to help people install these appliances so they could save money in the long run. Gone.

They terminated the energy efficiency home improvement tax credit. This tax credit helped over 2.3 million Americans make their buildings more resilient and efficient and saved an average of \$130 a year in energy costs. And that is all gone now. Those people, they can't save that money

now because we are not helping them.

Just last week, my Republican colleagues voted to cut DOE's energy efficiency and renewable energy program by half. In my home State of Colorado, that would eliminate our funding for the Weatherization Assistance Program by a third, as just one example.

So in other words, you are making these houses and commercial buildings more efficient so people will save money, but my colleagues don't like that.

So, Ms. Saul-Rinaldi, I want to ask you a couple of questions about the impact of cutting energy efficiency standards because, in my opinion, these standards create healthier, more comfortable indoor spaces and, in fact, they help with health issues, respiratory issues, and preventing chronic diseases like cancer, lower respiratory diseases, and other things.

So let me ask you. Poor indoor air quality leads to more asthma incidences, causes colds, allergies, headaches, fatigue, and negatively impacts our mental health. Is that what studies show?

Ms. Saul-Rinaldi. Yes. That is exactly what studies show.

Ms. DeGette. Okay. So given that we spend 90 percent of our time indoors, wouldn't it stand to reason that health issues caused by poor indoor air quality would lead to an increase in healthcare costs?

Ms. Saul-Rinaldi. Yes. Yes.

Ms. DeGette. So Mr. Chairman, I have here a study, and it is from UL Solutions, which concludes that negative health effects triggered by poor indoor environmental quality make up nearly 14 percent of healthcare costs. I ask unanimous consent to put that in the record.

Mr. Latta. Without objection, so ordered.

Ms. DeGette. Thank you.

Now, Ms. Saul-Rinaldi, efficiency standards not only mitigate health risks but modern building codes protect us during natural disasters by making our buildings more resilient. Is that right?

Ms. Saul-Rinaldi. Yes.

Ms. DeGette. Now, are you aware of the study that FEMA concluded where they said that every dollar spent on building code adoption saves \$11 in disaster repair and recovery expenses?

Ms. Saul-Rinaldi. Yes, I am.

Ms. DeGette. So in an area like my home State of Colorado, which is facing our worst fire year since 2020, energy efficiency standards and weatherization programs have reduced energy bills by nearly 25 percent. Are you aware of that?

Ms. Saul-Rinaldi. Yes. That makes sense.

Ms. DeGette. Okay. And so I guess the way I feel is if you really want to reduce the burdensome effect of the Federal Government's actions, then help people to make their homes and businesses more resilient and also more healthy so that they can save money and so that they can have better health outcomes.

With that, I yield back.

Mr. Latta. Thank you. The gentlelady yields back the balance of her time.

The chair now recognizes the gentleman from Kentucky, the chairman of the full committee, for 5 minutes for questions.

The Chair. Thanks, Mr. Chair. I appreciate this hearing, appreciate being here.

And, Mr. Steffes, some of the argument has been that you put in regulations that drive the price of products, of energy, of housing up, and then you have a bill to subsidize it. You take away the subsidies, you are increasing the price of everything.

Well, the problem really is is making things affordable in the first place so you don't have to subsidize it because it seems like we just dismiss -- when you subsidize something, somebody is paying for it. And so that is what we need to recognize.

And so, Mr. Steffes, in your testimony, you discuss State-level actions, including Maryland's building energy performance standards, and the lack of consideration given to whether the grid can handle increased demand from electrification. What kind of price increases can PJM customers

expect as performance standards and other gas restrictions take effect?

Mr. Steffes. Thank you, chairman.

Yeah. As I said in my testimony, we have already seen almost 1,000 percent increase in capacity prices in PJM. If we continually restrict natural gas at the site, in buildings and homes, all that is going to do is to drive electricity. And how do we make electricity in PJM today? Well, if you look at PJM, we make it primarily with natural gas and some coal and nuclear. The idea that we are going to then just push the gas back down the power wire and use it in a less efficient manner than you would use it at home -- is absolutely going to rise prices.

I will give you another example. In Baltimore, over the last 5 years, electricity customers have seen 1,000 dollar a year bill increase, sort of that -- in our Maryland customers, we have seen \$100. Natural gas is much more affordable than electricity delivered. And we need to be thinking about that as we restrict people's use of natural gas.

The Chair. So I know our friends in Europe are begging us to export more liquid natural gas. It is national security. If you are pro-Ukraine, you want to ship natural gas to Europe because that is -- which I am, and so that -- by the fact that they are buying natural gas from Russia funds Russia to go attack Ukraine. I just talked with our Japanese and Korean allies, and they want us to unleash our natural gas out of Alaska, which helps some of their competition with China.

So it is also a strategic thing. But people will say, well, prices -- like you are saying in electric, prices are going up in places like Maryland; therefore we need not export natural gas. I have heard that argument, actually.

And the problem with electric prices isn't the existence of natural gas. It is the ability to use it, correct?

Mr. Steffes. Correct.

The Chair. So I just want to make sure that -- and then also -- so Mr. Hughes, in the Inflation Reduction Act, or so-called -- if we are going to call it -- they are going to use our bill, I will use

theirs -- so-called Inflation Reduction Act. It included provisions to pressure State localities adopt burdensome building codes and performance standards that negatively impact potential home buyers. Even in California they paused some of these codes. We have seen some books, the books of abundance or something, come out about how these regulations are -- I haven't read that book, but I have heard about it.

So Mr. Hughes, what kind of flexibility do State localities need when implementing building codes?

Mr. Hughes. As we continue to say, it is not a one size fits all. Every State needs to do their own thing. As was mentioned earlier, not every State has hurricanes. We do. So you have to be -- you have to have that flexibility.

And above all, maintaining consumer choice. It comes right down to it. Again, no matter what the plan is, if consumers can't afford it, what good have we done?

The Chair. So how do we balance? So I think as a Federal Government, a lot of times we have these tragedies, FEMA comes in and helps. The people want their Federal Government to come and help, and it does. And so there is some Federal interest to making sure people don't build flimsy buildings in a earthquake area or buildings that are -- that can't withstand -- right on the water in Florida that can't withstand hurricane wind.

And so how do we balance locals making their decisions -- let the Federal Government know, a lot of times we foot the bill -- we want to make sure -- so what I am saying is that all regulations aren't bad. How do we know that we get the right level of regulations between State and Federal?

Mr. Hughes. Well, we feel like we are there. Again, the houses, the homes that we have built in the last 20 years perform very well. You can ride up some of the valleys, creeks and --

The Chair. I am about out of time. So what is being added to that -- you think you are there. So what is being added to that you think we need to not do?

Mr. Hughes. Well, you name it. Extra energy requirements and -- the resiliency is there.

Some places require more. But again, that flexibility. On our coastal areas, we need -- you know, we need better windows and doors but we don't necessarily need it in my Piedmont area. So we have to maintain that flexibility and affordability.

The Chair. I just want to -- before I yield back -- that all things aren't bad. They need to be correct, and we need to make sure they are at the right level. So thank you, and I yield back, Mr. --

Mr. Latta. Thank you. The gentleman yields back.

The chair now recognizes the gentleman from New Jersey's 8th district for 5 minutes for questions.

Mr. Menendez. Thank you, Chairman.

And I appreciate this -- us having this hearing today, you know, and talking about policies. The Republicans have control of this chamber, they have control of the Senate, and they have a Republican President, yet they want to cast the blame, the affordability challenge, on the prior administration instead of taking accountability for their lack of action to drive down the costs that so many of our families are burdened with.

In addition, Republicans like to claim their focus this Congress is on eliminating waste across the government. This was their justification for taking healthcare away from 15 million Americans and making the largest cut to SNAP in the program's history.

Now, folks on this side of the aisle voted against that. But that was their framing of the conversation, right? "There is waste that we need to go cut out," and their way to do so, taking healthcare away from 15 million people.

As we all know, the opposite of waste is efficiency. This administration set up the Department of Government Efficiency. That sounds like a good idea, right? Most of us would agree in that type of efficiency. What they really did was just fire, RIF, remove, hire back career government officials who have done so much incredible work for our country and created no efficiency in the process.

But let me ask all of our witnesses today, as a general matter, is efficiency good or bad? Give me a thumbs up or thumbs down. Good. Okay. I think -- that is interesting. We will come back. Good. Good. Great.

But as we have already heard this afternoon, as we have already seen this Congress, Republicans in the Trump administration seem to take issue with efficiency when it comes to energy. This May, Republicans passed and President Trump signed multiple pieces of legislation that repealed Biden era Department of Energy efficiency standards.

Ms. Saul-Rinaldi, with respect to waste, wouldn't inefficient household appliances actually contribute to a waste of energy?

Ms. Saul-Rinaldi. Yes. Inefficient appliances do contribute to waste.

Mr. Menendez. Right. Waste bad, efficiency good. Makes sense.

So if more people use energy efficient products, would that lead to lower energy costs for American families?

Ms. Saul-Rinaldi. Yes.

Mr. Menendez. Right? And if more people use energy efficient products, wouldn't that relieve some of the burden that we are putting on our energy grid?

Ms. Saul-Rinaldi. It does.

Mr. Menendez. Seems so simple.

Energy prices are dramatically increasing across the country, and our constituents are footing the bill. In my home State of New Jersey, my constituents' energy bills rose by 20 percent this summer. PJM and others are blaming these price hikes on increased demand due to the rapid deployment of data centers and increased AI adoption, which, as we all know, consumes a significant amount of energy.

Ms. Saul-Rinaldi, your testimony points out that data centers account for roughly 4.4 percent of electricity use in 2023, but they are projected to grow to -- to account up to 12 percent of energy

use over the next 3 years.

Question: Are you aware of any rules or actions being taken by the Trump administration or House Republicans to keep the costs associated with these data centers from being shifted to households?

Ms. Saul-Rinaldi. I am not aware of anything specific.

Mr. Menendez. Yeah. Because I am on this subcommittee, and we have not had -- we have had tons of AI hearings but not one about the energy that goes into powering AI, which our consumers -- and when I say "consumers," I mean our constituents are footing the bill of.

And so it seems to me that is a big challenge that we have to face which we don't actually want to face here. We just want to look backwards to the Biden administration and blame them for their policies instead of taking accountability in the work that remains ahead.

Shifting a little bit. A question for our witnesses: Do we need more energy production? Just yes or no.

Mr. Hughes. Yes.

Mr. Lieberman. Yes.

Mr. Steffes. Yes.

Mr. Menendez. Great. I agree.

But instead, President Trump and Republicans in Congress have consistently made policy choices to inhibit our ability to quickly bring new energy sources online in order to prop up fossil fuels, including by gutting the Infrastructure Investment and Jobs Act and the Inflation Reduction Act and imposing tariffs that will dramatically increase the costs of equipment necessary to build out energy project.

Just quickly, have tariffs been good for home building or bad for home building?

Mr. Hughes. Still --

Mr. Menendez. It has not been good so far, has it?

Mr. Hughes. No.

Mr. Menendez. Yeah. Pretty bad.

So they have completely abandoned renewables such as solar and wind, so much that they refuse in this committee to use the word "renewable" when we are talking about energy. And this administration does not allow administration officials to acknowledge an all-the-above strategy when it comes to energy production. We have had witnesses here who say we need more energy. We are seeing the increased demand in AI data centers, but we are going to cut off the country's supply because we don't believe in offshore wind or solar despite the fact that in Texas, not a blue State, 30 percent of their energy production has come from the word "renewable" energy. And that is why consumers in Texas are paying lower prices for their electricity. Instead of making that a national profile that we can do, they want to take us an opposite direction. They have failed on accountability. They are failing every single day, and it is a travesty that the American people are literally paying for. I yield back.

Mr. Latta. The gentleman's time has expired. And the chair now recognizes the gentlelady from Tennessee's first district for 5 minutes for questions.

Mrs. Harshbarger. Thank you, Mr. Chairman. Thank you all for being here with your testimony.

And you mentioned how States and localities have used building codes to go around EPCA State preemption and to mandate de facto gas bans and appliance standards. And I guess I will start with you, Mr. Hughes, since I can understand your accent, okay?

I know that all over the country, there has been a housing shortage, especially in places like California and New York, and even in Tennessee. In particular, they struggle to increase their housing supply. If we don't have enough rooftops, we can't fill the jobs that we have.

What do your members say is the single largest cost to build a new home?

Mr. Hughes. And for the record, everyone else has an accent.

Mrs. Harshbarger. Yeah. Totally.

Mr. Hughes. What is the single biggest cost -- addition right now? Is that what you are saying?

Wow. It varies -- different areas. On the West Coast, it has got to be impact fees. For us, labor is a big factor. Some areas, it is lots. So the list goes on and on. And it varies from one State and one region to the other.

Mrs. Harshbarger. Yeah.

Mr. Hughes. Again, a reason we don't need a one size fits all.

Mrs. Harshbarger. Correct. Thank you, sir.

Mr. Steffes, in Tennessee, homes that use gas for heating save around \$449 annually when compared to an all-electric home. And Tennessee has been a leader when it comes to energy choice and has enacted laws to ensure customers make the decision about what is right for them.

As a regulated utility, can you explain how these gas bans impact the service Washington Gas provides to its customers?

Mr. Steffes. Thank you, Congresswoman.

I would just say this: Our customers tell us every day -- either current customers that want to ensure affordable future and reliable future, or developers and builders who are trying to build in this region -- that they want to have the choice of natural gas because they understand, as residents of Tennessee realize, it is a more affordable option.

Mrs. Harshbarger. Yeah.

Mr. Steffes. So we are hearing that every day from our customers.

Mrs. Harshbarger. Yeah. Can you explain why Washington Gas uses demand-side management and utility programs to incentivize energy efficiency and grid resilience?

Mr. Steffes. One of the things that, you know, Washington Gas does, we do, we believe strongly in energy efficiency. We work with our customers in Virginia and Maryland so that they

can bring more efficient products into their homes as they choose to do that because ultimately, they want -- we want them to use the amount of energy they think is appropriate in the way they want to use it.

Mrs. Harshbarger. Yeah. Yes, sir.

Mr. Lieberman, for American manufacturers that build here, they must make significant investments to comply with EPCA. When we consider EPCA reform, how do we ensure DOE cannot change or reverse standards that would allow foreign manufacturers to flood the market, hurting our domestic industry and putting U.S. jobs at risk?

Mr. Lieberman. Well, I do have to say that my sympathies are more with consumers, home owners, than with manufacturers, and especially unsympathetic when manufacturers actually lobbied for these standards, as is the case in a few instances as with air conditioners. For example, this gave air conditioner manufacturers a captive market for more expensive equipment. So I don't have a lot of sympathy there.

I think it is true that, you know, if we revisit any standards, we might want to consider, you know, a glide path, not abruptly ending things because manufacturers have made the transition, and that is something that should be taken into account if we make changes to these standards.

But again, a lot of my sympathies are with the consumer, not the manufacturer.

Mrs. Harshbarger. Whenever DOE decides to make a change to its energy efficiency standards, the ruling must be economically justified. In your opinion, sir -- and this is Mr. Lieberman -- do you think EPCA's current seven-factor test that guides the DOE's economic justification needs to change? And if you do, why?

Mr. Lieberman. I think there is some factors that just don't get included enough. Some of these new standards, and Mr. Hughes can attest, have made installation costs higher. And that is something that DOE doesn't usually factor in sufficiently.

We have also heard more and more -- every one of these standards comes with a very

optimistic analysis when it is finalized by the Department of Energy; high benefits, lost cost. But then reality kicks in, and a few hours -- a few years later, I should say, we see that the reality wasn't so rosy. One of the things we see is impacts on product reliability; also impacts on product lifetime.

So there is some aspects to appliance affordability that aren't fully taken into account. And so I think that we could do -- or DOE could do a better job of taking those into account and considering not regulating -- there is no -- there is no requirement to regulate. In fact, you are required to not regulate if doing so is not economically justified.

Mrs. Harshbarger. Okay. Thank you, sir. And Mr. Chairman, I yield back.

Mr. Latta. Thank you. The gentlelady's time has expired. And the chair now recognizes the gentlelady from California's 7th district for 5 minutes for questions.

Ms. Matsui. Thank you very much, Mr. Chairman. And I want to thank the witnesses for being here today.

When Donald Trump ran for President, he promised the American people he would cut their energy bills in half. But the reality is very different. Since Donald Trump took office, electricity rates have gone up by 10 percent, and families are feeling it every single day. The latest inflation report makes clear it is not slowing down. Electricity prices are rising twice as fast as the cost of other household goods. And why? Because President Trump is making deliberate choices that drives costs higher. Trump is slapping new tariffs on energy inputs. He is doing everything he can to wage war on clean energy across the country.

And congressional Republicans just repealed the tax credits that reduce the cost of new energy products -- or projects. It is not rocket science. If you reduce the supply of energy, it is going to cost more. And that is what Trump and congressional Republicans are doing right now. And now, Republicans are in a crusade to make everything in our lives less efficient. If they have their way, people's energy bills would skyrocket even faster.

Energy efficiency is one of the best ways Americans can lower their electricity bills. Ms.

Saul-Rinaldi, can you give us a brief breakdown on the energy use in the average American home?

Ms. Saul-Rinaldi. Well, homes make up approximately 20 percent of our Nation's energy consumption, and so -- but primarily -- primary in each house it is the systems. So that is the heating and cooling makes up the majority of that.

Ms. Matsui. Mm-hmm. Okay. I understand that heating and cooling is probably 50 percent. Is that right?

Ms. Saul-Rinaldi. At least. It depends on how well insulated the house is.

Ms. Matsui. Sure. And water about 15 percent?

Ms. Saul-Rinaldi. Right.

Ms. Matsui. Okay. So if the average American family wants to reduce their energy use and save money on utility bills, what would you recommend?

Ms. Saul-Rinaldi. First usually recommend an energy audit, having a professional come review the house, make sure that their air conditioner size properly, make sure they have the right amount of insulation, and make sure that they are taking advantage of all of the low-hanging fruit for energy efficiency. Then usually, since nine out of ten homes are under insulated, probably energy efficient insulation would be what they would need to do. And then after that, make sure that their systems are -- are the most efficient possible to make sure that those big system costs are reduced.

Ms. Matsui. Okay.

Now, savings from efficiency can really add up, but some of the Republican witnesses here today have raised concerns about the upfront costs of energy efficiency homes. I find this incredibly cynical. Democrats' Inflation Reduction Act expanded tax credits that reduced the upfront costs of energy efficient homes. But Republicans just repealed those tax credits in the big ugly bill. In fact, just 2 months ago, every Republican on this committee voted to kill those tax credits.

Ms. Saul-Rinaldi, can you explain what those tax credits were and how the repeal of those

credits will increase costs for Americans?

Ms. Saul-Rinaldi. Yes. The 25C energy efficiency home improvement tax credits that were repealed, they are -- they are available until the end of this year. But starting in January, home owners will no longer be able to take credits for gas and electric heat pumps -- heat pump, water heaters, insulation, doors, windows. And 2.3 million Americans claim the 25C tax credit, receiving over \$2 billion back in tax credits. And the average tax credit was \$882 per house. So that was pretty significant for many home owners.

Ms. Matsui. Yeah. It is.

Now, it is really a shame because an energy efficient home can be life-changing. Our public utility in Sacramento, SMUD, helps to retrofit customers' homes with the latest efficient appliances and HVAC systems. Last fall, I had the privilege to visit with a constituent who had received an energy efficiency makeover. She was absolutely thrilled because Sacramento summers can get quite hot, sometimes sweltering, but a new HVAC means her home stays cool without breaking the bank. She was really very happy because, you know, she had to pay for food and everything else and try to look to see where she can find savings but, you know, her house is cool, and she didn't have to pay those bills.

The benefits of efficiency extend beyond our homes. This committee has already held five hearings this year on how to meet rising energy demand. Well, energy efficiency is one of the most cost effective ways to solve this problem. And I see I am running out of time, so I will follow up with the questions later.

Thank you, Mr. Chairman. I yield back.

Mr. Latta. Thank you very much. The gentlelady yields back. The chair now recognizes the gentlelady from Iowa's first district for 5 minutes for questions.

Mrs. Miller-Meeks. Thank you, Mr. Chairman and Ranking Member Castor, for holding this important hearing on building and appliance standards.

Iowans value their freedom to choose, whether that is appliances in their homes, the energy that powers them, or how they build their communities. Today we are addressing fundamental concerns about government overreach threatening consumer choice, energy choice, and affordability. I was proud to sponsor H.R. 7637, the Refrigerator Freedom Act, which passed the House of Congress. I wish I would have sponsored the washing machine refrigerator act because this Saturday my washing machine went out, and I am currently shopping for a new one.

Iowa follows 2009 IECC standards with amendments equivalent to the 2012 standards. This balanced approach works for both our environment and citizens' pocketbooks, yet pressure amounts to adopt standards that could add tens of thousands of dollars to home prices, pricing out young families and seniors.

Iowans need freedom to make choices that work for their families, not Washington mandates. They need flexibility to choose reliable, affordable, and abundant energy options that work for their lifestyles.

Mr. Steffes, I have heard from our colleagues on the other side of the aisle that in their States, their energy prices are going up. And is this because of increasing demand for energy, or is this because policies in the past 6 months that have not even yet gone into effect?

Mr. Steffes. Energy prices have been going up for some time. As I said, in Baltimore for the last 5 years, we have seen electricity prices go up. American consumers are demanding additional energy --

Mrs. Miller-Meeks. Does increasing energy supply, would that help to lower prices?

Mr. Steffes. Additional supply, all things equal, would lower prices.

Mrs. Miller-Meeks. Thank you.

Ms. Rinaldi, I noticed that when the question was asked if whether we need increased power, you were equivocal on whether or not we need increased power, increased energy. So is it your assertion that merely having more energy efficient appliances, which also cost more money, that that

would meet the demand that we need for energy?

Ms. Saul-Rinaldi. I was equivocal just because it was related to data centers, which will take more time to build power. It was just more of a time --

Mrs. Miller-Meeks. I just want to know. Do you think that more energy efficient appliances will meet the demands for increased energy that we have? Yes or no.

Ms. Saul-Rinaldi. Not only, no.

Mrs. Miller-Meeks. No, they will not. Thank you. So I would say yes, we need more energy.

Mr. Hughes, Home Innovation Research Labs found in 2021 IECC compliance costs range from 9,600 to 21,000, above the 2009 baseline. Since Iowa still uses the 2009 standards, given the rising energy demands that we have talked about, could these costs balloon to and how would this extend payback periods for Iowa families?

Mr. Hughes. Well, there is no -- there is no limit to where it can go if -- if we don't check -- and again, it is about choice. It is about appliance choice, and I hate to keep saying cost. But regardless of the plan or regardless of the great things that are out there, we still have to keep them affordable. As I said earlier, 75 percent of average homes today still can't afford a new home. So why continue to pile on costs on top of that if --

Mrs. Miller-Meeks. Which makes it unaffordable.

Ms. Rinaldi, what is the environmental impact of replacing an appliance, especially a computerized appliance, every 6 to 8 years? As I told you, I am looking for washing machines right now. My current washing machine, front loaded, energy efficient, water efficient, has lasted over 20 years. And as I am shopping, I am told these new energy efficient appliances that you want mandated -- that they are going to last 6 to 8 years. So what is the environmental impact of replacing an appliance and the cost to families replacing it every 6 years instead of every 10 or more years?

Ms. Saul-Rinaldi. The environmental impact of recycling the appliance? Is that what the question --

Mrs. Miller-Meeks. Of having to replace a appliance in a shorter duration because they are less reliable and they are less durable? Do you think there is an environmental impact, an impact to the landfill, an impact to computerized critical element devices that are in appliances that are being mandated when they last a shorter time?

Ms. Saul-Rinaldi. I am afraid I don't have the answer to the impact to the landfill.

Mrs. Miller-Meeks. I would -- I would suggest that if that is the policy that you want to see, that you want to know the environmental impact if you are doing this in order to have an environmental safety protocol and more energy efficiency.

Mr. Hughes, as a U.S. Army veteran, I am deeply concerned about our military families. The 2023 OMB report documented severe quality issues in military housing, mold, lead paint, structural problems. Section 433 would require massive capital investments to electrify all Federal buildings, including military housing, by 2030. Given that privatized housing companies have already -- are already struggling financially, and military families are dealing with substandard conditions, shouldn't we prioritize fixing existing health and safety hazards before forcing extensive energy transitions that could divert resources from basic maintenance?

Mr. Latta. The gentlelady's time has expired. Could you answer that yes or no? Or you could also respond to her in writing.

Mr. Hughes. Well, yes. But we will respond in writing.

Mr. Latta. Thank you very much.

Mrs. Miller-Meeks. Thank you very much. I yield back.

Mr. Latta. Thank you. The gentlelady's time has expired. The chair now recognizes the gentleman from Texas's 33rd district for 5 minutes for questions.

Mr. Veasey. Thank you, Mr. Chairman.

I don't know how we got here. I am really concerned. You think about some of the great appliances that we have. We invented the washing machine in America. We invented the dishwasher in America. We invented the microwave in America. And we are arguing, and it almost sounds like we are ceding the opportunity to be the leaders in innovating and creating new products for the next wave of innovation and technology in America and that we are just going to let -- what, are we going to let the Europeans beat us at it? Are we going to let the Chinese Communist Party beat us at it?

Like, I think that this is crazy that we are kind of having these arguments. We know that we want to be the leaders, and we want people to buy American appliances, and that we want to be the innovators in these new technologies, energy efficient -- energy efficient technologies, and that we are going to have to find energy as the country continues to grow and more and more of the world gets online.

In the 1970s, in a move towards American energy independence, we passed the Energy Policy and Conservation Act that established a Federal program of tests, procedures, labelling, and energy targets, and we continue to lead. But I don't want to cede in that area. That is one of the reasons why I was proud to be a cosponsor of the Energy Efficiency and Conservation Block Grant Program because this program provides communities with resources that help people lower bills so we don't have to worry as much as -- we are going to have to worry anyway with all the energy that we are going to need to continue to power America. And the EECBG program represents the largest nationwide direct investment in energy efficiency and cleaner energy technologies at the community level in U.S. history.

And so I want to be clear, the Energy Efficiency and Conservation Grant Program was first authorized under the Bush administration, a Texan, under the Bush administration, the Energy and Independence Security Act of 2007. And there were 95 Republicans -- and I bet you there were a lot of Texas Republicans -- I wasn't in Congress at the time -- but I bet you there were a lot of Texas

Republicans that supported President Bush on that. And there was a time when reducing costs for consumers and creating regulatory certainty and supporting American innovation was a shared priority because, again, we don't want the Chinese beating us at this stuff. We want to be the leaders in this stuff.

And so I just want to ask Ms. Rinaldi, energy efficiency already supports 2.3 million jobs nationwide, many of them in small businesses. Can you speak to how stronger efficiency standards and building codes translate into local job creation and economic development, and how we can continue to be the leaders in this area, not the Chinese?

RPTR SINKFIELD

EDTR HUMKE

[4:17 p.m.]

Ms. Saul-Rinaldi. Thank you. Yes, and energy efficiency has historically been a bipartisan issue. And, yes, jobs are -- your local contractor is not going to be found overseas, nor is there a job going to be shipped overseas. So local contractors are part of our neighborhoods, they are part of our communities. And when they grow their small businesses, they grow from their communities.

So EECBG and the city energy office funding that funds so much working and training and communities are a part of how we explore additional jobs in our communities because the -- including the Weatherization Assistance Program which also has significant job creation as a result of upgrading homes.

Mr. Veasey. Right, right. Exactly. And kind of in that same direction. I am also interested to know Federal local partnership model. How can local governments best use these grants to maximize savings and other benefits for their communities?

Ms. Saul-Rinaldi. The local -- you mean the local communities working with the Federal agencies?

Mr. Veasey. Yes.

Ms. Saul-Rinaldi. Local communities working with Federal agencies, that is one of the key ways that we can expand. There is, for example, in the energy efficiency EERE has the billions upgrade prize which really expanded to a whole lot of rural communities and additional communities that hadn't been served by Federal agencies before.

So there is lots of new opportunities that have come out in recent years to help support local communities using those Federal dollars. And that is big part of job creation with those local communities.

Mr. Veasey. And, also, because I don't have much time left, I know that manufacturers want

clear and consistent certification requirements. And so if you could please let me know in writing how gutting the DOE's authority to set these efficiency standards creates confusions and could raise costs for businesses, that would be awesome.

Mr. Chairman, I yield back. Thank you.

Mr. Latta. Thank you. The gentleman's time is expired and yields back.

And the chair now recognizes the gentleman from Michigan's Tenth District for 5 minutes for questions.

Mr. James. Thank you, Mr. Chairman, and Ranking Member Castor for holding this very important hearing today.

Across the country, families are struggling to afford a home. In Michigan, the situation is dire. Governor Whitmer is pushing to adopt the 2021 building codes. Codes that would add an estimated \$15,000 to the cost of new homes.

Now, let's be clear about what that means. For every \$1,000 increase in price of a home, 3,393 families are priced out of the market. By adding 15,000 in mandated costs, you are talking about tens of thousands of hardworking families losing their shot at home homeownership. And why? Because the Biden administration's so-called Green New Deal policy and the Whitmer administration's echo of them in Lansing are forcing climate mandates that carry a crushing price tag. Families are being told they must pay more now while any alleged savings from these policies won't be realized for decades if at all. In the meantime, first-time home buyers are locked out, priced out, and pushed further from the American Dream.

The situation in Michigan is so severe that the Michigan Homebuilders Association has taken the extraordinary step of suing the current administration in Lansing over these mandates. Because they know what this means for families, builders, and the future of housing affordable in our state.

But the damage doesn't stop there. The rush to green policies isn't just driving up home prices. It is also putting a dangerous strain on our electric grid. MISO, the regional operator for

Michigan and much of the Midwest, is already running at dangerously low levels of reserved capacity. At this very moment, energy demand is hitting record highs as America races to power new technologies and compete with China in the AI revolution. These policies are undermining the reliability and affordability of the very system our economy depends on. This is the wrong direction.

Washington and Lansing should be tearing down barriers to homeownership, strengthening our grid, and lowering costs for families. Instead, they are pushing mandates to leave Americans paying more for less.

Mr. Hughes, can you articulate for us what happens to affordability when families are forced into an all electric home versus being able to choose natural gas or other options?

Mr. Hughes. Well, for starters, I am not very articulate, but I will try. Again, the added cost of these appliances and overall added codes, whether it is resiliency or efficiency -- and I remind the committee again, we feel like that we are at a very good level already. Our houses that we have built over the last 20 years perform very well from resiliency and energy efficiency. We were big advocates of updating existing homes. There is no question.

Of the 137 million homes in this country, 130 million of them were built before modern codes. So we don't feel like the answer is to continue to pile on costs that homeowners can't already afford. We feel like we are at that level right now. And anything going forward has to be cost-effective. We have to reach that balance. If we are going to spend more for it, we have to know that we are going to get a return on that investment.

Mr. James. That is very good stat. Of the 137 million homes, 130 of them were built before those codes. And now we are at a housing crisis because of policymaking and these governments around the Nation. Getting power back to the people is probably a good call.

Mr. Hughes, once again, from your perspective as a homebuilder, why is it so important that we keep affordability, affordability front and center in these energy policy debates in capital cities

across the country?

Mr. Hughes. Well, it is pretty simple. If home buyers can't afford them, there is no need in us building them to start with. So I mean it is just again common sense. We haven't used that word quite enough, today, or that term quite enough. We have got to use some common sense.

Mr. James. Well, commonsense --

Mr. Hughes. Excuse me. I am a big advocate of energy-efficient products. There is no question. I have used them for 25 years. You have to have that upfront money to begin with.

We feel like we have reached a good baseline, and there is no need pushing it and requiring it when homebuilders simply can't afford it.

Mr. James. Oh, common sense seems to be in short supply in this town which is why I am glad that you are bringing perspective from home. Thank you so much.

Mr. Latta. The gentleman yields back.

And the chair now recognizes the gentleman from New York's 20th District for 5 minutes of questions.

Mr. Tonko. Thank you, Mr. Chair.

There is no doubt that our constituents are experiencing higher and higher energy bills. We can continue to spend a lot of time talking past each other and playing the blame game, or we can take concrete steps that will actually help make energy more affordable by using proven programs.

DOE's Weatherization Assistance Program is incredibly effective. That is supporting energy efficient retrofits of low-income homes. Each home receiving weatherization services saves on average \$372 every year on its utility bills, and that doesn't even consider the nonenergy benefits of living in a healthier and more comfortable home.

So, Ms. Saul-Rinaldi, at this time of rapidly increasing energy demand and prices, can you give us a sense of why the Weatherization Assistance Program is needed and whether there are some program reforms that can help make the program even more effective?

Ms. Saul-Rinaldi. Yes, Congressman. And the Weatherization Assistance Program has weatherized over seven million homes since 1976, and it continues -- and it weatherizes 35,000 homes every year. Those homes are for people who are at 200 percent of the Federal property line, and many of them are choosing between paying for medicine or paying for food and paying their utility bill. A lot of them have homes that aren't even able to be upgraded.

So there is weatherization readiness to help them get their homes free of mold or asbestos so they can be sealed and upgraded. And that keeps people in their homes from having them being forced out of their homes for not being inhabitable.

The Weatherization Assistance Program is critical to the most underserved people in our communities, and that is why the Building Performance Association strongly supports the weatherization legislation that you introduced.

Mr. Tonko. Well, thank you. That bill that you just indicated is our bipartisan bill, H.R. 1355, that would reauthorize the program while making modest reforms to allow it to even more effectively serve eligible households. And I don't see any reason why we couldn't come together to work on this effort.

The last time this program was reauthorized, President Trump signed it into law as part of the Energy Act of 2020. So as recently as July 8, DOE issued a press release celebrating \$325 million in weatherization assistance funds, and 30 million in weatherization readiness funds being made available to States. A DOE official is quoted as saying: Thanks to President Trump's leadership, we are able to focus on reducing energy costs for Americans that can least afford high energy prices through the efforts of weatherization.

Mr. Chair, I would like to request unanimous consent that this press release be included in the hearing record.

Mr. Latta. Without objection, so ordered.

[The information follows:]

***** COMMITTEE INSERT *****

Mr. Tonko. I thank you for that.

In addition to the administration's acknowledgment of the effectiveness of the program, Ms. Saul-Rinaldi, you mentioned in your testimony that nearly 750 contractors and individuals from across all States, all 50 States have expressed their support for this reauthorization effort.

Can you give us a sense of why BPA, along with many small businesses it represents, believes this program is so important?

Ms. Saul-Rinaldi. Weatherization is a job creator, and there is training associated Weatherization Assistance Program. Across the country, we see more contractors being trained to work in these low-income homes. And the contractors also have a real connection with their customers. They see how it helps change their lives for the better. Our contractors are very supportive of the weatherization program because of that real connection they have with their customers and the training that it provides them.

Mr. Tonko. And I thank you for that.

I would like to request, again, unanimous consent to add a May 8 letter from nearly 750 individuals and contractor businesses to Chair Guthrie, Ranking Member Pallone, and the leadership of the Senate Committee on Energy and Natural Resources in support of H.R. 1355. So I can get approval there, Mr. Chair?

Mr. Latta. Without objection, so ordered.

[The information follows:]

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Mr. Tonko. Thank you so much. I certainly want to make sure the contractors carrying out this work are able to continue to provide weatherization services, but unfortunately I have heard reports that those previously announced DOE funds have not yet been received by States which is partially due to DOE staff reductions, leaving insufficient people in place to review and approve these state plans.

So Ms. Saul-Rinaldi, can you give us a sense of how these delays are affecting contractors that carry out this work as well as the individuals that are waiting to get their homes weatherized?

Ms. Saul-Rinaldi. My understanding is only six of 56 States and territory plans have been approved. Without those plans approved and the funding reaching the States, we are seeing the potential of layoffs. We have talked with contractors from Michigan and Georgia who have also noted that they are very concerned with not having access to these funds and concerned that there might be layoffs as a result.

Mr. Tonko. Well, I appreciate it. It is obvious that weatherization works, and I hope we can get those dollars out the door. With that, I thank you.

And thank you, Mr. Chair. I yield back.

Mr. Latta. The gentleman's time has expired and yields back.

The chair now recognizes the gentleman from Oregon's Second District for 5 minutes for questions.

Mr. Bentz. Thank you, Mr. Chair.

Mr. Hughes, I am looking at the LEED, Leadership in Energy and Environmental Design standards, which I am from Oregon, and so I am extremely familiar with these having heard about them for years back in Salem during the 12 years I was in the Reagan legislature.

The list of things that are green -- and that is what this hearing is about today includes location and transportation, sustainable sites, water efficiency, energy and atmosphere, materials and resources, indoor environmental equality, innovation and design and regional priority. These

are all important matters. But they add between 10 and 30 percent to the cost of a house.

And so my question to you is how many much those things that I just listed are essential, in your opinion, to a home?

Mr. Hughes. I guess they are all essential, but it should be -- we feel like it should be left up to the homeowner as which are the most essential, which are the most important, which are they willing to pay extra for?

Mr. Bentz. I wouldn't call them essential if you can choose, but maybe desirable is the word. Location and transportation, who wouldn't want that? Sustainable site. All of these things are things that you would want. But if we are going to impose them upon people, there is the small matter of having to pay for them.

And right now, there are huge groups of people who simply can't afford this kind of -- shall we call it a luxury, or what should we call it?

Mr. Hughes. Yes, probably a luxury. And, unfortunately, too many times those luxuries are what garner the most cost or what people are more willing to pay. Location. It is sad to see as much money spent on location as it is when it could be -- I would rather see it spent on the envelope.

Mr. Bentz. There is zero doubt that we need more housing. Zero doubt of it. And this debate about whether those houses have to be green in quotes, and using the LEED standard is to me something that certain people can afford, but most people cannot.

Mr. Hughes. Correct.

Mr. Bentz. And when I first looked at this hearing, I thought we would be talking about building codes. I called one of my -- I am a lawyer -- I called one of my former clients, a building contractor, and I said what is the most important thing about codes?

You are a builder. What do you think his answer might have been?

Mr. Hughes. I am sorry, what --

Mr. Bentz. I asked him what was the biggest problem when it came to building codes?

And his answer was the inspector. That is how he answered it. And I agree with that because the dramatic variability in who you get as an inspector.

Mr. Hughes. Oh, sure.

Mr. Bentz. So I have to say as we are having this debate about codes, I am amazed because there is this underlying assumption that they are all equally applied, and that is simply not true. At least, that has been my experience from a distance. How about yours?

Mr. Hughes. Absolutely. And the term that I hate to hear the most when I ask an inspector a question sometimes is when then say, what I like to see. And I say, no, I am not interested in what you like to see. What does the code say? Well, it is very different.

Mr. Bentz. What I am saying is if we are going to debate whether it should be green or whether it should not, one has to understand the enormous amount of flexibility -- which is a nice word I am going to use -- in the application of whatever those standards might be. And I just want to say that when it comes to affordability on the one hand and a code on the other, who should be making that decision and where should it occur?

Mr. Hughes. The homeowner.

Mr. Bentz. The homeowner should make that choice. But when it comes to a code that is a mandate, it seems to me that there is the Federal level of determining that, there is the state level of determining that --

Mr. Hughes. Right.

Mr. Bentz. -- there is the local level, and then there is the inspector. So where would you suggest we focus our attention when we are trying to figure out how we are going to apply whatever code we might think is mandatory?

Mr. Hughes. Personally, I feel like it should be done at a state level. Unfortunately, that varies too. There are some home rule States that leave it up to individual municipalities, counties, and cities, which is a disaster because more times than not it comes down to that inspector.

In North Carolina, we have a uniform code, and it is still a struggle to make sure that everybody gets the same answer.

Mr. Bentz. It certainly is. Thank you for being here. Thank you for all of your participation. I yield back.

Mr. Latta. Thank you. The gentleman yields back the balance of his time.

The chair now recognizes the lady from Washington's Eighth District for 5 minutes for questions.

Ms. Schrier. Thank you, Mr. Chairman. Thank to the witnesses.

You know, I remember the 1970s. We had a gas crisis, we had gas lines, and that brought us gas-efficient cars, and it brought down prices, and our need for gasoline, and it reduced pollution. And it was a win, win, win. And we all learned from that.

Since the 1980s, the Pacific Northwest has embraced energy efficiencies, squeezing every single drop out of each kilowatt from our hydroelectric dams and other sources. And that has resulted in the Pacific Northwest reaping huge efficiency benefits for decades, delivering lower costs, and keeping the power on and not -- and keeping our grid from getting overloaded.

And so the premise of this whole hearing -- it really boggles my mind -- I mean, it is really just not that complicated for me or for my constituents. Who wouldn't want more energy efficiencies with this kind of track record of money savings and reliability?

And I will tell you that in my district, Democrats and Republicans agree on this. We like efficiency. The public utility districts love this. They don't want to have blackouts. It just feels like a no-brainer. And I can't imagine why it is not a bipartisan-agreed-on issue here.

And I say that because the recently passed, you know, One Big Beautiful Bill stripped away these tax credits that we have been talking about today that were meant to help consumers pay any increased upfront costs on an energy efficient home. And that is not reducing cost.

Now we have an administration that is set on weakening the Energy Star Program. Who

doesn't love the Energy Star Program when you are buying a new appliance? I mean, we love those programs. We get heat waves now in the Northwest. Most of us don't have homes with air conditioning. So now we are all getting air conditioning for the first time, and we want heat pumps because they are energy sufficient, and they will save us money.

And not just that, these incentives send signals to the market so that they build more of these. And there is competition, and prices come down. Like this all just makes common sense.

I also just wanted to touch on building codes because that is really the topic here. For years, the PNNL, the Pacific Northwest National Lab has provided detailed cost-savings analysis for consensus-based building codes from a panel of experts. And for the most part, these building codes, they are local, and States and communities need good information based on evidence to make those decisions. And yet, even that research is being undermined by this administration. In fact, the program that funds it is being cut by 93 percent.

Mr. Hughes, NAHB was an active participant in deliberating these building codes. Can you just simply agree that decimating funding to assess new building codes takes and efficiency standards takes critical information away from developers who are looking at building codes or people buying new appliances? Like does evidence help them make decisions?

Mr. Hughes. I would have to say yes.

Ms. Schrier. I would say yes, too. I mean, I love having data to help me make a decision. We are putting in new appliances right now.

Our national labs employ some of the smartest scientists in this country. And actually because of this same work, we know that on average it takes only two and a half years for households to recuperate any increases in construction costs through these energy efficiency savings based on 2024 data. And every year past that, they are just saving and saving. And most people stay in a home for at least, I believe, 12 and a half years.

I understand that making these jumps to new standards is not easy. I will also mention that

there are programs that train those in construction to build these and to be able to install these. That program was also cut. In fact, Washington State has now not had a \$3 million grant delivered. So I guess it is not question so much. I just really want to make this comment. Like, innovation is a good thing. Saving energy is a good thing. We are seeing unprecedented and rising demand with data centers. We talk about this all the time, how we need to modernize grid, and we need to get every kilowatt out of our system. And it just seems like efficiency should be a place we can agree and also give localities the ability to implement commonsense building standards that will save people money.

With that I will yield back.

Mr. Latta. Well, thank you very much. The gentlelady yields back the balance of her time.

And the chair now recognizes the gentlelady from Florida's 15th District for 5 minutes of questions.

Ms. Lee of Florida. Thank you, Mr. Chairman, for convening this important hearing. And thank you to our witnesses for joining us here today to share your insights and your testimony.

For many Americans, the American Dream includes homeownership. And we saw during the Biden administration that owning a home became increasingly out of reach in part because his Department of Energy advanced numerous building and appliance regulations that raised costs, constrained consumer choice, and diminished our grid security.

We have worked with President Trump to already reverse some of these policies, including signing into law the CRA resolution to rescind regulations imposed on appliances, including natural gas water heaters, dishwashers, and central AC.

I appreciate our witnesses sharing their insights about the impacts of mandating burdensome building and appliance energy standards and discussing with us today the further steps that we can take to restore the American Dream of homeownership.

Mr. Hughes, I would like to start with you. Your written testimony touches on a point that I

think is important to understanding the impact of some of these regulations, and that is that the majority of your members, the majority of the homebuilders are actually small businesses that build ten or fewer homes per year. Is that right?

Mr. Hughes. Correct.

Ms. Lee of Florida. Would you share with us how an expansive, very imposing regulatory burden affects those small businesses in particular and makes it more difficult for them to do their work.

Mr. Hughes. That could be, give a couple of answers there. I can speak to how to fix -- many of our small builders are small builders because they build custom homes. And there is a wide variety of options in custom homes. So, obviously, there are going to be a lot more increased costs. And at that price point, homeowners can afford more of the things that they want -- more expensive appliances, more expensive appliances. But we still feel like that we are at that point even if it was a small businesses, that small builders, we are at that point where we are doing things as efficient and as resilient as they can be done. We don't need to continue to pile on.

Ms. Lee of Florida. Would a typical small homebuilder have an inhouse legal department.

Mr. Hughes. No.

Ms. Lee of Florida. Would a typical small homebuilder have an inhouse compliance department?

Mr. Hughes. No.

Ms. Lee of Florida. Now another thing that I hear frequently from -- I am from Florida, so one thing I hear frequently back home is the concern about the rising cost of housing. And in your written testimony, you also mention that energy efficiency enhancements are often not fully accounted for in the appraisal of homes.

Can you explain to us why these enhancements might be difficult to account for?

Mr. Hughes. Well, I can tell you from experience. As we tried -- as I mentioned earlier, I

am a big advocate of energy efficient system. And I have been using them for 25 years. And I can tell you in that 25 years I have had one appraiser to give me any extra credit for an innovative new product. That is also a crisis. I have been sitting around tables for 25 years, and we have gotten nowhere with it. And that makes it difficult, too, as we continue to add regulations. If you are not going to get credit for it, and you can't afford to pay for it to begin with, then we have gotten nowhere.

Ms. Lee of Florida. So, in other words, a home buyer who pays for a more expensive specific alliance to comply with this type of standard might not see that value add in the home later if they were to sell it.

Mr. Hughes. Absolutely not.

Ms. Lee of Florida. And tell me what challenges, if there are others, that disconnect between the appraisal value and the actual constructions cost posed for families who are interested in buying a home?

Mr. Hughes. I am sorry. Can you --

Ms. Lee of Florida. How does that affect a family in real terms if they are trying to buy a home?

Mr. Hughes. The appraisal process? Well, sometimes the loan simply won't work. If it won't appraise, you are not going to get the money. And as a rule, especially the further down the chain, they don't have that extra money.

And too many times, young couples, first-time couples, if they can't make that appraisal, they don't have the extra money for a down payment. So in most cases it is a deal breaker if it won't appraise.

Ms. Lee of Florida. Thank you, Mr. Chairman, I yield back.

Mr. Latta. Thank you. The gentlelady yields back the balance of her time.

The chair now recognizes the gentlelady from Texas' Seventh District for 5 minutes of

questions.

Mrs. Fletcher. Well, thank you, Chairman Latta, and thanks to you and Ranking Member Castor. And thank you to all of our witnesses for being here today for this timely hearing.

I am going to follow up on some of the questions that my colleague from Florida just asked about, some of these challenges to homeownership, and some of the rising costs. Because I think, you know, we can all agree that as we sit here today, the American Dream is becoming less and less attainable. And that dream of homeownership, one of the building blocks of a good life and of pursuing the American Dream, having that financial security, they are out of reach for too many Americans. And that number is going up and not down.

I know that in my hometown of Houston, which is known to be a place where the housing is plentiful and affordable, purchasing a home cost almost five times the median income, and that is nearly double what it was in Houston just 15 years ago.

Inflation is making necessities more expensive and, you know, total U.S. household debt hit a record high in the second quarter of this year. So just a couple months ago.

And I think that we have talked in this committee a bit about, you know, permitting delays and red tape and some of the other things that have restricted construction of new homes and created bottlenecks in our energy supply was well. Just really driving up cost for both.

And, today, I think most of what I have heard from my colleagues on the other side about, focused on their complaints about policies from the Biden administration. But we really haven't heard a word from them about what is driving up these prices right now. And that is President Trump's chaotic economic policy which favors his inner circle and his billionaire buddies and leaves Americans behind.

And we know, for example, that when it comes to homebuilding, President Trump's tariffs are going to increase the cost of building a home by more than \$10,000. That is the estimate I have seen, Mr. Hughes. There may be others out there. But we know that -- I am hear from

contractors in my district that the cost of materials is going up. Everything from drywall, to carpet, to so much more. And appliances can be included in that, but we are focused just on appliances in this hearing. The cost of everything it takes to build a home are going up.

And so, you know, I think it is really important to focus on that and also understand that the policies that this Congress enacted in that Big Ugly Bill are estimated to raise electricity prices by 61 percent. That is just an astonishing number. And so the cost of inputs of building are going up. The cost of the maintaining and living in our homes are going up.

And so one of the things that we know is that these energy efficiency standards have really been important to keeping costs low for Americans. And, of course, maintaining consumer choice and ensuring that these standards is really important.

We are all consumers. I think we all support and agree with that. But I think what we are seeing is that this Congress giving the Trump administration a blank check to just slash and burn as it pleases is moving us in the wrong direction. And in less than a year, President Trump has attacked nearly every facet of the Federal Government. That keeps costs down for Americans in need, and including firing all the civil servants that administer the program to keep energy prices down for our constituents, the LIHEAP Program, Low-Income Home Energy Assistance Program.

So I know that we have limited time here, so I am just going to mention, of course, there are tens of thousands of households in Texas that rely on that LIHEAP Program to keep our costs down. Certainly with air conditioning in the summer and heating in the winter, we have seen in Texas that unfortunately we have extreme weather events at all times of the year.

And I have mentioned before in this committee, but I think it bears repeating with these witnesses as we think about insulation, energy efficiency, building our homes. It was just a couple years ago, less than 5 years ago when we had the winter freeze and the winter storm in Texas, and a little boy not far from where I live froze to death inside his own home. So we are talking about life and death issues for our constituents here when we talk about the importance of these investments

in terms of making energy affordable.

So I am going to run out of time to ask my question. I know I am going to get in trouble from the chairman.

So, Ms. Rinaldi, I am going to ask you a question for the record. If you can in your written testimony respond about what kind of cost savings Americans can expect from weatherization upgrades, especially in States like Texas with increasing hot summers and cold winters. And also how low-income Americans will be impacted by cuts to efficiency standards and assistance programs like LIHEAP. Thank you very much, Mr. Chairman. I yield back.

Mr. Latta. Thank you very much. The gentlelady's time has expired and yields back.

The chair now recognizes the gentlelady from North Dakota for 5 minutes for questions.

Mrs. Fedorchak. Thank you, Mr. Chairman. And thank you to my colleagues for letting me go before them. I appreciate that opportunity.

I am going to kind of simplify my questions today. When I travel around my state, which is North Dakota, I hear from many, many folks in the smaller and the larger towns that one of their biggest problem is access to housing. There is not enough new houses on the market. There is just not enough housing stock on the market.

And then when I talk to our homebuilders association, the North Dakota Homebuilders Association, which I met with several times because this is a big issue in my state as we are hearing all over the country, they talk about -- the first time I met with them, they talked about the building codes and how un-appropriate they are for my state.

The 2021 International Energy Conservation Code, according to the North Dakota Homebuilders Association can add more than \$22,000 to the price of a home in my state. And in practice, the builders have estimated up to \$31,000. Yet, even more troubling for all of that investment, they tell me that it will take up to 90 years for a homeowner to get the payback for those standards in my state. So, obviously, that doesn't make any sense at all to the ideas here that we

don't -- this one-size-fits-all solution doesn't work.

So, Mr. Hughes, can you talk about what are some of the alternatives to this?

Mr. Hughes. Alternative to codes?

Mrs. Fedorchak. Yeah, to this one-size-fits-all approach.

Mr. Hughes. Well, throwing it back to States so the States can establish their own codes.

And they have that freedom now. And, unfortunately, too many -- the code that has been developed as a model code has been presented at un-amenable. We have to make it as is. And we are a strong advocate that each state should take it and tailor it to their location and to their needs. And much more of that needs to take place.

Mrs. Fedorchak. Is there anything stopping that? What is stopping that from happening?

Mr. Hughes. What is stopping it?

Mrs. Fedorchak. Yeah.

Mr. Hughes. Maybe education. Just the fact that too many States don't realize that they can do that. Several States are doing very well. Texas, Washington, California, North Carolina, we do our own code. We have resources to do that. We have personnel that work on -- we have -- in North Carolina, we have a residential code council, and we full-time employees that lobby that. Too many States don't have those resources.

Mrs. Fedorchak. Sure.

Mr. Hughes. And they are told that they can't make amendments to that code, and that is specifically not true.

Mrs. Fedorchak. So are there other problems? Like the last several building code updates developed by the ICC have clearly prioritized the green agenda over cost-efficient home construction and the department of VA, USDA, and have already adopted those latest ICC energy code standards for the homes they financed, effectively imposing these standards on those federally backed loans. So that probably prevents or prohibits the ability of States to develop their own standards if some of

these big Federal programs are requiring the ICC standards.

I would assume but interested in your thoughts on that. And then in your view, what would be the effect on the U.S. housing market if Fannie Mae and Freddie Mac were to adopt these standards.

Mr. Hughes. Well, that is one of our greatest fears. No question. And in North Carolina, we have gone to a six-year code. And our legislation actually imposed a pause on any new energy codes until the next cycle. That will take place in 2030.

If the HUD rule stays in the place, I think you are talking about that, that eliminates USDA and VA loans, then we simply lose all of those in North Carolina. So talk about a huge limiting factor. It just won't work.

Mrs. Fedorchak. Right, excellent. Well, I have more questions, but not that much time. And you guys have been here a long time today. So I want to thank you all for your time and your expertise.

And, Mr. Chairman, I yield back.

Mr. Latta. Thank you. The gentlelady yields back.

The chair now recognizes the gentleman from Ohio's Sixth District for 5 minutes of questions.

Mr. Rulli. Thank you, Chairman.

Mr. Lieberman, ENC has combatted Biden overreach, ensuring Americans' home appliances actually work. Other measures like House Joint Resolution 24 saved businesses using refrigeration from billions and increase compliant costs or even closures.

In my own personal experience, the EPA has changed the refrigerant of freon in different grocery stores in the country three different times in the last 15 years. What that means is when you have a compressor, you have to pump down the compressor, you have to discard all your old gas, you have to flush out the lines, you have to buy the new gas.

Like in a company that my brothers run, you have anywhere between 60 to 75 compressors.

This could be a cost for a very small business of anywhere from fifty to \$150,000 at least every single time you do that. And this is our businesses that are running on one a night quarter percent net.

Now if you are a small little mom and pop independent, much smaller than my brothers, you are going to go out of business. Now for the big boys like Kroger, this could cost them ten to \$45 million just to apply this to their stores. And here is the thing, there is no proof in the EPA that the new refrigerants they are using within these systems actually do any better for the environment. So there is actually no proof to back this up.

In fact, one of the different changes in the gases, I believe from like, it was 2007 to 2013, there was virtually no change in any way, shape, or form. And they actually made you do this. And it was such a tremendous cost to the actual small businessowners that a lot of them went out of business.

So I think we have to really look at things sometimes differently. Like the opposition party, if you look back in history when they were talking about bags in retail, first they said let's get rid of the paper bags to save the trees. Then they said we can't use plastic bags anymore. Then they said we are going to go to the cloth bags. And the cloth bags were shown to hold all this bacteria within them, and they thought that was bad.

So instead of moving quickly and changing these procedures of what gas we use in our compressors within the retail industry, I think we should slow down and have more testing done to see which actually makes sense.

So contrary to popular belief, Republicans are conservation. That is what we believe in. When you look at Ducks Unlimited, we are about preserving the land. We want to hunt, we want to fish, we want to love the outdoors. We want to work with the opposition party for commonsense approach to having a better system where mom and pop stores can actually stay in business.

We simply don't want to use tax dollars to push an agenda. We want to look at everything from every possible angle.

So, Mr. Lieberman, my question to you would be, how can we continue to protect the environment while also protecting consumers' choice and protecting small businesses? Thank you.

Mr. Lieberman. Well, you are very much correct that the proliferation of refrigerants is a big requirement. Decades ago, the trademark freon but known as CFC-12 or CFC-22, a host of chemicals, were restricted on the grounds that they were depleting the ozone layer. Years later, the ozone-friendly substitutes were targeted as greenhouse gases. So it is kind of -- it is always something. And so this has added greatly to consumer cost, it has added greatly to repair costs.

For example, I know a repair service technician saying he may have to get bigger truck because all these different refrigerants, and some of it requires dedicated equipment just for that particular refrigerant. There is a risk of cross-contamination using the wrong refrigerant. There is a lot of cross that are on consumers. He also mentioned a refrigeration users, our supermarkets, and others.

So our refrigeration and air conditioning has very much been hit with an avalanche of regulation. So at the very least a go-slow approach would be better than this approach where equipment that has years of useful life left suddenly they have to consider maybe making some changes because it is not clear that the refrigerant needed the service that will be available in the years ahead. So there is a lot to be said for a more measured approach rather than constantly changing the requirements.

Mr. Rulli. Very eloquently said. And I do think there is good intentions on opposition party, and perhaps within the EPA, the intentions are good. But perhaps conversations with conversations with associations that this is going to affect so they can see the boots on the ground and see how it actually affects the economy, it affects the public. I think those talks would be very helpful to all of us. Even bringing in the research, bringing all three of the parties together. I thank you for your time. And I yield my time back to the chair.

Mr. Latta. Thank you. The gentleman yields back the balance of his time.

The chair now recognizes the gentleman from South Carolina's Seventh District for 5 minutes of questions.

Mr. Fry. Thank you, Mr. Chairman. Thank you to the witnesses for being here.

I am struck, and I am going to go off script a little bit because the Democrats on this committee seem to be operating under a little bit of amnesia. You know, they have highlighted or they talk about the last couple of months that the President has had the White House, but they have completely forgotten the four disastrous years of the Biden Presidency. Inflation surged, peaking at 9 percent in mid 2022. It remained above the Fed's 2 percent target for 40 months. That is on their watch. That is what they did. Prices rose for the consumer 17 to 20 percent since Biden took office with essentials like food, rent, and electricity increasing sharply. Real wages fell 4 to 5 percent since January 2021.

So all these things that they are talking about, about the homeownership being unaffordable, these are things that they caused.

And, sir, you talked about a lot of this with the standards that they impose. They don't make any sense. And then they come to this committee, and then they forget what the last 4 years look like. And then they come up with low-energy slogans like Big Ugly Bill. Well, that is just nonsense. If they had voted for this, they would be supporting working families, and the tax hike that would have happened if they did nothing. Which if they were in power, that is exactly what would have happened.

And so this Presidency, in this Congress, are about making things affordable again. It starts with the Working Families Tax Cut that was just passed. It starts with reversing the Biden level obscene regulations that we have on everything from refrigerators to home appliances.

Like who would have thought that any of us when we ran for Congress would be talking about gas stoves or shower heads for God's sake? But nonetheless, I have a bill dealing with shower heads because of things that happened under the Biden administration. So let's talk about that.

Instead of empowering families, the Federal Government has been telling the people how long that their dishwashers can operate and what kind of stove they can buy, and even how much water that the shower head could use. And so the bill, the one I am talking about, restores some of that common sense. Let's get back to it, and its accords about protecting families from bureaucratic overreach. We see this time and time again where the ivory tower of Washington comes in in their infinite wisdom and tells the rest of everybody how to live.

Mr. Lieberman, can you describe the whiplash regulations between the last few administrations as they relate to, I don't know, shower head water flow?

Mr. Lieberman. Well, actually, shower head saga has been going on since 1992. It was the Energy Policy Act of 1992. It originally had these shower head provisions. Some people don't like the lower flow. I think it is quite frankly a very silly regulation. If the shower is hitting you with too much water, you turn the damn knob down. I don't know why you ever really needed the government.

But over time, it is true that shower head makers have made adjustments to the lower flow, and that has improved things a little bit. Also, it is easy to defeat the -- don't get any of that from me -- but it is easy to defeat the low-flow provision -- the flow restrictor, I should say, in the shower head.

Mr. Fry. Yeah, contractors do it all the time, right? You don't have to answer that. You can plead the Fifth. But I am sure they do that all the time, right?

Mr. Lieberman. I am not Mr. Hughes.

And one of the issues was whether shower heads with multiple heads, whether each shower head can give you a good flow of water or perhaps you have to take the cumulative effect into account. And so through --

Mr. Fry. But again it gets to the point where we are depriving consumers with the ability to make that choice for themselves, right?

Mr. Lieberman. That is really what this is all about is letting people decide for themselves.

Mr. Fry. The Department of Energy is taking comments on the issues. The center point of a recent executive order issued by President Trump is energy efficiency really being prioritized when you are restricting water usage, though?

Mr. Lieberman. Well, it is the energy used to heat the water. So if you are taking a cold shower, you are not helping out. But, again, whether we really need Federal intervention on shower flow is, I think, was questionable, but this has been going on for --

Mr. Fry. Questionable, we like that.

Mr. Lieberman, energy efficiency and resilience measures are important to South Carolinians. But not all energy efficiency efforts are created equal. I think it is important that taxpayers get a good deal.

Mr. Lieberman, are marginal energy savings associated with weatherization programs with the costs?

Mr. Lieberman. Well, there have been some studies that say that the benefits tend to be overstated, and the costs tend to be understated. Usually, there is projections that come up with benefits well in excess of cost. But there have been some retrospective analyses that found that it isn't nearly so clear whether this is a program that is worth of the cost. I think it is at least worth looking at some of those studies to see if we are getting the bang for the buck with this program.

Mr. Fry. I appreciate your answer to that. I see my time has expired. But I think that goes to his point earlier that the housing costs have gone up 10 to 30 percent based on the regulations.

And with that, Mr. Chairman, I yield back. Thank you.

Mr. Latta. Thank you. The gentleman's time has expired and yields back.

And the chair now recognizes the gentleman from New York's 23rd District for 5 minutes for questions.

Mr. Langworthy. Thank you very much, Mr. Chairman.

In my home state of New York, Albany politicians, they have decided that they know better than the people that they serve. They have moved to rid natural gas out of all new construction in residential homes as of January 1, 2026, and they are marching towards banning it in every new building. It is not just bad policy, it is a direct assault on affordability, reliability, and my constituents' safety.

When government bans natural gas, the cost of everything goes up. Especially building a home, it can go up 10, 20, \$30,000 in upgrades. And that is money that my constituents don't have, and it pushes the homeownership dream further out of reach for our youngest generation.

Monthly bills pile up because in States like New York, heating with natural gas is extremely than -- and more reliable, frankly, than electricity.

In my district, we know what happens when the power goes out during a brutal winter storm. We saw this, I lived this during Winter Storm Elliott in 2022. Families, if they were left with nothing but electric heat, it was a dangerous and deadly situation. We lost 69 people in that storm. People can and will lose their lives when politicians take away their ability to choose the energy source that makes sense for their homes.

Mr. Hughes, how are these natural gas restrictions affecting builders in the housing market today?

Mr. Hughes. How gas again, the increased cost of having to go total electric. Because the equipment as a rule is more expensive, and it operates more expensive.

Mr. Langworthy. I met with many homebuilders in the last month in my state, and they have got people literally walking away from the table when they have told them they can't get their building permits registered by New Year's Eve Day, and they will have to fully electrify their homes in New York. I appreciate your answer.

Energy choice gives families the ability to pick the most affordable and reliable way to power

their homes. The same principal needs to apply to our Federal Government. Yet current policy has moved in the opposite direction, forcing Federal buildings to eliminate natural gas and rely exclusively on electricity. Natural gas powers backup systems that keeps our veterans' hospitals running, supports energy, intensive work at our national labs and military installations. Removing it reduces flexibility, it increases costs, and it makes critical infrastructure more vulnerable.

The numbers tell the story. Natural gas is more affordable than electricity and will remain so for decades to come. The DOE analysis shows eliminating it could increase energy consumption and emissions which totally undermine our efficiency goals. These policies risk disrupting operations, jeopardizing national security, and wasting taxpayer dollars. Federal agencies need options so that they can operate effectively and reliably, just as families deserve the same flexibility in their homes.

Mr. Steffes, what kind of long-term uncertainty do gas bans and fossil fuel phaseouts like Section 433 of the Energy Independent Security Act pose for Washington's gas customers?

Mr. Steffes. Well, it creates an environment where businesses or the Federal Government in this instance is unaware and uncertain about what their next investment is going to be to meet the energy needs. If you restrict natural gas, which is a very affordable, very reliable -- again, our reliability to deliver to the Federal buildings is 99.7 percent -- you take away the ability for them to find redundant and resilient electricity when they need it through backup generation. But you also then impose an increased obligation by an electricity grid, making that can even more strained than it is already today.

Mr. Langworthy. We are seeing this in real time in New York as the Governor has increased -- had her public service commission increase utility rates for the second time in a year. My constituents are facing double-digit percentage increases in their utility bills. We have taken power off of the grid and increased the demand on the grid and are surprised that the cost is rising in a drastic rate. And that is exactly why I have introduced the Energy Choice Act which hopefully this committee acts on very soon that would ban the bans, ban the natural gas and propane bans that a

lot of our left-leaning States are going toward.

At the end of the day, energy choice is about freedom, it is about affordability, and common sense. And families shouldn't be forced into costly one-size-fits-all mandates, and neither should the Federal Government.

Taking away options doesn't save money, it raises bills. It doesn't improve reliability, it weakens our systems, and it puts people's lives at risk. Real leadership means empowering people and agencies to choose the energy source that works best for them. And energy choice is not negotiable, it is essential. And with that, I yield back, Mr. Chairman.

Mr. Latta. Thank you. The gentleman yields back the balance of his time.

The chair now recognizes the gentlelady from Colorado's Eighth District for 5 minutes for questions.

Mr. Evans. Thank you, Mr. Chairman -- of course to the ranking member. And thank you to all of our witnesses for coming today to have this conversation.

We all want clean air, clean land, clean water. We all want to be good and responsible stewards of our environment and the energy that we produce from our environment. But we also have to have a commonsense approach to this.

And so my first question will be a yes, no question to everyone on the panel. Do you think that the government should mandate that electric utilities and appliance manufacturers have the ability to reach into a private citizen's house and adjust their thermostat, their water heater, literally the ability to dim lights in the name of energy efficiency? Mr. Hughes?

Mr. Hughes. No.

Mr. Lieberman. No.

Ms. Saul-Rinaldi. No.

Mr. Steffes. No.

Mr. Evans. I am sorry, Ms. Saul-Rinaldi?

Mr. Hughes. I said no. You mean the Federal Government? No.

Mr. Evans. Thank you. The reason that I ask that question is because of something that has happened in Colorado. The state has adopted the model low energy and carbon code, which is a modified version of the 2024 building code, IECC building code.

And it mandates that in 2026, municipalities will have to adopt as their own baseline when updating building codes, codes that include aggressive incentivization to switch all homes over to electricity only, require homes over a certain square footage to basically become carbon neutral and offset their power by having solar panels either onsite or other methodologies.

And it is one of the first in the Nation to require -- and I will read you from the code here, which I actually have pulled up -- demand responsive controls for electric heating and cooling systems shall be provided with demand response controls. What is a demand response control for heating, for cooling? And then in another places in the code it talks about lighting and water heaters. Demand response is connected to the utility.

The utilities can literally reach in and lock you out of your own thermostat, your own water heater, control the lighting in private buildings in response to energy efficiency mandates.

I don't think that that sort of intrusion is something that our consumers want. I don't think that is something that they want to pay for in terms of having to buy appliances that have this demand-response capability to say nothing of the security risks that go along with, as we all know, the internet of things, and having your water heater, your lighting, your thermostat connected to the utilities, which by government fiat has to have -- excuse me -- has to have the ability to reach in and control all of those things in the name of energy efficiency.

We know it is expensive, and I don't think that that is good policy. So I am glad to hear you all say that you are somewhat in agreement with me on that.

The next question will be to Mr. Hughes. During the whole rulemaking process around adopting this model low energy and carbon code in Colorado, the Colorado Association of

Homebuilders warned that these rules would restrict the housing supply in Colorado, making for more competitive and more expensive markets than neighboring States and actually don't do anything to help consumers actually be able to afford homes. Can you speak a little bit to the affordability component of having this sort of mandate around household appliances?

Mr. Hughes. I can't where there would be any affordability. It looks to me like it would reduce affordability.

Mr. Evans. Okay. I appreciate that. We saw in 2021 in Colorado -- unfortunately, we had a very tragic fire, the Marshall Fire -- and as a result of that Marshall Fire, a lot of homes were actually destroyed. The rebuild cost for those homes on average was about \$20,000 more because of a lot of these green building codes.

I think one of the earlier panelists had mentioned that if somebody is locked out of their thermostat, they are just going to buy an electric space heater that the utilities don't control to be able to heat their homes. They are going to find other workarounds. But those workarounds come with more expense, more demand on the grid, and ultimately more cost to the consumer.

And so for an actual real-world scenario in Colorado, we saw the answer, it is \$20,000 more in these green energy codes to be able to put that housing back into effect.

Mr. Lieberman, I got 20 seconds here. Can you just talk a little bit about the cost savings when folks are being forced to move away from natural gas towards these types of electrifications. I have got 12 seconds.

Mr. Lieberman. As I mention, the Department of Energy says that natural gas is three-and-a-half times cheaper than electricity on a per unit energy basis. And even besides that, we are always better off when we have choices. I have a natural gas hookup in my home and electricity. I like being able to choose from both.

Mr. Evans. Thank you so much. I yield back.

Mr. Latta. The gentleman's time has expired and yields back.

And the chair seeing no other members wishing to ask questions, I want to thank all of our witnesses for appearing before us today. I know it has been a long afternoon.

Members may have additional written questions for you. I remind members that they have 10 business days to submit additional questions for the record. And I ask our witnesses to submit responses within 10 business days upon receipt of those questions.

I ask unanimous consent to insert in the record the documents included on the staff hearing documents list. And without objection, so ordered.

[The information follows:]

***** COMMITTEE INSERT *****

Mr. Latta. And without objection, the subcommittee is adjourned.

[Whereupon, at 5:18 p.m., the subcommittee was adjourned.]