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6 APPLIANCE AND BUILDING POLICIES: RESTORING THE AMERICAN

7 DREAM OF HOME OWNERSHIP AND CONSUMER CHOICE

8 TUESDAY, SEPTEMBER 16, 2025

9 House of Representatives,

10 Subcommittee on Energy,

11 Committee on Energy and Commerce,

12 Washington, D.C.

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16 The subcommittee met, pursuant to call, at 10:16 a.m. in
17 Room 2123, Rayburn House Office Building, Hon. Robert E.
18 Latta [chairman of the subcommittee], presiding.

19 Present: Representatives Latta, Weber, Palmer, Allen,
20 Balderson, Pfluger, Harshbarger, Miller-Meeks, Bentz, Fry,
21 Langworthy, Goldman, Fedorchak, Guthrie (ex officio); Castor,
22 Peters, Menendez, McClellan, DeGette, Matsui, Tonko, Veasey,
23 Schrier, Fletcher, Ocasio-Cortez, Auchincloss, and Pallone
24 (ex officio).

25 Also Present: Representatives Joyce and Houchin.

26 Staff Present: Ansley Boylan, Director of Operations;
27 Byron Brown, Chief Counsel; Clara Cargile, Professional Staff

28 Member; Jessica Donlon, General Counsel; Matt Furlow,
29 Counsel; Andrew Furman, Professional Staff Member; Sydney
30 Greene, Director of Finance and Logistics; Calvin Huggins,
31 Clerk; Megan Jackson, Staff Director; AT Johnson, Special
32 Advisor; Sophie Khanahmadi, Deputy Staff Director; Giulia
33 Leganski, Chief Counsel; Mary Martin, Chief Counsel; Sarah
34 Meier, Counsel and Parliamentarian; Joel Miller, Chief
35 Counsel; Ben Mullaney, Press Secretary; Seth Ricketts,
36 Special Assistant; Jake Riith, Staff Assistant; Jackson
37 Rudden, Clerk; Chris Sarley, Member Services/Stakeholder
38 Director; Peter Spencer, Senior Professional Staff Member;
39 Timothy Trimble, Staff Assistant; Matt VanHyfte,
40 Communications Director; Jane Vickers, Press Assistant;
41 Waverly Gordon, Minority Deputy Staff Director and General
42 Counsel; Tiffany Guarascio, Minority Staff Director;
43 Kristopher Pittard, Minority Professional Staff Member; Emma
44 Roehrig, Minority Staff Assistant; Kylea Rogers, Minority
45 Policy Analyst; Medha Surampudy, Minority Professional Staff
46 Member; Tuley Wright, Minority Staff Director, ENG; Shae
47 Reinberg, Minority Intern; and Jackson Hall, Minority Intern.
48

49 *Mr. Latta. I would like to call the Subcommittee on
50 Energy to order, and the chair recognizes himself for five
51 minutes for an opening statement.

52 Welcome to today's legislative hearing, appliance and
53 buildings policies, restoring the American dream of home
54 ownership and consumer choice. Today we will hear from the
55 Department of Energy and industry stakeholders as we consider
56 eight bills seeking to address consumer choice, appliance and
57 home affordability, reckless Federal building policies, and
58 duplicative regulatory structures.

59 Many policies pushed over the last several years have
60 raised prices for all consumers, strained our nation's grid,
61 and yielded little to no benefit for Americans. That is why
62 the subcommittee will discuss legislation that would have a
63 massive impact on the day-to-day necessities on which
64 American families and businesses rely. During last week's
65 hearing, Jim Steffes of the Washington Gas said it well when
66 discussing gas bans: "The idea that we are going to push the
67 gas back down the power line and use it in a less efficient
68 manner than you would use it at your home is absolutely going
69 to raise prices.''

70 Importantly, one of the bills we have on the docket, the
71 bipartisan Energy Choice Act, will prohibit state or local
72 governments from adopting policies that ban access to an
73 energy service that is based on the fuel that is sold. This

74 includes building performance standards and codes that act as
75 de facto gas bans.

76 The Homeowner Energy Freedom Act will repeal the funding
77 included in the IRA which bribed states to adopt the 2021
78 IECC Model Code. Today we will hear firsthand testimony of
79 the chilling effect that has had on home building in those
80 states. Duplicative standards for manufactured housing have
81 also decreased production of affordable new housing. As home
82 ownership continues to be a top concern for millions of
83 Americans, we must remove regulatory red tape that has
84 restricted options for families.

85 The anti-fossil fuel agenda does not stop at the state
86 or local laws. Federal policies like the required phase-out
87 of fossil fuel in Federal buildings could jeopardize our
88 national security. The Reliable Federal Infrastructure Act
89 will repeal this inappropriate policy, and the bipartisan
90 Federal Mechanical Insulation Act will refocus evaluations
91 for Federal buildings on the potential for implementing true
92 energy efficiency measures like the installation of
93 mechanical insulation.

94 The legislation before us today is focused on restoring
95 consumer choice, especially for America's working families.
96 The misguided and redundant policies from the previous
97 administration hit them the hardest because they, number one,
98 price out first-time homeowners; two, destroy appliance

99 affordability through steep upfront and installation costs;
100 or three, discourage the production of affordable
101 manufactured homes through regulatory morass.

102 The Don't Mess With My Home Appliances Act will make
103 much-needed statutory reforms to energy efficiency and
104 standards for appliances which have increased costs while
105 deteriorating in performance because of over-regulation.

106 Lastly, the SHOWER Act will codify a common-sense
107 definition of a showerhead, improving water pressure for
108 those who desire that choice.

109 We have also included, at our Democratic colleagues'
110 request, legislation by the gentleman from New York's 20th
111 district on DoE's Weatherization Assistance Program. While I
112 have concerns with the bill as introduced, we are willing to
113 work with our friends on the Democratic side to reach
114 compromise.

115 All together, the majority of the bills before us today
116 represent an opportunity for this committee to refocus energy
117 efficiency policies on true energy savings, whether reflected
118 in the cost of an appliance or the utility bills for hard-
119 working American families.

120 I want to thank our witness for appearing before us
121 today.

122

123

124 [The prepared statement of Mr. Latta follows:]

125

126 *****COMMITTEE INSERT*****

127

128 *Mr. Latta. And the chair now recognizes the gentlelady
129 from Florida's 14th district, the ranking member of the
130 subcommittee, for five minutes for an opening statement.
131 Thank you.

132 *Ms. Castor. Well, thank you, Mr. Chairman. Good
133 morning, everyone.

134 Here we are, nine months into the Trump Administration,
135 and Republicans in Congress have done nothing to lower energy
136 costs. In fact, energy costs keep going up, up, and up, and
137 the GOP policies are making it worse. You know, Americans
138 deserve better.

139 Household electricity prices are up 10 percent this
140 year; 1 in 3 households is cutting back on basic necessities
141 like groceries to afford their electric bills; 3 in 4
142 Americans are concerned with their utility bills increasing,
143 and they should be; over 100 gas and electric utilities have
144 either raised or proposed higher rates that will go into
145 effect next year. And in Florida, Florida's largest utility
146 earlier this year filed a petition for a rate increase across
147 43 counties to increase rates by nearly \$10 billion over the
148 next 4 years, and customers are already paying \$400 more
149 annually than they were 5 years ago.

150 So what do House Republicans do? They bring bills today
151 that will heap higher costs on Americans, trap families with
152 outdated and expensive technologies, undermine American

153 manufacturers, and force us to use more energy at a time when
154 AI data centers need all the electricity that they can get.
155 So I want to dispel some misinformation we will hear today.

156 So let's be clear. Energy efficiency saves money,
157 reduces consumer costs, and it increases household comfort,
158 reliability, and resilience. Appliance standards have saved
159 households more than \$500 in energy bills each year.
160 Homeowners will save up \$15,000 for homes built using the
161 2021 building code, compared to the old ones. So I urge my
162 colleagues on the other side to join us in working to tackle
163 the affordability squeeze. And one way to do that would be
164 to stand up to the Trump tariffs that are inflicting
165 financial pain on working families and are estimated to cost
166 American households at least \$2,300.

167 You know, tariffs are also a factor in increased energy
168 bills due to higher prices for imported goods, including
169 those used in energy production, construction, and
170 maintenance of power plants. That would be an important step
171 to help soften the pain of the big, ugly bill which is
172 broadly unpopular, partly because of the increases in
173 electric bills as the Republicans axe the clean energy tax
174 credits that lower costs for consumers in order to provide
175 huge tax breaks for the wealthy.

176 Since passage of the big, ugly bill in July, the average
177 cost of U.S. wind and solar power purchase agreements has

178 increased by four percent. So Republicans have managed to
179 take one of the cheapest and fastest-growing sources of
180 energy in the U.S. and make it more expensive. And that is
181 on top of the Trump Administration killing numerous cleaner,
182 cheaper energy projects, domestic manufacturing plants that
183 would help lower bills.

184 You know, before Republicans killed the clean energy tax
185 credits I toured a large solar inverter manufacturing plant
186 back in Pinellas County. Three shifts, four hundred workers.
187 Republicans essentially, in repealing those tax credits, now
188 shut down that factory and more across the United States,
189 costing jobs at a time when witnesses across the political
190 spectrum have appeared here to advise us that America should
191 expect significant rising electricity demand, and that we
192 need all the solar, wind, storage, energy conservation that
193 we can get because we cannot win the air competition of the
194 21st century with energy policies from the 20th century.

195 Unfortunately, House Republicans have not been able to
196 meet this moment so today we are rehashing old messaging
197 bills, most of which they know will never become law, to try
198 to gaslight the American people into believing that it is
199 your washing machine and your light bulbs that are causing
200 higher prices. People are looking for sanity in Washington
201 right now, and I regret you are probably not going to find it
202 here with a war on appliances and energy efficiency.

203 But there is one good bill. I really appreciate you
204 bringing Congressman Tonko's Weatherization Enhancement and
205 Readiness Act. That is a bipartisan proposal to reauthorize
206 and update weatherization assistance. I am proud to
207 cosponsor this bill and support the savings for our neighbors
208 back home at a time they need it to make their homes more
209 resilient to dangerous heat waves and hurricanes.

210 I hope my Republican colleagues will consider this bill
211 seriously and advance it through to the full committee.
212 After all, our neighbors back home are counting on us to make
213 their lives more affordable.

214 [The prepared statement of Ms. Castor follows:]

215

216 *****COMMITTEE INSERT*****

217

218 *Ms. Castor. Thank you, Mr. Chairman, I yield back.

219 *Mr. Latta. Well, thank you very much. The gentlelady
220 yields back. The chair now recognizes the gentleman from
221 Kentucky, the chair of the full committee, for five minutes
222 for an opening statement.

223 *The Chair. Thank you. Thank you, Chairman Latta, and
224 thank to our witnesses for being here _ witnesses for being
225 here today. Today we will _ and witnesses later today _
226 today we will examine legislation to restore consumer choice
227 in the appliance and home _ Americans purchase, reverse
228 Federal building policies that put our nation's security at
229 risk, and restrict activist states from localities from
230 implementing policies that ban energy services based on the
231 fuel source.

232 As many of the subcommittee members stated last week, we
233 all support energy efficiency gains, but affordability must
234 be at the forefront of the conversation, as my friend was
235 just discussing. Bad building codes have decreased housing
236 production and can add up to \$31,000 to the price of a new
237 home. Egregious appliance standards have caused homeowners
238 to spend 34 percent more on appliances than they did 15 years
239 ago, while having to replace them in a faster rate, and anti-
240 fossil-fuel agendas have raised energy prices and jeopardized
241 reliability for millions of customers.

242 Furthermore, many policies put forth in the name of

243 energy efficiency don't result in substantial energy gains.
244 Some, like natural gas bans, actually increase energy use and
245 consumer prices. In Kentucky homeowners using gas for
246 heating saved \$610 annually, as compared to electric-only
247 alternatives. And the state has protected energy choice and
248 statute. All Americans deserve to make that same choice
249 based on what works best for their families and their
250 pocketbooks.

251 Today Republicans bring solutions to the table. The
252 pieces of legislation being discussed today will reform the
253 broken statutory process for energy efficiency standards for
254 appliances and equipment, repeal fossil fuel phase-outs and
255 bans, and reduce regulatory confusion, and nullify programs
256 that encourage states to adopt rigid building codes.

257 As Chair Latta mentioned, the subcommittee will also
258 discuss a bill from Representative Tonko on the Department of
259 Energy's Weatherization Program. We are willing to work with
260 our Democratic colleagues to see if we can reach a compromise
261 on that bill.

262 I look forward to hearing today _ and I just want to say
263 that we do have a rising demand of energy. And so if the
264 previous four years hadn't done what they did, if it was
265 still the same, the rising demand of energy _ if we don't
266 produce more energy, it is going to have an increase in
267 energy prices. That is just the supply and demand. And so

268 we have to make it more affordable, we have to make it more
269 abundant, and it has to be all of the above.

270 But, you know, wind and solar is subsidized because it
271 is expensive. It is not because it is cheaper. I mean, it
272 is because it is expensive. If it was cheaper, it wouldn't
273 have to be subsidized. And sometimes the subsidies distort
274 the investment where you get non-dispatchable power, and that
275 is what we are talking about today. So it has to be all the
276 above. It has to be all of the sources, but it also has to
277 be where it makes economic sense to do so.

278 And we have to reform the system. There is a new word
279 that is coming from _ I have heard from progressives that it
280 is called abundance, the abundance strategy. And we need
281 abundance. We _ you know, there was a \$42 billion fund for
282 broadband that after 3-and-a-half years spent _ not a single
283 inch of fiber was laid in 3-and-a-half years because of all
284 the procedures that people had to go through to try to do
285 broadband. It was a noble exercise. But think, a \$42
286 billion appropriation _ or authorization and appropriation
287 sat there because you couldn't get through the process.

288 And so what we want to do _ and I know _ I actually
289 didn't even vote for that 42 billion, but I know that people
290 that did, and they wanted that money spent. But the whole
291 system, the whole _ it has become a procedure system, a
292 process system. And so what I would like to look at, as

293 chairman of the full committee in this subcommittee and
294 others on both sides of the aisle _ we are working with Mr.
295 Tonko today to get the weatherization bill _ that we figure
296 out how to get the procedures in place that protect the
297 environment.

298 I went to school on the Hudson River. You couldn't swim
299 it in the 1980s. We do not _ as a matter of fact, Robert
300 Kennedy, Jr. was leading the Riverkeeper Program to try to
301 clean up the Hudson River. We don't want that. That is _ we
302 want to make sure we have processes in place to prevent that.
303 But now, almost 40 years later, when I was in college, we got
304 to the point where we _ you can't build hardly anything.

305 In California the reason the abundance has come out,
306 because housing prices are so expensive in California,
307 because building codes make it prohibitively expensive to
308 build, and so that is what, hopefully, we can do as a
309 committee together, is _ I know that we have different views.
310 We have different energy sources that are preferable. But in
311 the end we have to do things that work. And I think all of
312 us _ I think 435 _ I think it is 432 members now _ want to
313 beat China. All of us do. And so we have to figure out how
314 we work together to make sure we have the energy, we have the
315 infrastructure, we have the processes in place where we are
316 successful in protecting ourselves, but also successful in
317 beating China.

318 [The prepared statement of The Chair follows:]

319

320 *****COMMITTEE INSERT*****

321

322 *The Chair. And I will yield back.

323 *Mr. Latta. Well, thank you. The gentleman yields
324 back, and the chair now recognizes the ranking member of the
325 full committee, the gentleman from New Jersey, for five
326 minutes for an opening statement.

327 *Mr. Pallone. Thank you, Chairman Latta.

328 Chairman Guthrie, you can tell everybody that you went
329 to West Point. I know you are very proud of it, and I think
330 it is great, so you don't have to say it is on the Hudson
331 River.

332 [Laughter.]

333 *The Chair. I guess there are several other colleges on
334 the Hudson River. I didn't go to Columbia. So I did go to
335 West Point, yes.

336 *Mr. Pallone. Anyway, at a time when America _

337 *The Chair. I swan at Columbia, anyway, so it _

338 *Mr. Pallone. At a time when American families are
339 struggling with rising energy bills, thanks to the policies
340 of President Trump and congressional Republicans, today
341 committee Republicans are doubling down on legislative
342 proposals that will further raise energy bills and threaten
343 America's power grid. These partisan bills are meant to prop
344 up expensive fossil fuels so Republicans can score points
345 with their billionaire buddies. It is just part of their
346 agenda to serve their corporate interest friends, not

347 everyday, hard-working Americans.

348 Most of the bills were discussing today gut efficiency
349 programs, make buildings use more energy, and raise costs for
350 Americans. These bills don't just drive up energy costs for
351 Americans, they also threaten our ability to compete with
352 China. We have had numerous hearings this Congress about
353 data centers, artificial intelligence, and the increasing
354 energy demand from these technologies. In these hearings
355 witnesses have made clear that we need more energy available
356 on the grid in order to scale rapidly, meet this growing
357 energy demand, and remain globally competitive.

358 Everyone knows that to meet growing demand, two things
359 must happen.

360 First, you need more energy on the grid. But in their
361 big, ugly bill Republicans eliminated incentives that get
362 cheaper, clean energy on the grid quickly. This was a
363 reckless action that will result in household energy bills
364 increasing, as well as significant delays in getting new
365 energy on the grid. And clean energy is fast to deploy, and
366 it is crucial for meeting our growing energy demand and
367 competing with China.

368 Second, you need to decrease energy consumption wherever
369 possible, and that is where energy efficiency can play a
370 critical role. By decreasing the energy consumption of
371 households and businesses, more energy is available to meet

372 greater demands, which is why it is baffling to me that
373 Republicans, after slashing incentives to get energy on the
374 grid quickly, are now pursuing policies to make our homes and
375 buildings less energy efficient, all while they claim to
376 support American energy dominance and want to compete with
377 China in the AI race.

378 The Republican-led bills target the Department of
379 Energy's _ DoE's ability to keep appliances efficient and
380 affordable. They rip away appliance rebates, building codes
381 funding, and workforce funding. They go after Federal
382 building efficiency and attack efficiency standards for
383 manufactured housing. Taken together, these bills will
384 dramatically increase household energy expenses.

385 Now, I said this at last week's hearing, but it bears
386 repeating. Congressional Republicans and the Trump
387 Administration spent the first eight months of the year
388 targeting efficiency standards through numerous Congressional
389 Review Act resolutions, gutting clean energy initiatives,
390 keeping expensive fossil fuel plants online, and imposing
391 costly tariffs that are super-charging inflation. These
392 actions directly result in rising costs for Americans.
393 Republicans don't care about lowering costs. All they care
394 about is rewarding their oil and gas friends, punishing clean
395 energy, and keeping President Trump happy.

396 Now, there are a couple of bipartisan bills that I do

397 support on the agenda, including Congressman Tonko's
398 Weatherization Enhancement and Readiness Act. And this
399 bipartisan bill reauthorizes the Weatherization Assistance
400 Program and raises the average cost per household so that
401 more families can receive assistance that better matches
402 their need. It also reauthorizes Weatherization Readiness
403 Program to help households pursue structural repairs so they
404 can receive weatherization assistance, and this is an
405 important and timely bill.

406 But I really do hope that the bipartisan bills on
407 today's agenda receive the support they deserve, and I hope
408 we can turn a corner on discussions about energy efficiency,
409 and recognize that it really is one of our best tools for
410 keeping costs low and also for remaining competitive.

411 [The prepared statement of Mr. Pallone follows:]

412

413 *****COMMITTEE INSERT*****

414

415 *Mr. Pallone. And so I thank the witnesses for being
416 here today and yield back the balance of my time, Chairman
417 Latta.

418 *Mr. Latta. Well, thank you very much. The gentleman
419 yields back the balance of his time, and the chair _ this now
420 concludes our members' opening statements. The chair likes _
421 would like to remind members that, pursuant to committee
422 rules, all members' opening statements will be made part of
423 the record.

424 Also, I would like to also remind members that we do
425 have two panels today, and votes are at 1:30. So _ and also,
426 somehow Environment is supposed to meet in here at 2:00 since
427 we are offline on the third floor office _ or committee
428 hearing room upstairs. So the chair just wants to remind
429 members that at five minutes into your questions I will bring
430 down the gavel so we can keep things moving.

431 Again, I want to thank our witness for being with us
432 today and taking the time to testify before our subcommittee.

433 You are going to have five minutes for an opening
434 statement, and followed by a round of questions from our
435 members.

436 Our witness today is Jeff Novak, the acting general
437 counsel and principal deputy general counsel at the U.S.
438 Department of Energy.

439 And again, Mr. Novak, we appreciate you being here

440 today, and you are being recognized for five minutes for an
441 opening statement. So if you press that button and pull up
442 the mike close, and we will _ like to hear your testimony.
443 Thank you.

444

445 STATEMENT OF JEFF NOVAK, ACTING GENERAL COUNSEL AND PRINCIPAL
446 DEPUTY GENERAL COUNSEL, U.S. DEPARTMENT OF ENERGY

447

448 *Mr. Novak. Thank you, Chairman Latta, members of this
449 committee. I would say thanks for being here, but I am told
450 this is bumpy sometimes, so maybe I will just say I am
451 honored to be here.

452 I have been in my role for just a little over three
453 months. I am, as the chair said, the principal deputy
454 general counsel, and I have been the acting general counsel
455 pending the confirmation of the President's nominee. And I
456 am here at the subcommittee's invitation to talk about the
457 eight energy-related bills under consideration.

458 Two of these bills, the Energy Choice Act and the
459 Reliable Federal Infrastructure Act, are responses to
460 categorical prohibitions or mandates to reduce or eliminate
461 fossil-fuel-generated energy.

462 At last count, 149 jurisdictions have adopted laws or
463 ordinances effectively banning natural gas consumption and,
464 by extension, gas appliances. Some do this directly by

465 mandating all electric energy supply for newly-constructed or
466 renovating residential and commercial buildings. Some do
467 this indirectly by mandating net zero energy standards or
468 zero emission standards for natural gas-fired furnaces and
469 water heaters. Whether done directly or indirectly, these
470 laws and ordinances deny residents and commercial tenants
471 access to energy solutions like tankless water heaters that
472 are demonstrably more efficient, gas water heaters that can
473 provide significant long-term savings to owners, gas ranges
474 that can perform better and be 10 to 30 percent cheaper to
475 operate than their electric counterparts. Two of these bans
476 or mandates and the question of whether they fall within the
477 broad preemptive provision of the Energy Policy and
478 Conservation Act of 1975 are the subject of ongoing
479 litigation in the Second and Ninth Circuits.

480 The Energy Choice Act, the first of these bills, would
481 bar states and localities from prohibiting or limiting energy
482 service based on the type or source of energy to be
483 delivered. This legislation would enable a broader range of
484 energy solutions that would, in turn, both preserve and
485 expand consumer choice in regard to the appliances that they
486 depend on to heat their homes, to heat their showers, to wash
487 their clothes and dishes, and to cook their food, while also
488 yielding significant savings to U.S. households.

489 I will add that access to natural gas or propane can be

490 more fundamental than energy inefficiency or cost, as we saw
491 in events like the Christmas blizzard of 2022, when people
492 with all-electric heat froze to death inside their homes
493 during extended power outages.

494 The Reliable Federal Infrastructure Act would amend
495 section 305(a)(3) of EPCA to strike the requirement that the
496 Secretary of Energy promulgate energy performance standards
497 for Federal buildings, mandating the reduction and eventual
498 elimination of fossil-fuel-generated energy. The bill
499 enables a broader range of energy solutions at Federal
500 buildings that can help reduce construction and operating
501 costs, as well as accelerating construction timelines by
502 positioning decision-makers to balance local energy delivery
503 options against cost parameters and mission readiness needs.

504 The third bill, the Don't Mess With My Home Appliances
505 Act, presents a similar set of policy issues. The bill
506 proposes several changes to the Appliances Standard program
507 that the Department administers under EPCA, and this includes
508 the implementation of a mechanism for revoking prior energy
509 conservation standards, revised criteria for determining the
510 economic justification of a standard, a provision to address
511 the fuel neutrality issues I mentioned in connection with the
512 first two bills, a new test to address the utility or
513 performance of an appliance, adoption of a significant energy
514 savings threshold, and the localization of standard-setting

515 criteria to particular appliances rather than broad factors
516 such as greenhouse gas emissions and social costs. This
517 legislation broadens choice and refocuses the cost benefit
518 analysis of the Appliance Standards program to consumer
519 impacts and significant economic benefits.

520 The fourth bill, the Federal Mechanical Insulation Act,
521 aims to address a gap in how regulators assess insulation
522 inefficiencies in Federal buildings under NECPA. Current
523 assessments focus on the insulation of building envelopes,
524 walls, and roofs. This bill recognizes that there are other
525 insulation efficiencies gained by insulating piping,
526 ductwork, HVAC, et cetera. And this bill clarifies that
527 those efficiencies are properly included within statutory
528 audits.

529 The fifth bill, the SHOWER Act, would adopt the American
530 Society of Mechanical Engineers' definition of a showerhead
531 and require the Secretary to update Federal regulations based
532 on this definition with the aim of increasing manufacturing
533 flexibility and, by extension, consumer choice.

534 The sixth bill, the Affordable Homes Act, streamlines
535 the assessment of potential savings from energy standards
536 imposed on manufactured housing, and whether those savings
537 offset costs to consumers from two regulators, currently the
538 Departments of Energy and Housing and Urban Development, to
539 one, HUD.

540 The seventh bill, the Homeowner Energy Freedom Act,
541 repeals three state and community _ or SCEP programs _
542 rescinding unobligated funds that were appropriated for high
543 efficiency electric home rebate program, as well as the funds
544 that were appropriated to provide assistance to states and
545 localities adopting energy conservation building codes. As
546 the chairman mentioned earlier, according to the National
547 Association of Home Builders, these compliance _

548 *Mr. Latta. Mr. Novak, if you could just _

549 *Mr. Novak. _ add as much as \$31,000 _

550 *Mr. Latta. _ wrap up real quickly, if you could,
551 please.

552 *Mr. Novak. Yes, \$31,000 in additional cost with a
553 payback period as long as 90 years.

554 And the eighth bill, as we mentioned, is the
555 Weatherization Enhancement and Readiness Act.

556 The Department would welcome the opportunity to provide
557 technical assistance on these bills.

558 [The prepared statement of Mr. Novak follows:]

559

560 *****COMMITTEE INSERT*****

561

562 *Mr. Latta. Well, thank you very much for your
563 statement this morning, and the chair now will move to our
564 questions from the members, and I will begin with my
565 questions. I recognize myself for five minutes.

566 When Congress reauthorized the Weatherization Program in
567 2020 we also required DoE to study the effectiveness of a
568 program that includes grants to make homes ready for
569 weatherization. DoE has not completed that evaluation. Is
570 that correct?

571 *Mr. Novak. That is correct, Chairman.

572 *Mr. Latta. Thank you. When you perform this
573 evaluation, will you evaluate whether some types of entities
574 are more effective than others in implementing the innovation
575 enhancement program and weatherization in general?

576 *Mr. Novak. Yes, sir.

577 *Mr. Latta. And will you also look at how states
578 safeguard against waste and abuse?

579 *Mr. Novak. Yes.

580 *Mr. Latta. Okay, let me _ let's, if we could, back up
581 to my second question on the _ you know, when you are looking
582 at evaluating what types of entities are more effective than
583 others, do you have any idea what those might be right now,
584 what is more effective than others, or is it something you
585 are going to have to look at when you do the study?

586 *Mr. Novak. I am sorry, Mr. Chairman, but the acoustics

587 are a bit off.

588 *Mr. Latta. Okay _

589 *Mr. Novak. Can I ask you to restate the question?

590 *Mr. Latta. Yes, again, are _ when you do the study _
591 and maybe it is a little bit early, maybe you are into the
592 study right now, but when you are looking at the
593 effectiveness of the _ implementing the innovations and
594 enhancements in the program and also in weatherization, what
595 _ do you know what you are specifically going to be looking
596 for right now?

597 *Mr. Novak. Mr. Chairman, I will have to take that
598 question up with staff in terms of the scope of the
599 assessment.

600 *Mr. Latta. Okay. What about on the waste and abuse?
601 Any _ are you still looking at formulating that at the staff
602 level?

603 *Mr. Novak. Correct.

604 *Mr. Latta. On how you are going to be doing that?

605 *Mr. Novak. Correct, Mr. Chairman.

606 *Mr. Latta. Okay. Billions of taxpayer funds have been
607 obligated and expended on weatherization over the past 4
608 years, including \$3.5 billion in the Infrastructure
609 Investment and Jobs Act. DoE has not done a full assessment
610 of the broader weatherization program since 2014.

611 You know, do you know what DoE's plans are to conduct a

612 full assessment of the broader weatherization program at this
613 time?

614 *Mr. Novak. If I can, Chairman, I will take that
615 question for the record and provide a follow-up to the _

616 *Mr. Latta. Okay, I appreciate that. Do you also
617 believe that Americans should have _ you know, do you believe
618 American consumers should pay more for a dishwasher, for
619 example, to offset the social cost of carbon emissions?

620 *Mr. Novak. The policy position, sir, is no, we do not.
621 At a personal level, I would say I don't either, just having
622 bought a dishwasher that doesn't do what I would like it to
623 do.

624 *Mr. Latta. Well, let me ask another question. From
625 DoE's perspective, how does limiting natural gas impact grid
626 reliability?

627 *Mr. Novak. Well, fewer choices put more strain on the
628 existing grid. There are some really interesting
629 developments that are going on now. For example, collocated
630 gas generation facilities at data centers. It is a
631 fascinating area of development, and the idea here is that
632 energy intensive uses _ and one of the problems we are trying
633 to solve for is that most everybody got it wrong in terms of
634 the forecasting. Nobody anticipated the Nvidia chip, the
635 energy demands of the Nvidia chip, much less the cooling
636 demands for chips that run hotter.

637 This is something that _ we have got innovation. The
638 idea here is to have more choice. A broader range of choice
639 means more opportunity for innovation. And I am familiar
640 with others who are developing business models around, again,
641 collocated, gas-fired plant at a data center with the idea
642 that it would _ it wouldn't draw on the grid at all. In
643 fact, it might push excess electricity onto the grid rather
644 than drawing from it. So it would be neutral in regard to _
645 and maybe positive benefits to ratepayers.

646 *Mr. Latta. Well, you brought up a _ you know, when you
647 are talking about the data centers in particular _ because we
648 know that you are going to have your primary source, and you
649 are going to have to have two backups going into that data
650 center, so you are _ because there can never be a glitch in a
651 power source when you are doing that. So that is very, very
652 important when you are talking about the reliability of the
653 grid.

654 I am going to yield back the balance of my time and
655 recognize the ranking member of the subcommittee for five
656 minutes for questions.

657 *Ms. Castor. Well, thank you, Mr. Chairman.

658 Mr. Novak, welcome.

659 *Mr. Novak. Thank you.

660 *Ms. Castor. Last week Secretary Wright and the
661 Department of Energy claimed online that wind and solar

662 energy infrastructure is essentially worthless when it is
663 dark outside and the wind is not blowing.

664 Why is the Secretary and the Department ignoring
665 batteries? And _ because that has been such a long-time
666 research and deployment priority of the Department of Energy.

667 *Mr. Novak. I will say, Member Castor, I am a lawyer,
668 not a policy-maker.

669 What I would say is that one of the things that I am
670 still sort of getting up to speed on is intermittent energy.

671 *Ms. Castor. All right, so here is one source you can
672 go to. The U.S. Energy Information Agency is predicting that
673 battery storage will practically double from 2024 to 2026, up
674 to 65 gigawatts of storage capacity.

675 But I think part of the answer _ you can look at what
676 Secretary Wright was doing last week in Europe. He was
677 shilling for gas companies and exports of American gas.

678 Has the Department of Energy done any analysis on what
679 consumers in America will see in higher costs due to exports
680 of our domestic energy?

681 *Mr. Novak. I have to take that question for the
682 record. I would be happy to provide a follow-up for that.

683 *Ms. Castor. Okay, all right.

684 *Mr. Novak. I do know that one of the issues that I am
685 aware of, just, you know, by virtue of being in
686 conversations, is the subsidy aspect of intermittent

687 generation, even with the battery, is something that,
688 frankly, people are struggling to get the math to work out on
689 that. So absent the subsidy, it is something that doesn't
690 seem to _

691 *Ms. Castor. Do you know how much the U.S. taxpayers
692 subsidize oil and gas and fossil fuels? Are you going to
693 take that for the record, too?

694 *Mr. Novak. I can take that for the _

695 *Ms. Castor. Please do. Okay.

696 In July DoE released a deeply flawed draft report picked
697 by five _ or written by five hand-picked climate skeptics
698 which severely downplayed the negative impacts and the
699 threats from the heating climate. What a backlash. Because
700 at that point more than 85 scientists got together to point
701 out errors and misrepresentations of climate science in that
702 report.

703 Mr. Novak, what review process did the report go through
704 at DoE? Did career staff or DoE scientists provide any
705 input?

706 *Mr. Novak. My understanding is that there was review
707 done within the research labs.

708 I will say as to the _

709 *Ms. Castor. Well, we are going to need that in detail,
710 because that has not _ that certainly hasn't been provided by
711 these _ this working group. DoE's so-called Climate Working

712 Group did not issue any public notice for its meetings or
713 attempt to balance the points of view of its members.

714 Do you believe the group violated the provisions of the
715 Federal Advisory Committee Act?

716 *Mr. Novak. I am sorry, was that a question?

717 *Ms. Castor. Yes. You are acting general counsel.

718 *Mr. Novak. No, no, I do not. This group which, I will
719 add, included the former chair of Georgia Tech's School of
720 Earth and Atmospheric Sciences, who was part of the National
721 Research Council's Climate Research Committee; a theoretical
722 physicist who served in the Obama Administration as under
723 secretary for science at the Department; the professors who
724 were the first ones to successfully develop a satellite
725 temperature record, this was a distinguished group _

726 *Ms. Castor. Why did they try to write that report out
727 of public view?

728 *Mr. Novak. Again, I think the point of this _ and I
729 will say at the outset I am here to testify on the eight
730 bills before the committee, so this is a bit afield of what I
731 prepared for today. But I will add that the purpose of this
732 group was, frankly, to enlarge _

733 *Ms. Castor. To undermine the science that has been a
734 hallmark of previous administrations and now, under the Trump
735 Administration, they discount the science, they discount the
736 experts. They try to take us off on these tangents that are

737 really hurting people. They are raising costs on consumers,
738 whether it is the tariffs, the big, ugly bill, all of these
739 policies.

740 And you know what? We need the science. My community
741 back home is recovering from the two worst hurricanes in our
742 lifetimes. We need to know what the impact of the heating
743 climate is going to be so we can prepare. And we need to
744 save energy. And we need _ we don't need to go across the
745 pond to shill for oil and gas companies. And that is also
746 going to raise prices.

747 So everything the Administration is doing is really
748 hurting the bottom line of hard-working Americans, and I
749 appreciate your appearance here today so we can ask you
750 questions and hold you accountable. Thank you.

751 I yield back.

752 *Mr. Latta. Thank you very much. The gentlelady's time
753 is expired and yields back. The chair now recognizes the
754 full committee chair for five minutes for questions.

755 *The Chair. Thank you.

756 Thanks for being here, Mr. Novak. And I have had my
757 good friend from New Jersey talking about billionaires who
758 invest in oil and gas. There are billionaires investing in
759 wind and solar, so, I mean, we could compare _ as a matter of
760 fact, some of them are the same, the same billionaires who
761 invest in both.

762 And I would guess _ and I absolutely hope somebody
763 invests and creates a sustainable battery that is affordable,
764 that can store wind energy, that can compete with all the
765 others, and I hope somebody can do that, and I guess if
766 somebody figures that out they will be a billionaire because
767 it will be valuable to the world to have a battery that is
768 affordable, sustainable, and have wind and solar that works
769 and is dispatchable. So _ and I hope that comes to pass.

770 So _ but _ so getting back to the bills before us, so
771 the committee is talking about home appliances and some of
772 the costs that have been incurred with the last
773 administration. So Mr. Novak, is DoE ensuring that any new
774 amended energy efficiency standards are truly cost effective,
775 yielding significant energy savings, and technologically
776 feasible?

777 *Mr. Novak. That is the aim. That is the aim, is to
778 ensure that the analysis that is done around this is, again,
779 localized to the efficacy of the appliance, the cost
780 efficiency of the unit, and, again, preserving the policy
781 choice that consumers should have a range of choices
782 available to them.

783 *The Chair. So thank you. So under EPCA, DoE is
784 required to review energy efficiency standards for covered
785 products no later than six years after the issuance of final
786 rule, with an option to decline, setting a new standard if it

787 would be inappropriate. Has _ how has this six-year look-
788 back requirement in EPCA resulted in never-ending regulation
789 for certain covered products?

790 *Mr. Novak. I will say in regard to the six-year look
791 period, I had conversations with staff in advance of being
792 here today, and I understand that it is a challenge, and the
793 six-year look-back is a challenge, and the two-year look-back
794 may be a challenge. Again, we would invite technical
795 assistance in how we could best satisfy any look-back
796 requirement in a bill.

797 But again, my understanding is that there are some
798 challenges in regard to these look-back requirements.

799 *The Chair. So switching gears a little bit, some
800 states and localities have implemented natural gas bans,
801 driving prices up for consumers and straining our nation's
802 electric grid. How important is redundancy in our energy
803 networks?

804 *Mr. Novak. It is important. Reliability and adequacy
805 are key policy aims of the Department. So ensuring that we,
806 you know, we don't create shortfalls by, for example, by
807 retiring in advance of their, you know, the expiration of
808 their service life units, this ensures that we have enough
809 dispatchable power on the grid.

810 And again, the policy choice here that has been made by
811 policy-makers is one of addition, and it is the idea of

812 adding additional _ we want additional power to the _ on the
813 grid. And we want a variety _ again, a variety of choices
814 that make sense.

815 *The Chair. Thank you. And before I yield back, we _ I
816 am an all-of-the-above. And I am going to just say it, all
817 of the above. But it needs to be sustainable and affordable,
818 and the subsidies can't displace _ so you subsidize one, and
819 so people don't build the other which is dispatchable and
820 there and available.

821 So we need to _ I want us all to _ everybody on both
822 sides of the aisle on this committee to think through this
823 is, that, you know, you have to have permits to build. Like
824 we talked about, there was \$42 billion held up because they
825 couldn't get approval to build fiber in the Inflation
826 Reduction Act. You need permits to build wind. You need
827 permits to build solar. You need to move those electrons.
828 If you create electrons in wind and solar, you got to move
829 those through transmission lines. For an all-of-the-above
830 you have natural gas, you have clean coal. You have got to
831 move some of that through the pipeline.

832 So we have to move the energy sources to where it is
833 turned into electrons, and we have to take the electricity
834 and move it to where people use and consume it. And so that
835 is behind. We are behind China in doing that. And we _ I
836 know that I always say there is 432 of us, I think, still in

837 Congress right now. And 432 of us, I think, without _ I
838 can't think of a person that doesn't want to make sure we win
839 the battle for the economic future over China. And a big
840 part of it is energy, having the right mix and having the
841 ability to move it. And hopefully, this committee will
842 dedicate ourselves, both sides of the aisle, to getting to
843 the right mix at the sustainable, affordable _ and be able to
844 move it to where people need it to use it.

845 So that is what our focus is going to be, and hopefully
846 we can all do it together.

847 And I will yield back.

848 *Mr. Latta. Thank you. The gentleman yields back the
849 balance of his time, and the chair now recognizes the
850 gentleman from New Jersey, the ranking member of the
851 committee, for five minutes for questions.

852 *Mr. Pallone. Thank you, Mr. Chairman. You know, I
853 listened to Chairman Guthrie say he is for all of the above,
854 and it sounds like, Mr. Novak, you are saying you are for all
855 of the above. But when Secretary Wright was here in June, we
856 specifically asked him if he was for an all-of-the-above
857 energy policy, and he said, no, he is not.

858 So, I mean, it is very nice that you and the chairman
859 are saying that you want to consider renewables and that you
860 are for, you know, all different types of energy. But the
861 Secretary made it quite clear that he is not, and neither is

862 the President.

863 And you know, we have three bills on the floor this week
864 that are clearly not for all of the above, and that clearly
865 make it _ that say pretty emphatically that, you know, they
866 want to eliminate or pretty much eliminate renewables and put
867 all the emphasis on fossil fuels. So, you know, forgive me
868 if I say that I don't think you are really speaking for the
869 Secretary, frankly.

870 But I wanted to follow up on a letter I sent to
871 Secretary Wright last month. As you know, the DoE staff have
872 been sent to _ DoE staff have been sent to the Nuclear
873 Regulatory Commission, and they are operating without NRC
874 supervisors in an apparent contravention of the Energy
875 Reorganization Act which explicitly separated DoE and NRC.

876 So my question, at one point in July David Taggart was
877 listed as simultaneously being both the NRC's chief counsel
878 and DoE's deputy general counsel for litigation. Can you
879 confirm if Mr. Taggart is still employed by the Department?

880 *Mr. Novak. He is not employed by the Department, and
881 hasn't been since he went to NRC.

882 *Mr. Pallone. All right. So when did Mr. Taggart
883 actually cease being a DoE employee, approximately?

884 *Mr. Novak. I will get _ I will take that for the
885 record, but I believe it is two months that he has been at
886 NRC.

887 *Mr. Pallone. And on that day, when he ceased to be a
888 DoE employee, who was his supervisor at that point, do you
889 know?

890 *Mr. Novak. It would have been me.

891 *Mr. Pallone. It would have been you. Okay.

892 *Mr. Novak. So, yes, I joined May 22. David had been,
893 at that point, the acting general counsel. When I joined he
894 slid into the deputy general counsel role, and then
895 subsequently moved to NRC.

896 *Mr. Pallone. Well, I am saying this because my _

897 *Mr. Novak. Which _

898 *Mr. Pallone. _ concern is that the Department and
899 Administration have broken the law when it comes to
900 separating _ DoE's _ or separating out, I should say, DoE's
901 function of supporting the nuclear industry and the NRC's job
902 of regulating it, and I feel like we are getting a runaround
903 here. So maybe that is why they sent you as the general
904 counsel here today because, you know, they have broken the
905 law, and, you know, they want to deal with this from a legal
906 point of view.

907 But I think it is important that the Republican majority
908 finally begin to hold some oversight hearings of this
909 Administration, rather than hearings on bills that will raise
910 prices for Americans. But let me turn to the bills before us
911 because I only have two minutes.

912 According to section 342 of the Energy Policy and
913 Conservation Act, the Secretary "may not prescribe any
914 amended standard which increases the maximum allowable energy
915 use or decreases the minimum required energy efficiency of a
916 covered product.'" However, in May of this year DoE proposed
917 to weaken or eliminate standards for 17 products. And
918 Secretary Wright was asked about this when he was before us
919 in June, and he couldn't give us a straight answer. So maybe
920 you can.

921 So, Mr. Novak, can you explain how DoE decided it need
922 not comply with section 342 and judicial precedent the way I
923 described, if you will?

924 *Mr. Novak. I will have to take that question for the
925 record. I would be happy to provide a detailed response.

926 *Mr. Pallone. Well, I would appreciate that. And, you
927 know, I think it is clear that the DoE is breaking the law
928 here, and American homeowners are going to pay the price.

929 When your monthly energy bills keep going up because
930 your home appliances use more energy, you know, I just hope
931 that everyone remembers that the Trump Administration is to
932 blame here. I just think that what the Department is doing
933 is _ you know, not only in terms of what they are doing at
934 the NRC, but also what they are doing with energy efficiency
935 is totally contrary to the statute. And, you know, I don't
936 know if _ you, as the general counsel, can't answer that

937 question now. It is kind of unfortunate, but I would
938 appreciate if you would get back to me.

939 But I am going to reiterate it again. You know, you
940 come here, and the chairman keeps talking about all the
941 above, and I appreciate all that. But if you look at the
942 bills that are on the floor today and what this Trump
943 Administration is doing, they clearly don't want anything to
944 do with renewable energy. They want to prioritize oil and
945 natural gas. And that is all because they want to help their
946 oil and gas friends. And anybody who thinks contrary, I
947 think, is just kidding themselves.

948 So thank you, Mr. Chairman.

949 *Mr. Latta. Thank you. The gentleman yields back. The
950 chair now recognizes the vice chair of the subcommittee, the
951 gentleman from Texas, for five minutes for questions.

952 *Mr. Weber. Thank you, Mr. Chairman.

953 Mr. Novak, thank you for being here. According to a
954 December 2022 Government Accountability Office, GAO, report,
955 the Federal Government is the largest energy consumer in the
956 United States, with about 350,000 Federal buildings which are
957 using over 344 trillion _ with a T _ BTUs of energy and 119
958 billion gallons of water in 2021 alone.

959 GAO also found that only 1 out of 27 government
960 agencies, only 1, actually _ using their compliance tracking
961 system, DoE's Compliance Tracking System _ only one agency

962 actually met the energy and water use evaluation requirement,
963 meaning, bottom line, that taxpayers' dollars are being
964 wasted, even with all those plans for all those agencies.

965 Have you ever heard the term, "The best laid plans of
966 mice and men"?

967 *Mr. Novak. I have.

968 *Mr. Weber. You have? That is quoted from Robert
969 Burns, the 1785 Scottish poem. You know, that and \$7 will
970 get you a cup of coffee at Starbucks, now that you know that.

971 My question is, my legislation, the Federal Mechanical
972 Insulation Act, which means that when your _ you know, I was
973 an air conditioner company owner for 35 years, so I have
974 watched all the ratings change and all the energy
975 requirements change for years and years and years, which
976 means that when you are evaluating the SEER, Seasonal Energy
977 Efficiency Rating, of an air conditioning or heating system
978 _ both, actually _ you need to take into effect the loss of
979 energy, the energy loss on the duct system. They have never
980 done that. They looked at the condensing unit, they looked
981 at the gas furnace, they looked at the evaporator coil. So
982 they never had a _ never actually looked at the mechanical _
983 the insulation on the ductwork part.

984 So this legislation, we aim at increasing energy
985 efficiency in Federal buildings while saving taxpayer money.
986 Section _ and so do you agree with that, that would be a

987 noble thing for us to want to do?

988 *Mr. Novak. I do. It is a gap in the current NECPA _

989 *Mr. Weber. Right.

990 *Mr. Novak. _ auditing scope.

991 *Mr. Weber. You betcha. And so section 433 of the
992 Energy Independence and Security Act establishes a timeframe
993 _ also, this is another gotcha for the consumers _
994 establishes a timeline to phase out fossil fuel in Federal
995 buildings.

996 Now, you said in earlier comments that people who had
997 electric heat in the northeast when the winter was so secure
998 and they lost power, they froze to death. If they had
999 natural gas, they could _ at least could _ they could run a,
1000 for example, you know, fireplace or something in there if
1001 they needed to, crack a window _ we always tell everybody so
1002 that the carbon monoxide doesn't build up.

1003 So without intervention, if we don't get this bill
1004 passed where we figure in all the SEER requirements, without
1005 intervention what might be the potential impacts on grid
1006 reliability if that 344 trillion BTUs currently supplied by
1007 fossil fuels was entirely shifted to the Federal grid? What
1008 do you think the outcome of that would be?

1009 *Mr. Novak. It would clearly have benefits for the
1010 grid.

1011 *Mr. Weber. Oh, it would absolutely do that. So I

1012 appreciate that answer. I appreciate you taking notes to be
1013 able to get back with everybody. I appreciate your
1014 appearance here today. So thank you for being here and for
1015 bearing my history lesson.

1016 And Mr. Chairman, I am going to yield back.

1017 *Mr. Latta. Thank you very much. The gentleman yields
1018 back the balance of his time. The chair now recognizes the
1019 gentleman from New Jersey's 8th district for five minutes for
1020 questions.

1021 *Mr. Menendez. Thank you, Chairman.

1022 Mr. Novak, just quickly, do we need more energy
1023 production in this country? Just yes or no.

1024 *Mr. Novak. Yes.

1025 *Mr. Menendez. Thank you. And is ensuring that
1026 consumers' energy bills are affordable a priority for this
1027 Administration? Just yes or no.

1028 *Mr. Novak. It is one of the objectives, affordable,
1029 secure, reliable, abundant.

1030 *Mr. Menendez. I appreciate that. Is it a priority of
1031 this Administration to ensure that the United States
1032 continues to compete with China with respect to energy
1033 production?

1034 *Mr. Novak. It is.

1035 *Mr. Menendez. Thank you. In a hearing yesterday with
1036 Chairman Latta, he described that a large part of China's

1037 energy production comes from coal plants, and cited this as a
1038 justification on why this Administration is prioritizing the
1039 revival of coal energy. Would you say this is an accurate
1040 characterization? Yes or no.

1041 *Mr. Novak. I _

1042 *Mr. Menendez. To compete with China they utilize coal,
1043 and therefore we should revitalize coal in the United States
1044 to compete with China. Is that a fair assessment? Yes or
1045 no.

1046 *Mr. Novak. Coal is clearly part of how we generate a
1047 lot of dispatchable baseload in this country.

1048 *Mr. Menendez. I am just curious if you know how China
1049 is meeting their electricity demand growth.

1050 *Mr. Novak. I have seen charts of nuclear, coal. They
1051 have a mix. They have a _

1052 *Mr. Menendez. And that mix would include solar and
1053 wind.

1054 *Mr. Novak. Correct.

1055 *Mr. Menendez. According to the New York Times, China
1056 met 84 percent of its electricity demand growth with solar
1057 and wind power. And China is well known to be the world's
1058 top electricity producer from renewable energy sources. In
1059 2024 China installed over 373 gigawatts of renewables, and
1060 their goal is to meet 80 percent of its total energy mix from
1061 non-fossil-fuel sources by 2016.

1062 So if the goal here is to maintain American energy
1063 dominance over China, why are we completely abandoning
1064 renewables and allowing China to become the world leader in
1065 renewable energy production?

1066 *Mr. Novak. I think the answer there, it is not all of
1067 the above, it is best of the above. And the best of the
1068 above is always context dependent. There are certain
1069 contexts in which particular generation makes a lot of sense,
1070 and there are other contexts in which it doesn't. And that
1071 is, again, very fact-specific, very site-specific. And _

1072 *Mr. Menendez. But you also stated earlier in your
1073 testimony that _ I believe your quote was "fewer choices put
1074 more strain on the grid.'" Do you _ was that your statement
1075 earlier, something to _ along those lines? Fewer choices put
1076 more strain on the grid?

1077 *Mr. Novak. Depending on what the range of choices is.
1078 Again _

1079 *Mr. Menendez. Well, but if states _

1080 *Mr. Novak. _ context-specific.

1081 *Mr. Menendez. _ are deciding, right, that they want to
1082 advance offshore wind, and the President pauses those
1083 projects, wouldn't that be fewer choices on the grid? And
1084 wouldn't, therefore, that put more strain on the grid and
1085 make prices more expensive for our residents? Just yes or
1086 no.

1087 *Mr. Novak. Again, contextually dependent. If a _

1088 *Mr. Menendez. The answer is yes.

1089 *Mr. Novak. If it is _

1090 *Mr. Menendez. And the Trump Administration Republicans
1091 in Congress are actively making policy choices that inhibit
1092 our ability to quickly bring more energy sources online. So
1093 far this Congress their focus has been on undoing Biden-era
1094 policies, including going after energy efficiency standards.
1095 They have also imposed tariffs that will dramatically
1096 increase the cost of equipment necessary to build out energy
1097 projects, and completely abandoning renewables such as solar
1098 and wind.

1099 So I am struggling to see what the play here is, because
1100 it almost seems like this Administration and what they are
1101 doing with offshore wind is retribution for the Obama
1102 Administration's decision on the Keystone pipeline. Would
1103 you say that is accurate, that this feels like Obama
1104 Administration made a decision with Keystone Pipeline so now
1105 the Trump Administration is going to make a decision with
1106 offshore wind, despite the fact that most people here agree
1107 that we need an all-of-the-above strategy, including wind and
1108 solar?

1109 *Mr. Novak. Let me say first, again, I am a lawyer, not
1110 a policy-maker, and I can't speak to the context of Keystone,
1111 but I am not aware of anything that, at least in my

1112 experience, that would suggest that there is some retribution
1113 afoot.

1114 *Mr. Menendez. But _

1115 *Mr. Novak. But what it _

1116 *Mr. Menendez. You may not be a policy-maker, but as
1117 the acting general counsel you are involved in a lot of these
1118 decisions that go into the policies. Yes or no?

1119 *Mr. Novak. I advise policy-makers _

1120 *Mr. Menendez. Right.

1121 *Mr. Novak. _ on the law.

1122 *Mr. Menendez. And are you aware of any policy that the
1123 Administration is considering that will help reduce the cost
1124 being borne by consumers with respect to the increase in AI
1125 data centers? Just yes or no. Have you _ has anything come
1126 across your desk that shows the Administration is dealing
1127 with the increase in demand caused by data centers?

1128 *Mr. Novak. Yes. For example, I mentioned earlier the
1129 idea of collocated gas-fired facilities. It is a very
1130 attractive idea to have a point source solution for
1131 generating _

1132 *Mr. Menendez. Okay. And you are general counsel. We
1133 have had witnesses here from the Department of Energy who
1134 cannot acknowledge the benefit of clean, renewable energy. I
1135 am curious if there is a DoE policy that prohibits employees
1136 _ its employees and officials from speaking to the benefits

1137 of clean energy.

1138 *Mr. Novak. None that I am aware of.

1139 *Mr. Menendez. Okay. Are you aware of anyone left at
1140 the Department of Energy who still believes in clean,
1141 renewable energy?

1142 *Mr. Novak. Oh, I would say we have got a range of
1143 people with a range of viewpoints on policy, and those get
1144 full-throated expression when people are talking about
1145 policy _

1146 *Mr. Menendez. And then presumably shut down by this
1147 Administration. Thank you.

1148 I am out of time, I yield back.

1149 *Mr. Latta. Thank you very much. The gentleman's time
1150 has expired and yields back. The chair now recognizes the
1151 gentleman from Alabama's 6th district for five minutes for
1152 questions.

1153 *Mr. Palmer. Mr. Novak, are you aware that we are in an
1154 arms race for artificial intelligence and quantum computing
1155 with China?

1156 *Mr. Novak. I am, sir.

1157 *Mr. Palmer. Are you aware that we are going to have to
1158 double our baseload capacity in order to power the data
1159 centers that we will need to win that arms race?

1160 *Mr. Novak. I am, sir.

1161 *Mr. Palmer. Do you believe, based on your knowledge of

1162 what the Department of Energy is doing, that we can do that
1163 with renewables?

1164 *Mr. Novak. No. No, sir.

1165 *Mr. Palmer. The physics don't work, do they?

1166 *Mr. Novak. They don't.

1167 *Mr. Palmer. I keep hearing my colleagues talk about
1168 what China is doing. I know they are big fans of China, but
1169 I think we are in a existential competition with China that
1170 is going to determine who is the dominant power in the world.
1171 Whoever masters AI and quantum computing, they will not be a
1172 superpower, they will be the superpower. And we need to do
1173 what it takes to be able to meet that challenge and win that
1174 arms race, as I said.

1175 I know China has built a lot of renewables, but they are
1176 basically forcing renewable power generation on the general
1177 population in order to preserve their fossil assets, fossil
1178 fuel assets. Would you agree with that?

1179 *Mr. Novak. I am not familiar, sir, with the policy
1180 choices that are being made by the PRC. It is a different
1181 economic system. The _

1182 *Mr. Palmer. It is also more part of their national
1183 strategy because they are putting more and more into their
1184 military. They realize that they have limited resources.
1185 They have huge amounts of coal, limited access to natural
1186 gas.

1187 They are also _ they are ahead of us in small modular
1188 reactors. They have got one online already. They have got
1189 four in the queue.

1190 One of the things that I think we _ that everybody on
1191 this committee ought to be focused on is small modular
1192 nuclear reactors, because it addresses the whole issue of
1193 emissions but it also will help us meet that increased
1194 baseload demand. Are you _ have you been informed on that
1195 effort?

1196 *Mr. Novak. I have, I have had several conversations
1197 with Ted Garrish, who is our nominee for the assistant
1198 secretary for nuclear energy, about the objectives in regard
1199 to small modular reactors and microreactors, a very promising
1200 solution, something we are committed to.

1201 *Mr. Palmer. Well, there is one of the things that I
1202 think we can do _ and over the last several years we have
1203 closed about 300 hydrocarbon power generation facilities.
1204 Most of them are coal. I know there is some concerns that
1205 the Administration may be open to reopening some of those
1206 using coal, but I have been really pushing putting small
1207 modular reactors on those sites. Now, that helps deal with
1208 the not-in-my-backyard issue, but also the transmission lines
1209 are still there.

1210 We could place small modular reactors based on the
1211 design capacity of the transmission lines which would, I

1212 think, help increase the baseload available to make sure that
1213 the power _ utility rates didn't go up for households and for
1214 businesses, but also help us meet the increased demand that
1215 we are going to have.

1216 The other thing, are you aware of how dependent we are
1217 on China for refined critical minerals and rare earth
1218 elements?

1219 *Mr. Novak. I am.

1220 *Mr. Palmer. Are you aware that there is not a single
1221 major refinery for rare earth elements in the entire Western
1222 Hemisphere?

1223 *Mr. Novak. I am.

1224 *Mr. Palmer. Are you aware that it is going to be a
1225 tremendous additional demand for power to build processing
1226 and refining capabilities and capacity here in the United
1227 States?

1228 *Mr. Novak. I am.

1229 *Mr. Palmer. Can we do that with renewables?

1230 *Mr. Novak. Yes.

1231 *Mr. Palmer. Do you think we can meet that power demand
1232 with renewables?

1233 *Mr. Novak. No, sir. No, sir.

1234 *Mr. Palmer. You cannot have a power source that does
1235 not give you a consistent baseload.

1236 *Mr. Novak. Correct.

1237 *Mr. Palmer. Thank you. I just think that we are in a
1238 situation right now that we are no longer talking about
1239 economics, we shouldn't even be talking about politics. We
1240 ought to be talking about national security. We have a
1241 window that is going to close. If we don't meet this
1242 challenge, we are going to find ourselves in a really bad
1243 place, and the future of the country will be in the balance.
1244 That is my opinion. It is not just my opinion, it is the
1245 opinion of many, many others. So that is one of the reasons
1246 why this committee, under the leadership of Chairman Guthrie
1247 and Latta and some of the others, have made it a top priority
1248 to meet that demand, to win that competition.

1249 So I just want to make the statement for the record we
1250 cannot do it with renewables. We are going to have to do it
1251 with the resources that I think that we can lead the world
1252 in, and that is small modular reactors to meet that power
1253 demand, to be able to refine the rare earth elements that we
1254 need to build the microchips and semiconductors in order to
1255 win that arms race for artificial intelligence and quantum
1256 computing.

1257 Mr. Chairman, I yield back.

1258 *Mr. Latta. Thank you. The gentleman yields back, and
1259 the chair now recognizes the gentlelady from Virginia's 4th
1260 district for five minutes for questions.

1261 *Ms. McClellan. Thank you. Thank you, Chairman Latta

1262 and Ranking Member Castor, for holding this very important
1263 legislative hearing. We can't afford to turn away from
1264 energy efficiency at this critical moment. We need to meet
1265 rapidly-growing energy demand, as we have heard, and we need
1266 to do it in a way that is affordable for households.

1267 And households across the country are already struggling
1268 with rising energy bills while facing more extreme weather
1269 exacerbated by climate change, whether that is increasingly
1270 severe storms, increased flooding, record heat waves,
1271 dangerous winter freezes, and that is why I am grateful that
1272 we have included Ranking Member Tonko's Weatherization
1273 Enhancement and Readiness Act in our discussion today.

1274 This bill makes necessary investments to help more low-
1275 income families weatherize their homes by fixing structural,
1276 plumbing, roofing, and electrical issues. And programs like
1277 Weatherization Assistance Program cut costs, improve energy
1278 efficiency, and make communities more resilient. And
1279 according to the Department of Energy itself, the program
1280 supports 8,500 jobs, provides weatherization services to
1281 approximately 32,000 homes every year, saving those homes, on
1282 average \$372 or more every year.

1283 And this is important because studies suggest that 35 to
1284 60 percent of energy consumption in U.S. homes is wasted
1285 through air leaks, outdated systems, phantom load from
1286 devices in standby mode, and we can't meet our exploding

1287 energy demand if we continue to waste 35 to 60 percent of
1288 energy in our homes from things that are fixable. So
1289 weatherization and energy efficiency goals are things that
1290 this committee should be focused on, and not attacks on
1291 popular standards that are cost-saving and common-sense.

1292 Now, Mr. Novak, my office has learned that the team from
1293 the Department of Energy responsible for the Weatherization
1294 Assistance Program has lost nearly 70 percent of its staff
1295 since President Trump took office, and that now only 11
1296 people manage 54 formula grants. And on top of that, the DoE
1297 is no longer allowing the remaining staff to travel, which
1298 makes it harder for them to oversee the program and ensure
1299 that funds go towards weatherizing homes.

1300 Mr. Novak, how are DoE staff supposed to effectively
1301 conduct their outreach and oversight of this program without
1302 leaving their desks?

1303 *Mr. Novak. It is a very good question. One of the
1304 objectives of this Administration _ and it is something I
1305 came in _ I wasn't involved in architecting it, but I am
1306 involved in, obviously, managing a team of lawyers now _ is
1307 the idea of a lighter, more efficient, more nimble Federal
1308 workforce. So I will tell you, even within my department, I
1309 am managing a lot of demand with fewer lawyers. And we are
1310 doing that by, frankly, trying to figure out how to get the
1311 balance right in terms of the work that lawyers are doing,

1312 prioritizing the work, and putting, frankly, more human
1313 resource where there is more work being done, and more
1314 emphasis on the policy priorities.

1315 The SCEP bill here, I note that, you know, this _ the
1316 bill that is before this committee would increase the average
1317 cost per unit. That is something that reflects increases in
1318 labor costs, materials, and I am not sure _ one of the things
1319 I would like to take for the record is to go back to staff
1320 and to talk to staff about how they are going to manage,
1321 recognizing that if there is going to be more money in the
1322 program to, again, account for increases in labor and
1323 increases in material, and we are going to stand up a new
1324 readiness program, there is, you know, a new statutory
1325 implementation framework. And one of the questions I would
1326 just like to take back to the record is how we are going to
1327 meet that statutory implementation framework with the
1328 headcount we have got.

1329 *Ms. McClellan. Okay. I think you need more headcount.

1330 In fiscal year 2025, DoE illegally shifted funds between
1331 programs, particularly within the Energy Efficiency and
1332 Renewable Energy Account. The Building and Technologies
1333 Office lost over \$180 million, which is 50 percent of the
1334 funding that Congress intended, and DoE's decision to pull
1335 that funding directly ignored the specific levels
1336 appropriated by Congress and signed into law by President

1337 Trump.

1338 Mr. Novak, you would agree that Congress holds the
1339 congressional authority to appropriate funds, right?

1340 *Mr. Novak. Correct, the Constitution commits
1341 appropriations to Congress.

1342 *Ms. McClellan. Did DoE move fiscal year 2025 funds
1343 away from the Building Technologies Office, despite what
1344 Congress intended?

1345 *Mr. Novak. I will have to take that question under _
1346 for the record.

1347 *Ms. McClellan. I would appreciate that _

1348 *Mr. Novak. Yes.

1349 *Ms. McClellan. _ because it is completely unacceptable
1350 for an agency to ignore the law and redirect congressionally-
1351 mandated funding to support the Secretary's personal agenda.
1352 And I think, as general counsel, you would agree with that.

1353 I yield back.

1354 *Mr. Latta. Thank you. The gentlelady yields back, and
1355 the chair now recognizes the gentleman from Georgia's 12th
1356 district for five minutes for questions.

1357 *Mr. Allen. Thank you, Chair Latta, for holding this
1358 important legislative hearing to discuss appliance and
1359 billing policies. I thank Mr. Novak for being here today
1360 from the Department of Energy to testify.

1361 Last week we had a background hearing where I discussed

1362 my bill, Don't Mess With My Appliances Act, which implements
1363 necessary reforms to the Energy Policy Conservation Act, or
1364 EPCA, to prevent future administrations from issuing
1365 burdensome standards on household appliances that would drive
1366 up costs and reduce availability.

1367 Let's be clear. Folks back home want to know why the
1368 cost of replacing their air conditioning has increased more
1369 than three times in less than five years, and that includes
1370 appliances that don't work. And obviously, my wife wants to
1371 keep her gas stove. So I am glad that we are here to discuss
1372 the provisions in my bill.

1373 In my bill the statutory look-back requiring the DoE to
1374 evaluate standards is repealed. Can you just share the
1375 Department of Energy's thoughts on this provision?

1376 *Mr. Novak. As I mentioned earlier, Mr. Allen, we _ I
1377 had a conversation with staff about look-back. And what
1378 staff relayed is that the six-year look back is _ it is just
1379 challenging. It is something challenging for staff to do.
1380 And that is not based on head count, it is just the exercise
1381 itself is a bit challenging. And the view was that, you
1382 know, a more frequent look-back thing just basically means,
1383 you know, more challenges over a shorter period of time.

1384 This is an area where we would invite technical
1385 assistance. We would love to work with this committee to
1386 figure out how we can address some of those challenges in

1387 performing look-backs if this bill should become law.

1388 *Mr. Allen. My bill also requires a payback period of
1389 three years. Can you share with _ the Department of Energy's
1390 view on that?

1391 *Mr. Novak. Payback periods are significant. As I
1392 mentioned earlier, the _ you know, the National Home Builders
1393 estimates, for example, you know, a \$31,000 increase to most
1394 home buyers. But a payback period of 90 years, while the
1395 National Association of Home Builders doesn't provide a
1396 working life of a home, they do provide working life of
1397 elements. And that is basically the working life of the
1398 elements of a home, the foundation, the walls, et cetera. So
1399 in terms of consumers being able to have a range of choice
1400 and for those choices to be informed, knowing the payback
1401 period and having a reasonable payback period is significant.
1402 To wait for a 90-year payback is not _ that is _ you are not
1403 getting your money back in 90 years.

1404 *Mr. Allen. How is the Department currently
1405 prioritizing consumer savings in the rulemaking process?

1406 *Mr. Novak. I will have to take that question back to
1407 staff that handles the rulemaking in this area.

1408 *Mr. Allen. Can you share any other insights on how my
1409 bill would _ will protect consumer choice and affordability
1410 for appliances?

1411 *Mr. Novak. Well, so the idea, at least as I understand

1412 the bill, sir, is that you would localize the assessment
1413 here. You would look at the utility of the appliances, the
1414 appliance doing what it is supposed to do. Is the _ is it
1415 actually yielding a significant energy savings? And instead
1416 of looking at something broad _ social cost of carbon, that
1417 sort of thing _ again, you would be having a localized
1418 inquiry about the efficiency of this particular appliance,
1419 measuring that against the utility of the appliance itself.

1420 I can share, you know, my personal anecdote. We had 15
1421 people under roof at Thanksgiving last year. We killed our
1422 dishwasher. We bought a new dishwasher, went to, you know,
1423 the store. I bought the nicest dishwasher I could find with
1424 the best Consumer Reports rating. It doesn't dry the dishes,
1425 right? We _ you know, we dry the _ you know, we open it up,
1426 we leave it open for a day, or, you know, we towel down the
1427 dishes. This is something we think _ you know, a sensible
1428 analysis of an appliance should take this into account,
1429 right? Is it doing what you ask?

1430 We have a dryer, a clothes dryer, where we routinely run
1431 three cycles because the moisture sensing thing, it doesn't
1432 give us anything other than wet laundry. So, you know,
1433 typically we hang the laundry around the house. Again, this
1434 _ you know, a smarter analysis, I think, is going to pay a
1435 little bit more attention to the utility of the appliance to
1436 the consumer, and then making sure that if you are going to

1437 have some trades there in regard to energy efficiency, that,
1438 again, that is a localized assessment. You want it to be a
1439 significant savings, and not to give up significant utility
1440 to yield marginal savings.

1441 *Mr. Allen. Yes, it sounds like we are going back to
1442 the old days. We are going to all have the clothes lines in
1443 the backyard.

1444 *Mr. Novak. I have suggested as much to my wife.

1445 *Mr. Allen. Yes.

1446 *Mr. Novak. I do most of the laundry and the cooking in
1447 our house, and I share your passion for _ I cook over propane
1448 and I _

1449 *Mr. Allen. Well, I grew up without air conditioning,
1450 so somehow I made it. Yes. Thank you, sir.

1451 I yield back.

1452 *Mr. Latta. The gentleman yields back, and the chair
1453 now recognizes the gentleman from California's 50th district
1454 for five minutes for questions.

1455 *Mr. Peters. Thank you, Mr. Chairman.

1456 One of the biggest crises facing my constituents in San
1457 Diego is the threat of rapidly rising energy costs, which I
1458 believe we should be addressing through every solution
1459 available. President Trump promised in his campaign he would
1460 lower _ he would cut the energy costs of my constituents in
1461 half by _ within a year. We are going the other way. They

1462 are up 5.5 percent from a year ago. And unfortunately, the
1463 majority-passed the reconciliation bill is going to eliminate
1464 a lot of energy source and energy production. I do believe
1465 we should be adopting an all-of-the-above energy strategy
1466 that brings more power onto the grid, lowers cost for
1467 consumers.

1468 You indicated that you are an attorney, though, so I ask
1469 maybe some questions about that, because I used to be an
1470 attorney, and would love to hear your thoughts about the
1471 Revolution Wind project.

1472 So Revolution Wind is a project that is 80 percent
1473 complete off the coast of New England. It is about to bring
1474 704 megawatts, 400 megawatts to Rhode Island, 304 to
1475 Connecticut. They have invested \$4 billion already. They
1476 have completed 45 out of 65 turbines, and 1,200 jobs. And
1477 President Trump and Secretary Wright pulled the permit. Does
1478 the Secretary have the authority to pull a permit that has
1479 already been issued without any reason?

1480 *Mr. Novak. I will have to take that question for the
1481 record. I am not familiar with the project or the permit,
1482 but I would be more than happy to look into it and get a
1483 response to you.

1484 *Mr. Peters. Generally, once a permit is issued, you
1485 would need a reason to pull it though, right? I mean, just
1486 under _ you are the general counsel of the Energy Department.

1487 I can't _ I imagine you wouldn't _ you would think that you
1488 would need a reason to pull a permit.

1489 *Mr. Novak. I am not sure the nature of the permit,
1490 whether it was a conditional permit. Again, I would like to
1491 look at the particulars of this project you mentioned. It is
1492 the Revolution Wind project?

1493 *Mr. Peters. Revolution Wind, yes.

1494 *Mr. Novak. I would be happy to take a look at the
1495 particulars of that.

1496 *Mr. Peters. I _ you know, I also _ I would ask you _
1497 maybe ask you for the record, if there is a reason, what is
1498 the reason that that project was canceled, and maybe you
1499 could find that out _

1500 *Mr. Novak. Yes, I will _

1501 *Mr. Peters. _ for us. And also, are we liable for
1502 damages? Because there is a reliance here, 15 years of
1503 review, permitting, and development. I think all of us on
1504 the committee are _ so many of us are frustrated with the
1505 time it takes to get through this process. They got through
1506 this process. There are 80 percent complete, and they got
1507 their permit, I believe, canceled because President doesn't
1508 like offshore wind.

1509 And obviously, I think that is a _ there is a lot of
1510 issues with that that put us at risk. One is, first of all,
1511 it is not competitive. China installed 80 gigawatts of wind

1512 last year. We installed it as a country, 60 gigawatts of
1513 wind total. China is not doing it because they are climate
1514 warriors. They are installing wind because it is available,
1515 it is fast to get to, and it is reliable energy. It is an
1516 important part of their mix. And we turned away from that in
1517 the big, beautiful bill. We undercut a lot of the incentives
1518 that we put in there to get that developed.

1519 And also the message it sends to investors when you do
1520 things like that, when you cancel a permit that has already
1521 been issued, is that you can't rely on the rule of law that
1522 has always been a foundation of the entrepreneurial spirit
1523 here, the willingness to invest in the United States. The
1524 willingness of foreign governments, foreign companies to
1525 invest in the United States depends on that reliability. And
1526 we have undercut that.

1527 And so one energy investor told me that they view now
1528 investing in energy, renewable energy in the United States,
1529 as if they are investing in Vietnam or Brazil. That is the
1530 kind of security they feel, given what we have seen here. So
1531 I think it is a very serious concern. It is a legal concern.

1532 And I would ask you to see if you could respond to me
1533 because I heard also, you know, I have heard all this talk
1534 about Keystone Pipeline, and the allegation about Keystone
1535 Pipeline is that President Obama and President Biden turned
1536 their backs on Keystone Pipeline for ideological reasons, and

1537 that upset a lot of people, particularly the workers who
1538 wanted to build it. Well, now we sent 1,200 workers home
1539 because of ideological reasons. I think this is President
1540 Trump's Keystone pipeline, and I think he needs to answer for
1541 it. So if you can help me _ if there are any answers to
1542 these questions, I would love to know what they are.

1543 But to me, we are really turning the country backward
1544 for ideological reasons, while we watch our competitor,
1545 China, 80 gigawatts of wind last year, 227 gigawatts of
1546 solar. Again, not because they are tree huggers, because
1547 they know that is the fastest way to get energy on board.
1548 Meanwhile, we did _ since 2014 we have done in North America
1549 seven gigawatts of interregional transmission, high-voltage
1550 transmission, about half of that in the United States. In
1551 South America the number is 22, in Europe the number is 44.
1552 China has done 260 gigawatts of this.

1553 So I think we are _ when we revoke permits that are
1554 already issued on viable energy sources, we are really
1555 setting the cause backward, and I would love to have answers
1556 to those questions.

1557 Mr. Chairman, I yield back.

1558 *Mr. Latta. Thank you. The gentleman's time has
1559 expired and he yields back. The chair now recognizes the
1560 gentleman from Ohio's 12th district for five minutes for
1561 questions.

1562 *Mr. Balderson. Thank you, Mr. Chairman.

1563 Thank you for being here this morning, Mr. Novak. I
1564 would also like to thank you for your work that you and the
1565 Department are doing to support the development of
1566 affordable, reliable energy in Ohio and across the nation.

1567 Mr. Novak, the Department of Energy and Secretary Wright
1568 have placed an emphasis on winning the AI race. How do
1569 natural gas bans at the state and local level threaten U.S.
1570 competitiveness in that space?

1571 *Mr. Novak. Well, as I mentioned, one of the promising
1572 solutions _ we recognize that data centers running Nvidia AI
1573 chips consume a lot more power. They run hotter, they
1574 consume a lot more power to keep those facilities cool.

1575 One of the more promising solutions out there will be
1576 collocated, gas-fired generation. As I mentioned, this is
1577 something that will be neutral, maybe even beneficial to
1578 ratepayers because you have the capacity to not draw from the
1579 grid _ in fact, to put surplus generation onto it _ and
1580 again, to remove the natural gas as an option, as you know,
1581 150-some jurisdictions have done. That is something that
1582 impedes that sort of solution. And that is not the only sort
1583 of solution.

1584 But I appreciate that, as I mentioned earlier, the best
1585 of the above is really a highly contextual assessment of what
1586 works, what pencils out, if you will, as an engineering

1587 matter, as a financial matter, what can survive without
1588 subsidy. It is very fact-dependent. And again, sort of
1589 removing the choice, if you will, is something that stifles
1590 innovation, and this innovation is going to be absolutely key
1591 to the AI race.

1592 *Mr. Balderson. All right, thank you. Will forced
1593 electrification raise electricity prices for consumers?

1594 *Mr. Novak. I think it will.

1595 *Mr. Balderson. In that, what are you seeing in areas
1596 like New England?

1597 *Mr. Novak. Well so, for example, in New England, as I
1598 mentioned earlier with the, you know, the Christmas storm
1599 from a few years ago, extended power outage in an all-
1600 electric home, that is a big issue. We depend in our home,
1601 for example, on propane not just to cook, but that is what
1602 heats our home also. That is what heats our water. All of
1603 our neighbors are like this. I am in a neighborhood that has
1604 been there since 1890. You know, that is our best option,
1605 frankly.

1606 So, you know, in places where you have exposure to, you
1607 know, cold winters, long, cold winters, you know, to remove
1608 one of the options and to insist upon electrification, it
1609 comes at a cost, and it comes with risk.

1610 *Mr. Balderson. Thank you. My next question is about
1611 H.R. 4690, the Reliable Federal Infrastructure Act,

1612 introduced by my friend, Congressman Langworthy from New
1613 York.

1614 If left in place, the Energy Independence and Security
1615 Act would require the elimination of on-site fossil fuel use
1616 from new and renovated Federal facilities beginning in 2030.
1617 Can you discuss the Department's efforts this year to rein in
1618 the previous administration's rulemaking on section 433?

1619 And as a follow-up, can you discuss why it is important
1620 for Congress to pass the Reliable Federal Infrastructure Act?

1621 *Mr. Novak. I will have to take for the record the
1622 question about the rulemaking, and I will be happy to meet
1623 with staff and get you a response for the record, on the _

1624 *Mr. Balderson. Thank you.

1625 *Mr. Novak. _ status of the rulemaking efforts there.

1626 I will mention in regard to the legislation, again, as
1627 with homeowners, to remove the option there regardless of the
1628 context is something we think is a bad _ it is a bad policy
1629 outcome.

1630 Federal facilities ought to have flexibility in the same
1631 way that homeowners ought to. There are certain things that
1632 will make sense in particular contexts. There are certain
1633 things that won't. But to remove gas and coal-fired, for
1634 example, from, you know, across the Federal footprint really
1635 hamstringing several things. You know, there is not just cost
1636 of operation in terms of the utility bills that the

1637 government is going to pay over time, it also affects the way
1638 you are going to engineer the buildings. This is also going
1639 to, you know, affect delivery timelines. That in turn is
1640 going to affect mission readiness.

1641 So again, the view here is by having a suite of options
1642 there, that gives you flexibility, technical flexibility,
1643 financial flexibility to do what makes sense in a particular
1644 context.

1645 *Mr. Balderson. Okay, thank you. Another bill I am
1646 excited we are discussing today is H.R. 4626, the Don't Mess
1647 With My Home Appliances Act. This bill prohibits the
1648 Secretary from prescribing new or amended energy conservation
1649 standards for a product that is not technologically feasible
1650 and economically justified.

1651 Mr. Novak, we saw the previous administration finalize a
1652 number of conservation and efficiency, excuse me, standards
1653 that covered a range of home appliance products. Do you
1654 believe these standards, finalized by the previous
1655 administration, were technologically feasible or economically
1656 justified? And you have eight seconds, sir, please.

1657 *Mr. Novak. Again, I will take that question for the
1658 record. I know that I have been working with the team that
1659 has been working on the rules around this to assess the
1660 rules.

1661 One of the things that this legislation aims to do,

1662 again, is to localize some of the assessment here of the
1663 efficiency standards around appliances. And again, I think
1664 by refocusing this on significant benefit, significant
1665 savings, looking at the utility _ again, does it work for the
1666 consumer? And what are the trade-offs there in regard to
1667 utility versus energy efficiency?

1668 *Mr. Latta. Pardon me.

1669 *Mr. Balderson. Thank you.

1670 *Mr. Latta. The gentleman's time has expired, and the
1671 chair now recognizes the gentlelady from Colorado's 1st
1672 district for five minutes for questions.

1673 *Ms. DeGette. Thank you so much, Mr. Chairman.

1674 Mr. Novak, I have got a couple of questions for you.
1675 The _ are you aware of the DoE estimate that the average
1676 American wastes as much as \$400, or up to 20 percent of their
1677 annual utility bill on energy leaks, drafts, and outdated
1678 heating and cooling systems?

1679 *Mr. Novak. I am not familiar with that _

1680 *Ms. DeGette. You are not _

1681 *Mr. Novak. _ statistic.

1682 *Ms. DeGette. _ aware of that. Okay. Do you _ are you
1683 aware that many Americans are having leaks to their systems?

1684 *Mr. Novak. Actually, I take that back. I do believe I
1685 have read about this _

1686 *Ms. DeGette. Yes.

1687 *Mr. Novak. _ the _ yes.

1688 *Ms. DeGette. So you are aware of that?

1689 *Mr. Novak. Yes.

1690 *Ms. DeGette. Thank you.

1691 *Mr. Novak. Yes.

1692 *Ms. DeGette. Are you familiar with the organization,
1693 the International Energy Conservation Code?

1694 *Mr. Novak. I am familiar with the Code, correct.

1695 *Ms. DeGette. Okay, IECC. Are you aware that they
1696 recommend tackling those issues by adjusting air tightness in
1697 the building envelope and requiring better sealing to reduce
1698 uncontrolled air movement in a building?

1699 *Mr. Novak. Correct. I am _

1700 *Ms. DeGette. Yes, okay.

1701 *Mr. Novak. _ generally familiar, yes _

1702 *Ms. DeGette. Super.

1703 *Mr. Novak. _ with the Conservation Code.

1704 *Ms. DeGette. Are you aware that DoE determined that
1705 the 2024 IECC reduced _ would reduce _ or reduce energy costs
1706 by 6.6 percent?

1707 *Mr. Novak. I am not sure I am familiar with that
1708 statistic.

1709 *Ms. DeGette. Okay, would you _

1710 *Mr. Novak. Yes.

1711 *Ms. DeGette. But you are not _ you wouldn't question

1712 that statistic if _ I mean, I am telling you that is what
1713 they said.

1714 *Mr. Novak. Okay.

1715 *Ms. DeGette. Would you question that statistic?

1716 *Mr. Novak. I don't have any reason, as I sit here _

1717 *Ms. DeGette. Thank you.

1718 *Mr. Novak. _ to question that statistic, no.

1719 *Ms. DeGette. Okay. Now, DoE, in fact, estimated the
1720 cumulative savings from installing modern energy codes
1721 between 2010 and 2040 at \$182 billion annually. Were you
1722 aware of that?

1723 *Mr. Novak. I am not familiar with that statistic.

1724 *Ms. DeGette. Okay, well, I will tell you that was what
1725 they said.

1726 So what those energy codes mean for an average home, I
1727 would like to offer for the record a study from the Pacific
1728 Northwest National Laboratory, Mr. Chairman, that found the
1729 average homeowner could save almost \$3,000 annually for
1730 single family homes with the 2024 IECC, and I ask unanimous
1731 consent to put that in the record.

1732 *Mr. Latta. Without objection, so ordered.

1733 [The information follows:]

1734

1735 *****COMMITTEE INSERT*****

1736

1737 *Ms. DeGette. Okay. So Mr. Novak, in the budget
1738 proposal that Secretary Wright proposed for DoE, that would
1739 cut the Office of Energy Efficiency and Renewable Energy by
1740 74 percent. Is that correct?

1741 *Mr. Novak. I would have to take that question for the
1742 record to _

1743 *Ms. DeGette. Really?

1744 *Mr. Novak. _ go back and look at the budget _

1745 *Ms. DeGette. You don't know the answer to that
1746 question? You don't know that the budget proposal said that
1747 it would be cut by 74 percent?

1748 *Mr. Novak. I, you know, I don't work _

1749 *Ms. DeGette. Okay.

1750 *Mr. Novak. _ in that program office, so _

1751 *Ms. DeGette. Sir, right here I have got it. And guess
1752 what? I will have my staff give you a copy of it.

1753 Mr. Chairman, I would like to ask unanimous consent to
1754 put that in the record, too.

1755 *Mr. Latta. Without objection, so ordered.

1756 [The information follows:]

1757

1758 *****COMMITTEE INSERT*****

1759

1760 *Ms. DeGette. Thank you. So I will tell you that is
1761 what it says, 74 percent.

1762 Now, maybe you don't know this either, but I am going to
1763 ask you. Isn't it true that President Trump's budget would
1764 cut \$4.25 billion from the Low-Income Home Energy Assistance
1765 Program which helps low-income families meet the costs of
1766 heating and cooling their homes?

1767 *Mr. Novak. Again, I am _ this is quite a _

1768 *Ms. DeGette. You don't know that either?

1769 *Mr. Novak. Well, what I will _

1770 *Ms. DeGette. Wow.

1771 *Mr. Novak. What I will say is _

1772 *Ms. DeGette. Okay.

1773 *Mr. Novak. this is actually quite a distance from the
1774 eight bills that I am here to testify to today.

1775 *Ms. DeGette. Okay, well, I know, but you are here _
1776 but you are supposedly an energy expert.

1777 So I will tell you I have got the budget right here, and
1778 it says that _ Mr. Chairman, I would ask unanimous consent to
1779 put that in the record, too.

1780 *Mr. Latta. Without objection _

1781 *Ms. DeGette. Thank you.

1782 *Mr. Latta. _ so ordered.

1783

1784

1785 [The information follows:]

1786

1787 *****COMMITTEE INSERT*****

1788

1789 *Ms. DeGette. Now, maybe you know this, that there _
1790 about the reports that keep fossil-fired power plants running
1791 could cost consumers 3 to \$6 billion a year. And last month
1792 DoE issued an emergency order to keep a Michigan power plant
1793 online past its entire _ intended retirement account. Were
1794 you aware of that?

1795 *Mr. Novak. I am aware of the Campbell plan and the
1796 emergency order _

1797 *Ms. DeGette. And the intended _

1798 *Mr. Novak. _ I am aware of _

1799 *Ms. DeGette. _ past the intended retirement day, are
1800 you aware of that?

1801 *Mr. Novak. I am aware that the _ any additional costs
1802 go through a FERC rate-making proceeding _

1803 *Ms. DeGette. Well, no, you are not answering my
1804 question. They told them to keep it on past the intended
1805 retirement date. Yes or no?

1806 *Mr. Novak. I actually believe the facts of the _

1807 *Ms. DeGette. Oh, you are not going to answer that.

1808 *Mr. Novak. _ with the Campbell plant _

1809 *Ms. DeGette. Okay.

1810 *Mr. Novak. _ were it was being retired before its _
1811 the end of its scheduled working life.

1812 *Ms. DeGette. Okay.

1813 *Mr. Novak. It was in accelerated retirement _

1814 *Ms. DeGette. So _

1815 *Mr. Novak. _ according to the plant operator.

1816 *Ms. DeGette. So you think it is not past the intended
1817 retirement date.

1818 *Mr. Novak. I believe the Campbell plant was a
1819 retirement prior to the ended _

1820 *Ms. DeGette. Right.

1821 *Mr. Novak. _ or the scheduled _

1822 *Ms. DeGette. Great.

1823 *Mr. Novak. Yes.

1824 *Ms. DeGette. Mr. Chairman, we would love to work with
1825 you on these issues, but we can't do it when the
1826 Administration is cutting all of the funding for people to
1827 retrofit their _ and improve their homes.

1828 And I yield back.

1829 *Mr. Latta. Thank you very much. The gentlelady's time
1830 has expired and yields back. The chair now recognizes the
1831 gentleman from Texas's 11th district for five minutes for
1832 questions.

1833 *Mr. Pfluger. Thank you, Mr. Chairman, and almost 80
1834 million Americans voted for a new energy policy because the
1835 last administration failed at theirs.

1836 So Mr. Novak, thank you for being here, and you are
1837 doing a good job, and we appreciate the fact that you are
1838 trying to provide affordable, reliable energy to every

1839 American, and in direct opposition of what we saw the
1840 previous four years.

1841 Natural gas plays a huge role in this equation, and not
1842 just in homes, but also in managing costs for businesses. So
1843 I want to look at what EPCA has required DoE to do to ensure
1844 that any new standards are both technologically feasible as
1845 well as economically justified. So my first question, which
1846 I know you have touched on a little bit, but I will give you
1847 some time to expand: How does DoE weigh the projected energy
1848 savings against the upfront costs that consumers will bear
1849 when these savings might be modest or indistinguishable?

1850 *Mr. Novak. Well, I think that points up why the bill
1851 is before the committee, which is the idea to sharpen the
1852 assessment of that trade-off there between utility and the
1853 energy efficiency gain to the consumer. It is something
1854 that, at least in a lot of people's experience, seems to be a
1855 bit off. Part of it is that the calculus now includes some
1856 things that are quite broad _ social cost of carbon, for
1857 example, greenhouse gases, which is something a little bit
1858 broader and different than what is the energy consumption
1859 compared to the usage of this particular device and what is
1860 the utility of the device.

1861 *Mr. Pfluger. So when a proposed standard only offers a
1862 very small amount of savings, what process does DoE use to
1863 decide whether it is worth moving forward on that?

1864 And what input do you gather to pull the facts?

1865 *Mr. Novak. I will have to take that question back to
1866 staff. That is involved in the project office that actually
1867 performs the assessment here.

1868 *Mr. Pfluger. I will move to Federal facilities and
1869 section 433 implementation of the Energy Independence
1870 Security Act, which requires phasing out fossil fuel use in
1871 new or newly renovated Federal buildings by 2030.

1872 So how is DoE approaching this requirement while
1873 ensuring that critical facilities, whether they be Federal
1874 courthouses or VA facilities or military bases, that they can
1875 continue to operate reliably, number one, but also in a cost-
1876 efficient manner?

1877 *Mr. Novak. It is a challenge, to be blunt, and it is a
1878 challenge just not in regard to the existing Federal
1879 footprint, but the addition of any new Federal facilities
1880 where the requirement here is to basically be all-electric.
1881 So this is one of the things, again, that points up, you
1882 know, the _ you know, what is motivating the bill here is to,
1883 again, get some flexibility here so that the energy solution
1884 both for the existing footprint as well as any new facilities
1885 is something that takes into account local delivery options
1886 as well as design specs, delivery timeframes, et cetera.

1887 *Mr. Pfluger. Well, look, the mandate of
1888 electrification in a lot of these facilities was one of the

1889 reasons that millions of Americans came out and said that is
1890 just not realistic. It is not feasible. It is not
1891 realistic.

1892 Have you assessed the cost implications for agencies
1893 that would need to replace natural gas systems?

1894 I mean, what does that look like if we were to go
1895 forward, and would it even be possible to do that by 2030?

1896 *Mr. Novak. I will have to take that question back for
1897 the record to see if we have a particular cost estimate _

1898 *Mr. Pfluger. And what about the feasibility? I mean,
1899 just from your experience.

1900 *Mr. Novak. It is a challenge. I will just say it is a
1901 challenge.

1902 *Mr. Pfluger. Which types of Federal buildings,
1903 agencies, and entities would suffer the most?

1904 And which Americans and which populations would _
1905 demographics would suffer?

1906 *Mr. Novak. I will have to take that question back for
1907 the record to see if we have heat-mapped that against sort of
1908 location and community.

1909 *Mr. Pfluger. I am worried about, again, military
1910 bases, VA hospitals, the facilities that are providing care
1911 and help to people that you mandate a switch to
1912 electrification, which is not feasible. Would DoE support
1913 clarifying or updating section 433 to provide flexibility for

1914 installations when natural gas remains the most reliable
1915 option?

1916 *Mr. Novak. We would.

1917 *Mr. Pfluger. Very good. Is there anything else that
1918 you previously were asked but didn't have time to answer that
1919 you would like to expand on in the next 45 seconds?

1920 *Mr. Novak. I think a lot of questions, but we will
1921 keep moving ahead. Thank you, though, for the opportunity,
1922 yes.

1923 *Mr. Pfluger. Thanks, Mr. Chairman, I yield back.

1924 *Mr. Latta. Thank you. The gentleman yields back the
1925 balance of his time, and the chair now recognizes the
1926 gentlelady from California's 7th district for five minutes
1927 for questions.

1928 *Ms. Matsui. Thank you very much, Mr. Chairman. I want
1929 to thank you and the ranking member for having this hearing
1930 today.

1931 Mr. Novak, the Constitution gives Congress the authority
1932 to set spending levels. Is that correct?

1933 *Mr. Novak. I am sorry, could you repeat the question?

1934 *Ms. Matsui. The Constitution gives Congress the
1935 authority set spending levels. Is that correct?

1936 *Mr. Novak. Appropriations? Correct.

1937 *Ms. Matsui. So why does DoE's 2020 spending plan
1938 completely disregard the spending levels set by Congress?

1939 *Mr. Novak. It is _

1940 *Ms. Matsui. Congress enacted \$318 million for solar
1941 energy, but DoE is illegally using that funding for other
1942 purposes. Congress enacted \$137 million for wind energy, but
1943 DoE has illegally reallocated 78 percent of that funding.
1944 This is illegal, plain and simple, and it demonstrates a
1945 shocking and unprecedented disregard for congressional
1946 authority and the law. Do you disagree?

1947 *Mr. Novak. Again, that question is quite a ways from
1948 the eight bills that I am here to talk to today, but I would
1949 be happy to take that question for the record.

1950 *Ms. Matsui. Okay. Well, let me just say that the
1951 general counsel is explicitly responsible for determining the
1952 Department's authoritative position on any question of law.
1953 Now, is that correct?

1954 *Mr. Novak. That is correct.

1955 *Ms. Matsui. Okay, okay. Now, I am looking at this and
1956 realizing that the fiscal year 2024 appropriations bill _
1957 okay, section 301(d) of the 2024 spending bill clearly states
1958 that the spending tables in the explanatory statement are
1959 legally binding. And section 1105 of the 2025 spending bill
1960 states that the terms and conditions of the 2024 spending
1961 bill remain in force, including the requirement that DoE must
1962 follow the spending tables and the explanatory statement.

1963 Now, let me just say this. The Department of Energy is

1964 clearly and plainly not quite understanding what is legal
1965 here, and it is this committee's responsibility to hold DoE
1966 accountable. Mr. Novak, if Congress passes a continuing
1967 resolution on September 30, will you commit to spend the full
1968 appropriations enacted by Congress?

1969 *Mr. Novak. Again, that is _

1970 *Ms. Matsui. It is outside of your purview, even though
1971 you are the general counsel and _

1972 *Mr. Novak. Well, it is outside of the subjects on
1973 which I was asked to be here today _

1974 *Ms. Matsui. Yes, your _

1975 *Mr. Novak. _ to testify on, these eight bills.

1976 *Ms. Matsui. But _

1977 *Mr. Novak. What I will commit to is, you know, it is
1978 my job to advise the Department and the program element leads
1979 in regard to what the law requires.

1980 *Ms. Matsui. So you won't commit to spending the
1981 amounts for each office and program as specifically required
1982 in the law. So would you, as general counsel, look into
1983 this?

1984 *Mr. Novak. I am sorry, what was your question, ma'am?

1985 *Ms. Matsui. As general counsel, I believe that is one
1986 of your responsibilities, is it not?

1987 *Mr. Novak. It is, to advise on what the law requires,
1988 law and regulations require.

1989 *Ms. Matsui. Okay. Mr. Novak, I authored the Healthier
1990 and Greener Schools Act, and that bill was enacted as part of
1991 the Bipartisan Infrastructure Law and created the Renew
1992 America's Schools grant program. The Renew America's Schools
1993 program provides funding to schools to install upgrades that
1994 improve air quality and student health and save energy.
1995 Unfortunately, since President Trump took the office, DoE has
1996 withheld that funding, denying children across our country
1997 access to cleaner air.

1998 Recently the non-partisan GAO found that DoE has
1999 violated the law by withholding the funding. So what is your
2000 response to the JOE (sic) finding?

2001 *Mr. Novak. I am familiar with the GAO report. I have
2002 read that, and I would be happy to take for the record a
2003 response to the question of the Department's throughput in
2004 regard to the GAO report on the _

2005 *Ms. Matsui. Okay, well _

2006 *Mr. Novak. _ Act issues.

2007 *Ms. Matsui. Well, DoE must obligate congressional
2008 appropriations during their period of availability. And so I
2009 am looking at this, trying to figure out how we actually go
2010 through this process. Does the Department intend to cancel
2011 funding for the Renew America's Schools program?

2012 *Mr. Novak. I will have to take that question for the
2013 record.

2014 *Ms. Matsui. Okay. But I will just say, are you aware
2015 that OMB proposed canceling the Renew America's Schools
2016 program in the 2026 budget? Do you have to take that back
2017 also?

2018 *Mr. Novak. I will. Again, it is just beyond the scope
2019 of what I prepared for today.

2020 *Ms. Matsui. Okay. So do you recognize that only
2021 Congress has the authority to cancel this funding? Is that _
2022 that is part of the law, is it not true?

2023 *Mr. Novak. That is my understanding, yes.

2024 *Ms. Matsui. Okay. So if Congress does not cancel this
2025 funding, would DoE follow the law and resume awards under
2026 this program?

2027 *Mr. Novak. Again, that is beyond the scope of what I
2028 prepared for today, but I would be happy to take the question
2029 for the record.

2030 *Ms. Matsui. Okay. I will continue to follow up on
2031 that.

2032 Mr. Chairman, I yield back.

2033 *Mr. Latta. Thank you. The gentlelady's time has
2034 expired and yields back. The chair now recognizes the
2035 gentlelady from Tennessee's 1st district for five minutes for
2036 questions.

2037 *Mrs. Harshbarger. Thank you, Mr. Chairman.

2038 Thank you, Mr. Novak, for being here today. In my

2039 district and throughout the east Tennessee region we are
2040 seeing significant advances in nuclear innovation, driven in
2041 large part by the President's leadership and the work of this
2042 committee. That is one of the reasons why I am glad that the
2043 Energy Choice Act includes all sources of energy such as
2044 nuclear and other emerging technologies.

2045 I guess my question is, you mentioned the Department is
2046 supportive of the Reliable Federal Infrastructure Act which
2047 ensures energy neutrality for Federal facilities. Can you
2048 explain the cost to the taxpayer to transition a Federal
2049 facility from oil and gas to other sources, and how that
2050 transition might impact reliability?

2051 *Mr. Novak. I will have to take it in terms of the _
2052 whatever analysis has been prepared by the Department. I
2053 will have to take that question for the record, but I would
2054 be more than happy to respond.

2055 *Mrs. Harshbarger. Okay. Thank you, sir. Can you
2056 explain why requiring evaluations for mechanical insulation
2057 _ installations in Federal buildings saves taxpayer dollars
2058 and improves energy efficiency?

2059 *Mr. Novak. So the statutory audits, the four-year
2060 statutory audits contemplated by NECPA, currently look at the
2061 envelope of the building. But clearly, there are other
2062 sources or other places where energy is lost.

2063 *Mrs. Harshbarger. Yes.

2064 *Mr. Novak. So again, the legislation, what it aims to
2065 do, is just address that gap and to include that within the
2066 scope of the statutory audit. So _

2067 *Mrs. Harshbarger. How many Federal buildings do we
2068 have you have to do that with?

2069 *Mr. Novak. There are a lot, yes.

2070 *Mrs. Harshbarger. I would be curious to know.

2071 I have heard from manufacturers in my district that
2072 complying with the DoE's energy efficiency standards has been
2073 very difficult for them, especially when previous
2074 administrations changed their testing standard after they
2075 changed their energy efficiency standards. So can you
2076 provide an update of where DoE is at in the _ updating the
2077 process rule?

2078 *Mr. Novak. I will have to take that question under _
2079 for the record there, yes.

2080 *Mrs. Harshbarger. Well, that would be good. And
2081 really, that is all I have for you today, sir. So you are
2082 getting off easy from the lady from east Tennessee. Thank
2083 you, sir.

2084 Mr. Chairman, I yield back.

2085 *Mr. Latta. Thank you. The gentlelady yields back and
2086 the chair now recognizes the gentleman from New York's 20th
2087 district for five minutes for questions.

2088 *Mr. Tonko. Thank you, Mr. Chair. Before I ask

2089 questions or make comments here, let me thank you for all the
2090 discussion about the Weatherization Act today. I appreciate
2091 the full committee's leadership and the subcommittee's
2092 leadership, echoing their sentiments to try and get something
2093 done on that important bill. So I thank you.

2094 Mr. Novak, earlier this year when Secretary Wright
2095 testified before the subcommittee I had asked him about the
2096 status of previously-appropriated funding going from DoE's
2097 office to state and community energy programs to state
2098 partners. This includes funding for programs like the State
2099 Energy Program, the Weatherization Assistance Program, and
2100 the Weatherization Readiness Fund.

2101 Secretary Wright stated that DoE was working to meet the
2102 typical July 1 deadline, and expected to have the money out
2103 shortly thereafter. And to his and the Department's credit,
2104 on July 8 DoE sent a press release celebrating the release of
2105 these funds and acknowledging President Trump's leadership in
2106 tackling energy affordability issues. I entered that press
2107 release, this press release, into the hearing record at a
2108 similar subcommittee hearing last week, so I won't belabor
2109 that point. But I would like to ask you, Mr. Novak, for a
2110 status update on these funds actually being accessible to
2111 states so that our constituents may benefit from them.

2112 At last week's hearing we heard testimony that
2113 approximately only 6 of 56 states and territories have had

2114 their state plans approved by DoE. So, sir, can you provide
2115 any clarity on this? Are states being held up from accessing
2116 or spending SEP weatherization and weatherization readiness
2117 funds because DoE has been slow to approve state plans?

2118 *Mr. Novak. I will have to take that question for the
2119 record. I would be more than happy to follow up with the
2120 SCEP team to figure out what the status of the funding is.

2121 *Mr. Tonko. Okay, I appreciate that, but a number of
2122 colleagues on this panel have sent letters to the agency for
2123 an update, and I would like a commitment to get that ASAP
2124 from the Department if _ can we get that commitment, please?

2125 *Mr. Novak. Yes, and I will follow up also with our CI
2126 team to ensure that we have responded to the correspondence.

2127 *Mr. Tonko. Thank you.

2128 *Mr. Novak. Yes.

2129 *Mr. Tonko. If there are in fact states currently in
2130 this situation, can you provide a timeline for when those
2131 states should expect to have their plans approved?

2132 *Mr. Novak. I will take that question up with the SCEP
2133 team, as well, and follow up on the record.

2134 *Mr. Tonko. Well, I know DoE has lost a lot of
2135 personnel in the past nine months, which I believe may
2136 include some positions who have historically reviewed these
2137 plans or otherwise helped administer these programs. Are you
2138 seeing the effects of the loss of these full-time-equivalent

2139 positions in implementing DoE programs?

2140 *Mr. Novak. I don't have a line of sight on there being
2141 a human resource gap, for example, in regard to the
2142 administration of community-based grants through the SCEP
2143 program or other programs.

2144 What I would say is, as a result of the DRP program, you
2145 know, we have fewer people, we have fewer people. But a lot
2146 of the effort at this point is just making sure we are
2147 allocating people where people are needed to make sure that
2148 the work is getting done.

2149 I will be happy, when _ in having the conversation with
2150 the SCEP team about, you know, the press release and the
2151 release of the funding and the status and timing _ there was
2152 a conversation I had earlier in response to a question _ this
2153 bill that is before the committee is the first time it would
2154 implement a statutory framework for the administration of the
2155 program. So one of the things that I am eager to ask and
2156 will follow up on is how we plan to staff the implementation
2157 of that framework.

2158 *Mr. Tonko. Thank you. And finally, Mr. Novak, I would
2159 like to take issue with some of your testimony about H.R.
2160 1355. You stated the bill, and I quote, "mandates a new
2161 government program.'" I would like to ask you to clarify
2162 this. Has the Department of Energy administered the
2163 Weatherization Readiness Fund for the past several years?

2164 *Mr. Novak. It is. I think my _ what I intended to say
2165 there, I think, is we have a new statutory framework. And
2166 the readiness program, I believe, is a new component, if I am
2167 not mistaken. And if I have misspoken on that, my apologies.
2168 But the readiness program, as I understand it, is intended to
2169 fund site _ the improvement of site conditions that would
2170 otherwise preclude weatherization efforts.

2171 So, for example, there is a safety issue at the site,
2172 there is a hole in the roof, you know, it doesn't make any
2173 sense to do insulation on the envelope if you have got a hole
2174 in the roof. So my understanding is the readiness is sort of
2175 the preparatory site work, if you will.

2176 *Mr. Tonko. Well, let me ask this, then. Has DoE
2177 previously published guidance with program rules to support
2178 the implementation of Weatherization Readiness Fund?

2179 *Mr. Novak. I will have to take that question for the
2180 record.

2181 *Mr. Tonko. Because I think they have. While I agree
2182 this bill will authorize the Readiness Fund for the first
2183 time, I would like the record to show that this program
2184 already exists. It is doing good work being celebrated by
2185 DoE press releases, and it should be this committee's
2186 responsibility to make certain that we are formally
2187 authorizing the program. And I think it is essential. It
2188 has proven to be a benefit to consumers.

2189 So with that I thank you and I yield back, Mr. Chair.

2190 *Mr. Latta. Thank you. The gentleman's time has
2191 expired and he yields back. The chair now recognizes the
2192 gentlelady from Iowa's 1st district for five minutes for
2193 questions.

2194 *Mrs. Miller-Meeks. Thank you, Chairman Latta and
2195 Ranking Member Castor, for holding this hearing on building
2196 and appliance standard legislative proposals.

2197 At our earlier hearing I raised serious questions about
2198 the unintended consequences of efficiency mandates. When I
2199 asked a witness about the environmental impact of replacing
2200 appliances every 6 to 8 years rather than every 15 to 20
2201 years, for example, landfill burden, critical mineral waste
2202 from computerized components, she couldn't provide an answer.
2203 Yet we are making these mandates supposedly for environmental
2204 protection.

2205 This epitomizes the problem: the Federal Government is
2206 imposing costly regulations without understanding their real-
2207 world impact. Iowa families shopping for new appliances
2208 shouldn't be limited in their choices all for marginal
2209 efficiency gains with increased costs and less longevity.

2210 Today's legislation offers a path forward, and I am
2211 eager to discuss it. We can restore consumer choice,
2212 eliminate regulatory churn that produces diminishing returns,
2213 and reframe our outlook to find significant energy savings.

2214 Let's prioritize policies that work for families, not
2215 aspirational energy savings.

2216 Mr. Novak, when the DoE calculates the environmental
2217 benefits of efficiency standards, are you aware if they
2218 account for the increased landfill burden when appliances
2219 need to be replaced two or three times more frequently, or
2220 for the critical minerals that are lost or _ and are dumped
2221 in landfills?

2222 And how do you weigh the short-term energy savings
2223 against sending more computerized appliances with critical
2224 minerals, as I mentioned, to landfills?

2225 *Mr. Novak. I don't believe that that is currently
2226 within the scope of the assessment. I think it makes a lot
2227 of sense that it would be, however. But again, I will take
2228 that question for the record, just to make sure I have spoken
2229 correctly on that.

2230 *Mrs. Miller-Meeks. Well, thank you. That is valuable
2231 information because if it is not one of the things
2232 considered, then _ as we go through, you know, replacing
2233 appliances, it is something that should be considered.

2234 Mr. Novak, my district has successfully balanced
2235 renewable energy with reliable baseload power. How does the
2236 DoE account for regional differences in energy costs and fuel
2237 availability? A regulation that might make sense in
2238 California could be economically devastating for Iowa

2239 families who rely on affordable natural gas heating.

2240 *Mr. Novak. Well, again, this is the point I was trying
2241 to hit in response to some prior questions that I fielded,
2242 namely that choice _ this is highly contextual. And again,
2243 what may make sense in Iowa may not make sense in Florida or
2244 some part of California, and that optionality here gives you
2245 the ability to take into place, again, local _ you know, what
2246 is available locally. And again, that is going to vary place
2247 to place. Conditions are going to vary place to place. And
2248 the idea here is that it is a smart policy to preserve some
2249 of that flexibility.

2250 *Mrs. Miller-Meeks. Thank you. H.R. 4690 would repeal
2251 section 433's requirement to eliminate fossil fuels from
2252 Federal buildings. Even countries with aggressive climate
2253 policies maintain fuel diversity for critical facilities,
2254 prioritizing energy security through fuel diversity rather
2255 than single source mandates.

2256 Given that our NATO allies are maintaining fuel
2257 flexibility for critical infrastructure, especially after
2258 Europe's energy crisis exposed the risks of over-dependence
2259 on single sources, how does DoE view section 433 forcing U.S.
2260 Federal facilities, including military installations, onto an
2261 already strained electric grid?

2262 Shouldn't our energy security strategy align with our
2263 allies' approach of maintaining backup generation

2264 capabilities?

2265 *Mr. Novak. Again, as a general matter we support fuel
2266 flexibility.

2267 *Mrs. Miller-Meeks. Great. Thank you very much.

2268 With that, Mr. Chair, I yield back the balance of my
2269 time.

2270 *Mr. Latta. Thank you. The gentlelady yields back, and
2271 the chair now recognizes the gentlelady from Washington's 8th
2272 district for five minutes for questions.

2273 *Ms. Schrier. Thank you, Mr. Chairman, and thank you,
2274 Counsel Novak, for being here today.

2275 I just have to say that, like my colleagues, I am
2276 incredibly disturbed and frustrated by the pattern of actions
2277 that your Department has undertaken in the past year that
2278 seem to just be taking us backwards. Specifically, canceling
2279 permits like the one for Revolution Wind that my colleague,
2280 Representative Peters, spoke about that was 80 percent done
2281 employing hundreds, if not well over 1,000 people, and then
2282 had the permit revoked, the kind of uncertainty this creates
2283 for investors in the energy of the future.

2284 And, you know, this pushing us back to reliance on
2285 greenhouse gas-emitting oil and gas, opposing efficiency
2286 standards, I don't even know why this is a controversial
2287 issue. We should all be interested in conservation.

2288 Today, though, while I have you here, I would like to

2289 discuss the Hanford cleanup. As you know, this site in
2290 Washington State was critical to our national security during
2291 World War II and the Cold War for weapons manufacturing, but
2292 that has now resulted in the most contaminated nuclear waste
2293 site in the entire nation. It is a huge challenge to clean
2294 up.

2295 I am sure you are also aware that this Administration
2296 and the Department of Energy have legal and moral
2297 obligations, per the Tri-Party Agreement that was created
2298 after decades of trust building and painstaking negotiations
2299 between our state, the Department of Energy, and the EPA.

2300 So just a yes-or-no question, Counselor Novak. As
2301 acting general counsel of the Department of Energy, do you
2302 reaffirm DoE's commitment to fulfill all obligations under
2303 that Tri-Party Agreement and the consent decree?

2304 *Mr. Novak. I do. Again, the topic here is a bit
2305 beyond the scope of what I prepared for today. I am
2306 generally familiar with Hanford, and we are committed _

2307 *Ms. Schrier. I _

2308 *Mr. Novak. _ we are committed to that Tri-Party _

2309 *Ms. Schrier. I appreciate that commitment because we
2310 have been getting very mixed messages lately, and it sounds
2311 like your boss may actually be wavering on that commitment
2312 when we are just weeks away from implementation of
2313 vitrification, or glass preserving _ storing nuclear waste in

2314 a safe way.

2315 Just last week Secretary Wright fired the top official
2316 overseeing the Hanford cleanup because he said he wanted to
2317 "go in a different direction." That sets off alarm bells in
2318 Washington State. And so since then we haven't been able to
2319 get a straight answer. One day DoE releases a public
2320 statement saying that nothing has changed, and a day later
2321 Secretary Wright tells Congress that DoE may delay
2322 commissioning of the waste treatment plant. This would most
2323 certainly violate that Tri-Party Agreement.

2324 Again, we are weeks away. This has been in the works
2325 for years after painstaking negotiation. And we need to
2326 deal, you know, first with the low-activity waste and
2327 chemicals and then with the high-activity waste. So I just
2328 want to know, will the Department for sure meet its
2329 obligation in this agreement to begin this first stage, the
2330 hot commissioning of the direct feed, low-activity waste
2331 facility at Hanford by October 15?

2332 *Mr. Novak. Again, it is beyond the scope of what I am
2333 prepared for today. However, I will say we are committed to
2334 the Tri-Party Agreement. I am not currently aware of
2335 anything that would necessitate a delay, which would, of
2336 course, require consent. I would be happy to take the
2337 question for the record to see whether there is anything else
2338 out there, but I am not aware of anything as I sit here

2339 today.

2340 *Ms. Schrier. You know, what I would love is, since you
2341 are in agreement that this needs to be honored, if you would
2342 take that directly to the Secretary to make sure he is on
2343 board because our state is so tired of this whiplash back and
2344 forth. The technology has been set, the contractors are
2345 there, \$24 billion of taxpayer money has been spent on
2346 research and development and the construction of this
2347 facility. We are so ready to get rid of this nuclear waste
2348 before it intrudes into the Columbia River that provides
2349 drinking water that supports endangered species. And we are
2350 feeling this urgency. And so to hear that there is
2351 contemplation about taking a different direction is
2352 incredibly alarming for Washingtonians, and we fully expect
2353 that this will be honored. And I know that our governor is
2354 committing to pursuing legal action. So he would be engaging
2355 with you if it is not honored.

2356 With that I will yield back.

2357 *Mr. Latta. Thank you. The gentlelady yields back and
2358 the chair now recognizes the gentleman from South Carolina's
2359 7th district for five minutes for questions.

2360 *Mr. Fry. Thank you, Mr. Chairman, and thank you for
2361 being here today, sir.

2362 I think one of the biggest _ the most frustrating things
2363 that I hear from constituents often is that Washington is so

2364 keen on creating rules for the rest of everybody to live
2365 under that don't make a lot of sense. And we look at these _
2366 this array of bills that you are testifying about today that
2367 Washington seems to be micromanaging, even appliances in
2368 people's homes.

2369 During the last administration we saw mandates that
2370 restricted consumer choice at really unbelievable levels and
2371 raised costs while offering, really, no benefit. Thankfully,
2372 I think we have a Congress and a President who understands
2373 that. The President has talked about stoves, gas stoves. He
2374 has talked about showerheads. Specifically, that is why I
2375 introduced the SHOWER Act. And when I ran for Congress I
2376 never thought that I would be dealing with this, but during
2377 the last administration we just saw this complete war on
2378 energy production, certainly, but also energy savings with
2379 these really capricious and arbitrary regulations that were
2380 coming out of Washington, D.C.

2381 The SHOWER Act restores common sense by clarifying the
2382 definition of a showerhead to reflect established industry
2383 standards, ensuring that families have access to products
2384 that work while still maintaining efficiency where
2385 appropriate. This is about protecting homeowners from
2386 bureaucratic overreach at the _ at its very core.

2387 So Mr. Novak, the DoE has acknowledged that some past
2388 appliance standards yielded little savings while raising

2389 costs. Wouldn't codifying a clear, consistent showerhead
2390 definition through the SHOWER Act give consumers more
2391 certainty than the back-and-forth we have seen across
2392 administrations?

2393 *Mr. Novak. Yes, and it adopts the definition from the
2394 Society of Mechanical Engineers, which seems like a sound
2395 source.

2396 *Mr. Fry. Does this Act _ and I know you have reviewed
2397 it _ does this Act go in line with what the President's
2398 agenda is with his executive order related to showerheads?

2399 *Mr. Novak. It does.

2400 *Mr. Fry. Okay. DoE is charged with balancing
2401 efficiency with consumer affordability and choice. Isn't a
2402 statutory fix like the SHOWER Act a more direct, lower-cost
2403 way to provide that clarity, compared to continual regulatory
2404 churn?

2405 *Mr. Novak. Yes, it would adopt the definition and you
2406 would have a period where additional rules would be
2407 established pursuant to that definition.

2408 *Mr. Fry. In what ways do you think that this would
2409 help solve that issue?

2410 *Mr. Novak. Well, I think it just gives you clarity.
2411 You know, it gives you a well-settled, engineered definition
2412 of what a showerhead is, with the idea being that you ought
2413 to have more _ consumers ought to have more flexibility, that

2414 there are trade-offs. We can all think of the practical
2415 trade-off. If, you know, you have got a big head of hair and
2416 you don't get a lot of pressure out of the thing, you spend
2417 more time in the shower, and that is more time heating the
2418 water, that is more energy consumed doing that, it is more
2419 water down the drain. There are trades here. There are puts
2420 and takes around this. And I think the view here is that
2421 this would enable some more flexibility for manufacturers and
2422 more choice for consumers.

2423 *Mr. Fry. And I think that is the underlying goal is
2424 let the consumers decide what works for them, right?

2425 *Mr. Novak. Correct.

2426 *Mr. Fry. This is why some people get solar panels on
2427 their house and others don't. This is why people elect to
2428 get electric stoves and some like gas. This is the same type
2429 of model. Let the _ educate the consumer and let them make
2430 the right choice. Would you agree with that?

2431 *Mr. Novak. I do.

2432 *Mr. Fry. From a regulatory _ does regulatory clarity
2433 in the industry _ knowing that DoE can't redefine common
2434 appliances arbitrarily, does that create more space for
2435 innovation than maybe small, incremental subsidy programs?

2436 *Mr. Novak. I think so. I think so. The idea here is
2437 more flexibility means more innovation.

2438 *Mr. Fry. Mr. Novak, you have _ there is testimony out

2439 there and commentary out there that repeated rounds of
2440 appliance standards are now producing diminishing returns.
2441 Would you share that sentiment?

2442 And how would a statutory definition like in the SHOWER
2443 Act or any of these other bills help manufacturers focusing _
2444 focus on delivering the features consumers actually want, as
2445 opposed to the ever-shifting goal posts coming out of
2446 Washington, D.C.?

2447 *Mr. Novak. Well, I think the objective, as I
2448 understand it, and I _ you know, I appreciate I am not the
2449 drafter of this legislation, I am just here to testify to it,
2450 but I think the intent here is to localize the cost benefit
2451 analysis, to really focus on the consumer and the consumer
2452 experience, to make sure you have got a threshold in regard
2453 to what energy savings you are chasing. If it is marginal
2454 savings but you are giving up a lot of utility, that is
2455 something that doesn't make a lot of sense.

2456 So the idea here is, you know, you want flexibility for
2457 manufacturers, you want choice for consumers, and you can do
2458 that with an existing statutory framework that helps, you
2459 know, if you will, kind of settle things, if you will, for
2460 manufacturers, realizing that, you know, they have their own
2461 reliance issues.

2462 *Mr. Fry. Absolutely. I think that consumer choice is
2463 essential.

2464 I see my time has expired, Mr. Chairman.

2465 He is running a tight ship today, so I am going to yield
2466 back before he gets me with the gavel.

2467 *Mr. Latta. Thank you very much. The gentleman's time
2468 has expired and he yields back. The chair now recognizes the
2469 gentleman from Texas's 33rd district for 5 minutes for
2470 questions.

2471 *Mr. Veasey. Mr. Chairman, thank you very much. And as
2472 someone that is getting ready to kick off the start of the
2473 outdoor sportsman's season, I really hate that something like
2474 managing water has become so controversial, managing our
2475 natural resources so we can continue to do things like enjoy
2476 the great outdoors. This is really sad that we are here.

2477 You know, energy efficiency is not about taking away
2478 choices. It is about trying to lower bills, reducing strain
2479 on the grid, and strengthening U.S. energy independence. And
2480 like I said last week, energy efficiency has a long,
2481 bipartisan tradition. Of course, Congress passed the EPCA in
2482 the 1970s to reduce waste and support American innovation,
2483 and then you have the Energy Independence and Security Act of
2484 2007, where you had 95 Republicans voting yes. And that
2485 created the Energy Efficiency and Conservation Block program,
2486 and that is when President George W. Bush from my state was
2487 President of the United States.

2488 And so today strong efficiency standards reduce demand

2489 at peak hours which helps keep the lights on and lowers the
2490 risk of blackouts, especially in a fast-growing state like
2491 ours, where it is a much bigger concern about how we use
2492 these resources. Weatherization, stronger codes, updated
2493 standards cut household costs month to month while improving
2494 comfort and health. And so we want to make sure that we are
2495 obviously cutting waste at home and in buildings, and so that
2496 also means we have to make sure that we are making sure that
2497 it is not as volatile of an energy market and more homegrown
2498 energy independence.

2499 And for low-income families especially, and renters that
2500 have to spend a disproportionate amount of their income on
2501 energy, energy efficiency is one of the easiest ways to help
2502 deliver relief and improve quality of life. That is one of
2503 the reasons why I am a cosponsor of the reauthorization of
2504 the EECBG program, and I support strengthening the
2505 Weatherization Assistance Program to also help low-income
2506 households.

2507 And like I said last week, American engineers and
2508 manufacturers have been at the forefront of appliance
2509 innovation for a century. And we don't want to walk back
2510 those standards so we can let the Chinese take over the
2511 space. That would be scary if the Chinese took over this
2512 space and they were the ones that were doing all the
2513 innovation in this area.

2514 And so let's be smart. Let's be clear. Let's be honest
2515 about it, that efficiency and codes are not mandates. They
2516 are smart cost savings investments that expand consumer
2517 choice and give families healthier, more affordable homes.
2518 We don't want to _ we want to make sure not to gut DoE's
2519 authorities in ways that create regulatory uncertainty and
2520 hurts manufacturers and drive up costs for families.

2521 And so, Mr. Novak, I wanted to ask you. Manufacturers
2522 have said they want clear and consistent certification
2523 requirements. Wouldn't gutting DoE's authority to set
2524 efficiency standards create confusion and raise costs for
2525 businesses?

2526 *Mr. Novak. Manufacturers benefit, obviously, from
2527 certainty. There are tooling costs, there are lead times to
2528 retooling and, to be blunt, standards. And they have a _ you
2529 know, they have competitive effects, right? You know,
2530 competitors have to meet a particular standard. The standard
2531 in some ways becomes a bit of a competitive moat.

2532 There are a lot of policy puts and takes around this,
2533 around efficiency. And I think the proposed legislation, at
2534 least as I read it, as I understand it, it isn't the
2535 abandonment of efficiency. I think it is sharpening the
2536 analysis that we undertake when we look at whether an
2537 efficiency gain makes sense. If it is a marginal efficiency
2538 gain that comes at the cost of significant utility, that is

2539 something that doesn't seem like a wise policy choice.

2540 *Mr. Veasey. Yes.

2541 *Mr. Novak. So _

2542 *Mr. Veasey. Let me ask you this real quick, too,
2543 before my time expires. I know that several of the bills
2544 would scale back DoE's ability to set or update appliance
2545 standards. Wouldn't that basically be giving the Chinese
2546 companies that are under control of the Chinese Communist
2547 Party, wouldn't that be _ that are trying to aggressively
2548 move into this high efficiency appliance market, wouldn't
2549 that give them an advantage over American companies?

2550 Why would we want to do that to the _ why would we want
2551 to give the Chinese an advantage?

2552 *Mr. Novak. I am not quite sure I understand the
2553 premise of the question in regard to the competitive
2554 advantage that this would give a geopolitical competitor in
2555 terms of access to our market.

2556 Again, my understanding of the intent of the bill, my
2557 read of the bill, is that this is something that would focus,
2558 it would localize, if you will, the analysis that we do to
2559 make sure that the efficiency makes sense at the appliance
2560 level, the appliance does what it is supposed to do, somebody
2561 not having to do multiple cycles on something, that the
2562 energy gains we are chasing with efficiency, that there is
2563 some significance threshold there, that we are not getting

2564 into that diminishing return issue.

2565 But I think, you know, in a free marketplace such as
2566 ours, people will meet that consumer need. They will meet
2567 that consumer demand.

2568 *Mr. Latta. The gentleman's time has expired _

2569 *Mr. Veasey. Thank you.

2570 *Mr. Latta. _ and he yields back. The chair now
2571 recognizes the gentleman from Texas's 12th district for 5
2572 minutes for questions.

2573 *Mr. Goldman. Thank you, Mr. Chairman. Thank you very
2574 much for being here. I will be brief. I am sorry I wasn't
2575 here when Mr. Pfluger asked his questions, but I do want to
2576 thank you and thank the Department of Energy. Please take
2577 down the street how thankful we are in Texas that the next
2578 round of HALEU was approved just a few weeks ago for the SMR
2579 being built in Abilene, Texas. So thank, please, the
2580 Secretary and all involved in that. It is very important as
2581 we progress in the SMR race.

2582 Can you describe, sir, how the Department of Energy has
2583 adjusted to rulemaking processes to ensure that future
2584 standards are more cost effective, particularly for the
2585 appliances that impact small businesses and homeowners?

2586 *Mr. Novak. I will have to take for the record the
2587 question of _ as the rulemaking under the existing regime.

2588 *Mr. Goldman. Yes.

2589 *Mr. Novak. Again, in regard to the bills that are
2590 before the committee, the idea here is to improve the focus,
2591 to sharpen, if you will, the assessment of, basically, the
2592 puts and takes around efficiency.

2593 *Mr. Goldman. And let me follow up on that. So let's
2594 discuss that. The rulemaking that is now in place versus
2595 what was in place prior to you all's arrival at the
2596 Department of Energy, I mean, particularly the mandates that
2597 were put on appliance makers, for example, versus what you
2598 all are doing now to remove those mandates, and some laws
2599 that we are passing here to remove those mandates, is that in
2600 the end not most cost effective for the end game, the
2601 consumer, the American public?

2602 *Mr. Novak. I think, ultimately, that is the policy
2603 objective here, is to ensure that, again, the analysis that
2604 is done in regard to energy efficiency is one that is smart,
2605 that is informed, that is, again, localized to that consumer
2606 experience and the particular efficiency gain versus the
2607 utility of the appliance that is at issue there.

2608 I will have to take _ again, take for the record the
2609 question in regard to kind of how we are doing current
2610 rulemaking. I will take that back to the team that manages
2611 that, and I would be more than happy to get you a response.

2612 *Mr. Goldman. Perfect.

2613 *Mr. Novak. But again, that is the ultimate objective,

2614 is to have sharp, focused, informed cost benefit analysis on
2615 this.

2616 *Mr. Goldman. Perfect. Thank you very much.

2617 Mr. Chairman, I yield back the rest of my time.

2618 *Mr. Latta. Thank you.

2619 *Mr. Goldman. Thank you.

2620 *Mr. Latta. The gentleman yields back, and the chair
2621 now recognizes the gentlelady from Texas's 7th district for 5
2622 minutes for questions.

2623 *Mrs. Fletcher. Thank you so much, Chairman Latta and
2624 Ranking Member Castor. This is sort of the Texans' row, I
2625 guess, right now, a series of questions from Texans.

2626 But I do thank you, Mr. Novak, for being here today, and
2627 I definitely want to follow up on some of the things that I
2628 know have already been raised this morning. But there was _
2629 earlier there was a bit of discussion about all of the above,
2630 best of the above, different ways that we can get our energy
2631 onto the grid and into people's homes and help bring down the
2632 cost of living which _ frankly, we are in a cost of living
2633 crisis right now. We discussed it at last week's hearing,
2634 the _ you know, basic necessities for financial stability and
2635 _ but the price of home ownership, the cost of all sorts of
2636 essentials is just going up and up. It continues to go up,
2637 and these are huge challenges.

2638 In Texas, arguably, we have done a great job of

2639 diversifying our grid and bringing to the grid all sorts of
2640 different kinds of generation, and it really is a model. A
2641 lot of people have said that the way that we do things in
2642 Texas is instructive. And of course, in Texas we do have an
2643 all-of-the-above approach, and we have invested in not only
2644 the infrastructure but also the technologies of today and
2645 tomorrow.

2646 And one of the challenges we have right now is that
2647 Texas does energy of all kinds, and we have really led not
2648 just the country but the world in this energy innovation.
2649 But we know that a lot of that can only come to market, can
2650 only reach kind of scale to be implemented by partnering with
2651 the Department of Energy in doing this critical research.
2652 And right now the Department of Energy is illegally blocking
2653 funding for research into the next generation of energy
2654 technologies, technologies that would help reduce household
2655 bills.

2656 The Office of Clean Energy Demonstrations' work on
2657 hydrogen and carbon capture promised to deliver lower
2658 emissions and less expensive energy for years to come. On
2659 May 30 the DoE announced the termination of 24 Office of
2660 Clean Energy Demonstration Awards, totaling \$3.7 billion.
2661 And they included several projects near my district in
2662 Houston and along the Gulf Coast. And so that included \$330
2663 million for ExxonMobil's clean hydrogen complex in Baytown,

2664 270 million for Calpine's carbon storage project in Baytown,
2665 99 million for Orsted's clean methanol project east of
2666 Houston, and \$375 million for Eastman Chemicals' plastics
2667 recycling project in Longview, just up the road.

2668 So Mr. Novak, I want to ask you, during Secretary
2669 Wright's budget hearing before this committee earlier this
2670 year he mentioned that each project received an
2671 individualized review before it was terminated. Can you just
2672 briefly answer which official had the final sign-off on the
2673 terminations of these 24 projects?

2674 *Mr. Novak. Yes. It is, again, a little bit beyond the
2675 scope of what I am here for today, but I am happy to give you
2676 an answer in regard to the portfolio review process which got
2677 up and running before I joined the Department, but I am
2678 obviously involved in the throughput on this.

2679 By design, the process starts in each of the program
2680 offices where the program offices are tasked, pursuant to the
2681 Secretary's policy memo, to assessing the _

2682 *Mrs. Fletcher. Right.

2683 *Mr. Novak. _ project for economic, technical
2684 feasibility, the compliance with the terms, various _ you
2685 know, these awards take different _ they take different
2686 forms.

2687 *Mrs. Fletcher. Right.

2688 *Mr. Novak. Some of them _

2689 *Mrs. Fletcher. And I have got limited time _

2690 *Mr. Novak. _ have _ okay.

2691 *Mrs. Fletcher. So I just want to make sure we talk
2692 about these 24 grants _

2693 *Mr. Novak. Oh, correct.

2694 *Mrs. Fletcher. _ as opposed to the process
2695 particularly.

2696 *Mr. Novak. Right.

2697 *Mrs. Fletcher. Why were these specific grants selected
2698 for review, and what process has leadership set out for
2699 selecting grants like these to review?

2700 *Mr. Novak. Yes, so the tasking here was that each of
2701 the program offices would review the entirety of their
2702 financial assistance award portfolio. And they would then
2703 present proposed terminations, modifications, continuations
2704 even, to a committee of cross-functional stakeholders who
2705 were just a recommending body so you would get diverse points
2706 of view _

2707 *Mrs. Fletcher. Right, and I am familiar with the memo.

2708 *Mr. Novak. _ in regard to that.

2709 *Mrs. Fletcher. So _

2710 *Mr. Novak. Right. So then, from there, the issue just
2711 returns to the program offices to make a determination as to
2712 what they want to do to _

2713 *Mrs. Fletcher. And so who made the decision that these

2714 are not economically and financially sound projects, each of
2715 these 24 projects?

2716 *Mr. Novak. That would be the head of the OCED office.

2717 *Mrs. Fletcher. Okay. And do you know the specific
2718 justification?

2719 Look, I have got 10 seconds left, so I will say it this
2720 way because I know the chairman doesn't want me to run over.
2721 I am going to submit questions for the record for you to
2722 return in writing about the basis or justification for
2723 terminating each of these grants. These are hugely important
2724 to folks in my district and to people across the country and
2725 around the world.

2726 [The information follows:]

2727

2728 *****COMMITTEE INSERT*****

2729

2730 *Mrs. Fletcher. So with that, Mr. Chairman, I will
2731 yield back. Thank you.

2732 *Mr. Novak. And I would be happy to respond to that for
2733 the record.

2734 I will mention I think each of these projects is still
2735 working its way through the appeal process _

2736 *Mr. Latta. Well, if you can _

2737 *Mr. Novak. _ in the Department.

2738 *Mr. Latta. _ answer those for the record, that would
2739 be great.

2740 *Mr. Novak. Oh, I am _

2741 *Mr. Latta. Yes, thank you. The chair now recognizes
2742 the gentlelady from New York's 14th district for five minutes
2743 for questions.

2744 *Ms. Ocasio-Cortez. Thank you so much, Mr. Chairman.

2745 Mr. Novak, I am glad you are joining us today. And, you
2746 know, this hearing is focused on several bills regarding
2747 energy efficiency. And this committee has seen several
2748 rollbacks of energy efficiency standards and proposals to
2749 that end. Are you familiar with how many Americans are
2750 employed by the energy efficiency sector nationally?

2751 *Mr. Novak. I am not.

2752 *Ms. Ocasio-Cortez. It is about 2.3 million, 2.3
2753 million workers. About two out of every five energy jobs in
2754 the United States are related to energy efficiency. Can you

2755 guess what is the fastest-growing category of energy
2756 efficiency work in the United States?

2757 *Mr. Novak. I am not particularly good at guessing.

2758 *Ms. Ocasio-Cortez. That is all right.

2759 *Mr. Novak. So _ yes.

2760 *Ms. Ocasio-Cortez. It is construction.

2761 *Mr. Novak. Okay.

2762 *Ms. Ocasio-Cortez. So these are construction jobs,
2763 energy efficiency jobs or construction jobs, installation,
2764 production, manufacturing, HVAC, building materials, all of
2765 it.

2766 Now, do you know how many jobs have been threatened or
2767 lost due to the Trump Administration's closures of clean
2768 energy projects in the last six months or so, the first half
2769 of this year?

2770 *Mr. Novak. I am not aware of any such analysis.

2771 *Ms. Ocasio-Cortez. Ninety-one thousand. The Trump
2772 Administration and Department of Energy policies have cost
2773 Americans 91,000 jobs nationwide in rollbacks on efficiency.
2774 And, you know, these large numbers are statistics. They are
2775 hard to _ I think, people to understand when they show up on
2776 a white paper.

2777 But in Colorado's 8th district Amprius Technologies
2778 canceled plans to construct a \$190 million battery plant in
2779 Brighton, Colorado. In that same district, actually, another

2780 company, VSK Energy, canceled plans for _ due to the Trump
2781 Administration, canceled their plans to build solar panels,
2782 and they scratched a \$250 million investment and up to 900
2783 jobs in that same district.

2784 In Georgia 12 an EV plant was canceled due to the Trump
2785 Administration and DoE's freezing of the EV charging program.
2786 Registered Georgia has a population of 157 people. They lost
2787 out on 166 jobs, more jobs _ they lost more jobs than they
2788 have people in that town because of the cancellation and war
2789 on renewable energy and clean energy here. In that same
2790 district a copper foil manufacturing plant went bankrupt as a
2791 result of these rollbacks, and Augusta, Georgia lost out on
2792 350 jobs.

2793 And, I mean, the list goes on. In South Carolina, 250
2794 jobs when the construction of an EV plant in Florence was
2795 halted due to DoE's freezing of funds. I mean, we could go
2796 on. In Michigan 10th 167 jobs were lost after \$50 million
2797 worth of investment. These are all freezes in renewable and
2798 clean energy construction and development projects. This is
2799 an industry that has been a source of jobs and growth. This
2800 Administration, the Trump Administration, is destroying the
2801 American economy, destroying American jobs, 91,000 jobs in
2802 this sector alone.

2803 I have one simple question: In these towns and areas
2804 what is the DoE's plan to replace those jobs in those

2805 affected areas?

2806 *Mr. Novak. I will say this is beyond the scope of what
2807 I am prepared to testify to today. I would be happy to take
2808 the question for the record in regard to the analysis that
2809 you cited here regarding job loss.

2810 *Ms. Ocasio-Cortez. So in your view _ you are the
2811 general counsel for the Department of Energy, that is
2812 correct?

2813 *Mr. Novak. I am acting.

2814 *Ms. Ocasio-Cortez. Acting. And in all that you have
2815 seen, have you seen any effort to replace these jobs that are
2816 being canceled by the Administration?

2817 *Mr. Novak. I have not. I am not sure _

2818 *Ms. Ocasio-Cortez. You have not.

2819 *Mr. Novak. _ that would come my way, but _ yes.

2820 *Ms. Ocasio-Cortez. So we are seeing a concerted
2821 effort, 91,000 jobs already gone. Now, this is after the
2822 Administration has already released a revised report saying
2823 we have a million less jobs in this economy than was
2824 originally reported. We are actively killing plants and
2825 projects in rural places across this country, and I am
2826 hearing today that there is no effort to replace them.

2827 And my time is up. I will _ I yield back.

2828 *Mr. Latta. And if you would, just in writing, answer
2829 the lady's question _

2830 *Mr. Novak. I _

2831 *Mr. Latta. _ the gentlelady's question. Thank you.

2832 *Mr. Novak. Yes, can't answer the question because I

2833 haven't seen the analysis _

2834 *Mr. Latta. Well _

2835 *Mr. Novak. _ but I would be happy to take the

2836 question for the record. Yes, yes.

2837 [The information follows:]

2838

2839 *****COMMITTEE INSERT*****

2840

2841 *Mr. Latta. The _ well, thank you very much. The
2842 chair now recognizes the gentleman from Massachusetts's 4th
2843 district for 5 minutes for questions.

2844 *Mr. Auchincloss. Thank you, Chairman. Chairman,
2845 before I speak with Mr. Novak, I do feel compelled to respond
2846 to a previous comment from the gentleman from Alabama who, as
2847 an aside, said that, you know, our side doesn't care if China
2848 wins, you know, the kind of underhanded, inappropriate
2849 comment that I just don't think belongs on this committee.

2850 I was a member of the Select Committee on China for two
2851 years last Congress, and worked in good faith with
2852 Republicans on a long-term strategy to out-compete the
2853 Chinese Communist Party. But since the gentleman from
2854 Alabama wanted to raise the subject, let's talk about how
2855 this Administration is doing on China. Let's raise it.

2856 So first, after Congress passed bipartisan legislation
2857 to force the divestment of TikTok, this President illegally
2858 refused to force the divestment of TikTok, and indeed opened
2859 up a White House account on a platform that Xi Jinping has
2860 described as his biggest weapon in the "smokeless
2861 battlefield'' of ideological warfare.

2862 This President has gutted funding for Radio Free Asia so
2863 that in Indonesia, where there used to be one hour of
2864 American programing and one hour of CCP programing, now there
2865 is just two hours of CCP programing.

2866 This President invited to the White House _ can't make
2867 this up _ his meme coin investors, some of whom with explicit
2868 ties to the Chinese Communist Party. Those are the people,
2869 by the way, who actually attended the dinner and were willing
2870 to be seen publicly. What about all of the Trump coin
2871 investors who want to keep their influence secret until a
2872 time and place of their choosing where they can buy the
2873 President's China policy?

2874 This President has dismantled a huge part of our Indo-
2875 Pacific maritime strategy by attacking the Australians and
2876 our ability to work with them to build nuclear submarines, to
2877 project force in the Indo-Pacific. He has also attacked the
2878 Philippines, he has attacked our Southeast Asian allies. And
2879 perhaps most devastatingly, he has attacked our Japanese and
2880 South Korean allies. A major, major success of the Biden
2881 Administration was forging closer ties between Japan and
2882 South Korea as a counterweight to the belligerence of the
2883 Chinese Communist Party in the Indo-Pacific. This President
2884 has undermined our bilateral alliances with both of those
2885 powerful economies and militaries.

2886 This President has thrown doubt on his willingness to
2887 support Taiwan economically, militarily, ideologically as it
2888 contests and fights for freedom against the Chinese Communist
2889 Party.

2890 This President has literally had American troops on

2891 their knees roll out a red carpet for Vladimir Putin in
2892 Alaska just a week before he then launched missile strikes
2893 against U.S. sites in Ukraine, and then went to go watch a
2894 military parade with Xi Jinping, signaling weakness against
2895 this alliance of autocrats who seek to undermine U.S.
2896 strength in the Pacific.

2897 This President has cut medical science and biotech
2898 funding at a time when the Chinese Communist Party is
2899 vaulting over us to become the world leader in biotechnology
2900 alongside, I should say, quantum science and other
2901 initiatives.

2902 So I do not want to hear from this side of the aisle
2903 that we want China to win while this Administration and this
2904 President is the weakest president in modern American history
2905 in standing up for American national security.

2906 The final thing that has been a failure of this
2907 Administration regarding China has been nuclear power. And
2908 here I want to turn to you, Mr. Novak, in the last 90
2909 seconds. It was the proposal of this Administration to gut
2910 the Loan Programs Office, which is vital for the construction
2911 of nuclear power, including small modular reactors that the
2912 gentleman from Alabama talked about.

2913 In April I asked Mr. _ Dr. Mike Goff about whether the
2914 staffing levels of the LPO, which was facing a 60 percent
2915 reduction in its workforce, were sufficient to actually

2916 finance and help develop nuclear power, which I agree we
2917 should be doing. He promised an answer. I have not gotten
2918 it. Mr. Novak, can you respond to how the LPO is suited
2919 administratively to actually deliver its function?

2920 *Mr. Novak. I am confident that it is resourced. I
2921 have had the occasion to work with Greg Beard, who heads up
2922 our Loan Programs Office. We have got a very good team of
2923 lawyers that I have gotten to know that brings a tremendous
2924 amount of commercial sophistication to support the LPO
2925 mission. I believe that the LPO funding actually increased
2926 year over year, so I would tell you as I sit here I am
2927 confident in the LPO mission and the leadership _

2928 *Mr. Auchincloss. Could we get, though, a written
2929 response about the staffing levels at the LPO and how that
2930 maps on to their mandate?

2931 *Mr. Novak. Yes, I would be more than happy to get you
2932 that.

2933 *Mr. Auchincloss. Okay, I will yield back.

2934 *Mr. Latta. Thank you very much. The gentleman yields
2935 back the balance of his time, and the chair now recognizes
2936 the gentlelady from North Dakota for five minutes for
2937 questions.

2938 *Mrs. Fedorchak. Thank you, Mr. Chairman.

2939 Thank you, Mr. Novak, for being here with the committee
2940 today.

2941 In 2023 the Consumer Product Safety Commission proposed
2942 banning gas stoves, alleging they caused childhood asthma.
2943 This was based on a nine-paragraph paper in the International
2944 Journal of Environmental Research and Public Health. Not
2945 only was the paper deeply flawed, but two of the authors
2946 failed to declare a conflict of interest. Both were
2947 employees of the Rocky Mountain Institute's Carbon Free
2948 Buildings Initiative, a non-profit that advocates against
2949 fossil fuels in buildings. In other words, nine paragraphs
2950 of activism disguised as science was evidence enough for the
2951 Biden Administration to consider banning a product that 40
2952 percent of American households use.

2953 Your testimony discusses House Resolution 4626, the
2954 Don't Mess With My Home's Appliance Act. Under President
2955 Biden, DoE pushed rules to remove certain products from the
2956 market like popular gas appliances. In your view, Mr. Novak,
2957 how would consumers' costs compare to energy savings under
2958 efficiency standards like those of the Biden DoE?

2959 *Mr. Novak. Well, I will first say in regard to health
2960 effects science, my dad was a health effects scientist at
2961 FDA, he was a bench chemist. He had a Ph.D. in organic
2962 chemistry and went on to become a branch chief at EPA. I
2963 absolutely admire the work that he did.

2964 I am not aware of anything. For example, as we have
2965 looked out at the localities that have adopted laws and

2966 ordinances that have _ with zero NOx emissions, for example,
2967 I am not aware of any health effects research that would
2968 suggest that the safety level around a NOx emission is zero,
2969 but that is, in effect, what has been adopted, which in turn
2970 is, in effect, a ban on gas appliances. Getting the science
2971 right on that, I think, is very important.

2972 I would say, in regard to the gas, we _ you know, we _ I
2973 have seen studies where, you know, you pay significantly less
2974 over the course of owning a gas range, for example, than with
2975 an electric range. But again, that solution might not make
2976 sense in a particular place. I mentioned where I live. I
2977 live in a very old neighborhood where, you know, propane is
2978 the option there. I prefer propane to electric, but that is
2979 not everybody's choice.

2980 So, you know, again, I think, as a policy matter, we
2981 generally prefer the idea of a range of choice. That permits
2982 some flexibility in regard to innovation. It is what
2983 consumers want. It is _ it matches our free market. And I
2984 think this is something that is readily achievable, as well
2985 as gaining, you know, efficiency.

2986 *Mrs. Fedorchak. Thank you for that. And speaking of
2987 choice, the EPCA has that intent to support consumer choice.
2988 Can you talk about how the Biden DoE's efficiency standards
2989 either supported that or contradicted the goal of consumer
2990 choice?

2991 *Mr. Novak. I will have to take that question for the
2992 record in regard to the past Administration's approach to _

2993 *Mrs. Fedorchak. Okay.

2994 *Mr. Novak. _ EPCA.

2995 *Mrs. Fedorchak. _ cool. Under Secretary Wright, what
2996 are the goals of the standards being set through the EPCA?

2997 *Mr. Novak. Well, again, I think the big objection _
2998 objective is to make sure that the assessment here is
2999 localized, smart, informed, that we are looking at the
3000 efficiency gains, making sure that there is actually a
3001 significant energy savings to be accomplished, that that is
3002 balanced against the utility of the appliance.

3003 You know, the aim here is for it to be smart, for it to
3004 make sense for the consumer. And one of the challenges is,
3005 you know, when you have attached sort of broader things like
3006 social cost of carbon, that is a bit nebulous. That is a
3007 little bit different than how much would a consumer expect to
3008 spend using this appliance over the course of its working
3009 life, what is the payback period in regard to the efficiency
3010 gain off the appliance. That is a localized inquiry that, by
3011 the way, helps a consumer make an informed choice. And we
3012 would hope it would sort of, you know, result in a market
3013 that sees, you know, appliances improve over time.

3014 But I think right now it is a little bit opaque. The
3015 analysis leads to, you know, some opacity for consumers.

3016 *Mrs. Fedorchak. Excellent. Thank you, Mr. Novak,
3017 appreciate your time.

3018 *Mr. Novak. Thank you.

3019 *Mrs. Fedorchak. I yield back.

3020 *Mr. Latta. Thank you. The gentlelady yields back the
3021 balance of her time. The chair now recognizes the gentleman
3022 from Pennsylvania's 13th district for five minutes for
3023 questions.

3024 *Mr. Joyce. Thank you, Chairman Latta and Ranking
3025 Member Castor, for holding this hearing, and Mr. Novak, thank
3026 you for being here today to testify.

3027 The United States is fortunate to have abundant and
3028 varied energy resources, including a large amount of natural
3029 gas in my home state of Pennsylvania. Under the Trump
3030 Administration we have seen these resources leveraged to
3031 increase American competitiveness and to add to energy
3032 security. However, the previous administration, as well as
3033 some local and state jurisdictions, have taken actions to
3034 disadvantage some forms of energy over others, ultimately
3035 crippling our energy section _ sector in the process.

3036 While the establishment of some minimal energy
3037 efficiency standards can benefit consumers and help provide
3038 certainty for manufacturers, we saw the Department of Energy
3039 under Biden misuse their authority to create standards that
3040 failed to meet statutory requirements of providing

3041 significant energy savings in a cost-efficient manner.
3042 Instead, the Biden DoE hijacked the process and used flawed
3043 calculations to set efficiency standards that limit choice,
3044 and across America drastically raised the cost for the
3045 consumers.

3046 There is a need to reconsider and reverse some of the
3047 most unrealistic appliance regulations to protect consumer
3048 choice. However, maintaining stable and predictable
3049 standards is important for companies that design and
3050 manufacture these appliances. Mr. Novak, how can we balance
3051 these two interests to ensure that both consumers and the
3052 appliance market are not overburdened by flawed regulations?

3053 *Mr. Novak. I would say first my sister is a
3054 Johnstownner, so I appreciate the _

3055 *Mr. Joyce. Glad to have a constituent's sibling
3056 testifying.

3057 *Mr. Novak. I think the first key to this is making
3058 sure that we are talking candidly about what the trade-offs
3059 are here. And as I mentioned in response to an earlier
3060 question, to be sure there are equities here in regard to
3061 tooling and reliance costs by manufacturers, and stability in
3062 terms of meeting a marketplace.

3063 We also want to make sure that we are being candid in
3064 terms of talking about exactly what the trade-offs are for a
3065 consumer, exactly what they are getting in terms of the

3066 return on the efficiency gain relative to potential loss in
3067 utility or even working life of an appliance.

3068 And I think this is how we get the balancing right, is
3069 making sure that we are having an open and candid discussion
3070 about what exactly the trade-offs are. And I think the more
3071 concrete we are about the trade-offs, I think the smarter we
3072 will be in the trade-offs we accept.

3073 *Mr. Joyce. I think you recognizing and talking about
3074 Johnstown, Pennsylvania, where there is abundant natural gas
3075 _ there are abundant resources, but it is consumer choice
3076 that must really guide that decision. So thank you for
3077 acknowledging that.

3078 In your opinion, does the change to the look-back period
3079 made by H.R. 4626, the Don't Mess With My Home Appliances
3080 Act, does that achieve the proper balance?

3081 *Mr. Novak. This is an area where we would really
3082 invite technical assistance. I feel like to connect, you
3083 know, the committee with the technical resource within Energy
3084 to talk about some of the challenges in implementing look-
3085 back will get us a smarter approach to look-back in regard to
3086 both its scope as well as its periodicity. So we would
3087 invite that conversation.

3088 *Mr. Joyce. So as we come to the end of a long morning
3089 of our first panel, you being the witness, is there anything
3090 that you, Mr. Novak, would like to reiterate or clarify from

3091 earlier testimony or earlier questioning?

3092 *Mr. Novak. Well, first I want to make sure I have got
3093 my response right in regard to the readiness under the
3094 Weatherization Program. And if I misspoke on that, I want to
3095 make sure that we get it right.

3096 *Mr. Joyce. This is an opportunity to clarify that.

3097 *Mr. Novak. Yes, yes, the readiness is _ that is an
3098 important thing. And, you know, clearly, the objective of
3099 the readiness program is to ensure that you remove barriers
3100 to the weatherization, right, that, you know, you meet a need
3101 there.

3102 I will just add that, you know, the _ as the
3103 conversation has evolved with this panel, I think, you know,
3104 there are pretty stark policy choices here that _ and here is
3105 my wish. I have got five children, right? I have got five
3106 children. And as I think about the future that they have got
3107 ahead, I recognize all of you have just an awesome
3108 responsibility to set policy for this country. We were all
3109 born here. We take this as _ we take it for granted. It is
3110 an amazing, amazing place. My mother's family has been here
3111 as long as people have been here, at least Europeans have
3112 been here. And I love this place. I have got a son in the
3113 Army, I have got kids in public service. I have got _ you
3114 know, my in-laws were in public service, my parents were
3115 public servants. This is an amazing place. And you all are

3116 stewards of it and the policy choices that are made.

3117 And what I promise to you is, although I am new in my
3118 job _ I am all of three months, I think, and two weeks into
3119 my job, so I am still learning a lot, and apologies for the
3120 number of things that means I have to take for the record _
3121 but I promise you this, which is I want a candid, open
3122 discussion about these policy choices. It doesn't mean we
3123 will always agree, but I really want that conversation. I
3124 will tell you _

3125 *Mr. Latta. And _

3126 *Mr. Novak. _ having gotten to know our Secretary a
3127 little bit, having _

3128 *Mr. Latta. Thank you.

3129 *Mr. Novak. _ he welcomes the same thing.

3130 *Mr. Latta. I hate to interrupt, but the gentleman's
3131 time has expired. The chair now recognizes the gentlelady
3132 from Indiana's 9th district for 5 minutes for questions.

3133 *Mrs. Houchin. Thank you, Mr. Chairman, for the
3134 opportunity to speak this afternoon, and thank you to Mr.
3135 Novak for being here.

3136 As reflected in my bill, which will be considered _ or
3137 is being considered in today's hearing, H.R. 5184, the
3138 Affordable Homes Act, I support the committee's effort to
3139 protect consumer choice in appliance purchases and to prevent
3140 unnecessary regulations from driving up costs.

3141 Mr. Novak, earlier this month DoE issued an RFI for
3142 public input regarding energy conservation standards for
3143 manufactured housing. I am worried that DoE energy
3144 efficiency standards for manufactured housing could create
3145 compliance confusion for our manufacturers. Could you
3146 provide an update on the RFI?

3147 *Mr. Novak. I will have to take the update on the RFI
3148 for the record there, and I will be happy to get you a
3149 response on that.

3150 I do know one of the bills that we are addressing today
3151 would simplify or streamline, if you will, a conversation
3152 about energy, the trade-offs, frankly, between the cost of
3153 complying with efficiency standards and mobile homes relative
3154 to what a purchaser is going to pay whether upfront or
3155 through financing. And the aim there is to _ simply to
3156 streamline it, to move it from one regulator to two. It
3157 would move everything to HUD.

3158 *Mrs. Houchin. Is it _ and I assume you don't _ you
3159 can't tell me today what DoE's next steps will be, but that
3160 will be part of a response that you will get to us later.

3161 *Mr. Novak. It will be.

3162 *Mrs. Houchin. Is it your understanding also that HUD
3163 maintains varying standards currently for manufactured
3164 housing?

3165 *Mr. Novak. It is my understanding.

3166 *Mrs. Houchin. Thank you. That is why today I do want
3167 to highlight the Affordable Homes Act, which I introduced
3168 with Congressman Mike Flood of Nebraska. This legislation
3169 consolidates authority under HUD, reduces overlapping
3170 regulations, and ensures that manufactured housing remains
3171 the most affordable path to home ownership. By cutting red
3172 tape and streamlining oversight, we can keep costs down,
3173 preserve consumer choice, and help hard-working families
3174 achieve the American dream of owning a home. So I do hope to
3175 continue to work with DoE to make sure that we are
3176 streamlining regulations and cutting red tape to make home
3177 ownership readily available to everyday working Americans.

3178 *Mr. Novak. We would welcome that engagement.

3179 *Mrs. Houchin. Also included in today's hearing is the
3180 SHOWER Act. And while DoE is working to update its
3181 regulatory framework on faucet flow rates, I do want to
3182 ensure that any changes don't undermine the competitiveness
3183 of American manufacturers. Redesigning U.S. facilities could
3184 take years and require major investment, while foreign
3185 competitors could quickly move to supply higher flow products
3186 which may be counterintuitive to the mission of America
3187 First.

3188 Mr. Novak, can you provide an update of DoE's regulatory
3189 process as it relates to maximum flow rate for showerheads?

3190 *Mr. Novak. Well, they _ currently it is a bit of a

3191 morass, and I think that is why we are supportive of the idea
3192 of clarifying this by adopting the Society of Mechanical
3193 Engineers' definition of showerhead, and then having a period
3194 where you would adopt specific regulation in regard to that
3195 definition.

3196 *Mrs. Houchin. Thank you.

3197 *Mr. Novak. It just gives you clarity _

3198 *Mrs. Houchin. As the _ thank you. As the regulatory
3199 process does move forward, I urge the DoE to work closely
3200 with our manufacturers to ensure that the rules don't open
3201 the door for cheap foreign products that would undermine and
3202 flood the market, particularly including those that are in my
3203 own district. Delta Faucet Company, which has a facility in
3204 Greensburg, Indiana, within the district, has been making
3205 faucets and showerheads since 1954.

3206 And I would like to submit for the record, Mr. Chairman,
3207 a statement regarding today's legislative hearing from Delta
3208 Faucets, the industry trade association, the Plumbing
3209 Manufacturers International, as well as their public comments
3210 submitted to the Department of Energy on its proposed faucet
3211 rule.

3212 *Mr. Latta. Without objection, so ordered.

3213

3214

3215

3216 [The information follows:]

3217

3218 *****COMMITTEE INSERT*****

3219

3220 *Mrs. Houchin. Thank you. I do want to ensure _ and I
3221 appreciate, Mr. Novak, that you have just been on the job for
3222 a few short months, and we will look forward to the responses
3223 that you will return to our offices. I hope that that will
3224 be timely.

3225 I just, in my final closing comments, want to ensure
3226 American competitiveness and that our companies are being put
3227 in the best position to be competitive and not undermined by
3228 foreign entities, particularly China.

3229 I want to thank our witness for the time and testimony
3230 on these important issues.

3231 Mr. Chairman, I appreciate the subcommittee's work in
3232 considering these bills, and I yield back.

3233 *Mr. Latta. The gentlelady's time has expired, and she
3234 yields back. The chair _ seeing no other members wishing to
3235 ask questions of the witness, the chair thanks our witnesses
3236 for appearing before us today.

3237 Members may have additional questions for you in
3238 writing. I remind members that they have 10 business days to
3239 submit additional questions for the record, and I ask that
3240 our witness does his best to submit the responses within 10
3241 business days upon receipt of those questions.

3242 We are now moving to the second panel of our witnesses
3243 today, and we will begin their testimony shortly. So thank
3244 you very much for coming, Mr. Novak.

3245 *Mr. Novak. Thank you.

3246 [Pause.]

3247 *Mr. Latta. Well, good afternoon. We have members that
3248 will be coming back because I think they thought the first
3249 panel was going to go a little bit longer, but they will be
3250 coming back in. But again, good afternoon. We want to thank
3251 our witnesses for being here today and taking the time to
3252 testify before our subcommittee.

3253 Each witness will have the opportunity to give an
3254 opening statement followed by a round of questions from our
3255 members.

3256 Our witnesses today are Ms. Jennifer Cleary, the vice
3257 president of regulatory affairs and deputy general counsel at
3258 the Association of Home Appliance Manufacturers; Mr. Brian
3259 Tebbenkamp _ is that _ am I correctly pronouncing your name?
3260 I just want to make sure.

3261 *Mr. Tebbenkamp. Tebbenkamp.

3262 *Mr. Latta. Tebbenkamp, the president and owner of
3263 Patriot Homes. Thank you very much.

3264 Mr. Andrew deLaski, the executive director at the
3265 Appliance Standards Awareness Project, and Mr. George Lowe,
3266 the vice president of government affairs and public policy at
3267 the American Gas Association.

3268 We appreciate you being here, and you might have already
3269 got the instructions on the box, but when your time is up you

3270 see a little red light appear. And if you would finish your
3271 statement, we would appreciate it.

3272 And with that, Ms. Cleary, you are represented _ or you
3273 are recognized for five minutes for your opening statement.

3274

3275 STATEMENT OF JENNIFER CLEARY, VICE PRESIDENT OF REGULATORY
3276 AFFAIRS, ASSOCIATION OF HOME APPLIANCE MANUFACTURERS; BRIAN
3277 TEBBENKAMP, PRESIDENT AND OWNER, PATRIOT HOMES INCORPORATED;
3278 ANDREW DELASKI, EXECUTIVE DIRECTOR, APPLIANCE STANDARDS
3279 AWARENESS PROJECT; AND GEORGE LOWE, VICE PRESIDENT OF
3280 GOVERNMENTAL AFFAIRS AND PUBLIC POLICY, AMERICAN GAS
3281 ASSOCIATION

3282

3283 STATEMENT OF JENNIFER CLEARY

3284

3285 *Ms. Cleary. Chairman Latta, Ranking Member Castor, and
3286 members of the subcommittee, thank you for the opportunity to
3287 testify on behalf of the Association of Home Appliance
3288 Manufacturers, or AHAM, regarding improvements to the Energy
3289 Policy and Conservation Act of 1975. I am Jennifer Cleary,
3290 vice president of regulatory affairs and deputy general
3291 counsel at AHAM.

3292 Our goal is to improve EPCA to ensure American families
3293 continue to have access to a range of affordable products
3294 with the performance and features they want. AHAM's scope
3295 includes products like refrigerators, clothes washers and
3296 dryers, dishwashers, window air conditioners, air cleaners,
3297 and cooking products. We don't cover things like light
3298 bulbs, equipment that is built into your home like water
3299 heaters, HVAC, or plumbing.

3300 We appreciate the subcommittee's attention to EPCA.
3301 This isn't a law that people generally sit around the kitchen
3302 table and talk about, but it impacts every home every day.
3303 From the time we wake up in the morning to cook breakfast for
3304 our families, people are using appliances until we load
3305 dishes at the end of the day. Home appliances make our lives
3306 easier, safer, and healthier.

3307 Since President Reagan signed EPCA into law, there have
3308 been many changes in how we live and work: the Berlin Wall
3309 fell; we have personal computers, email, video calls, and
3310 smartphones. This law was written when we were using wired
3311 telephones. EPCA needs to be updated to remain relevant.

3312 Home appliances are a success story. Our products have
3313 undergone continual improvements in energy and water
3314 efficiency over the last almost four decades. No other
3315 consumer product sector's efficiency has been more often
3316 regulated. Some appliances have been subject to as many as
3317 seven rounds of standards. The energy and water efficiency
3318 gains for home appliances are dramatic. For example, the
3319 average dishwasher made today uses 50 percent less water and
3320 37 percent less energy than models made in 1998. That means
3321 you would have to hand wash a full load of dishes in only one
3322 minute to use less water than your dishwasher. The average
3323 refrigerator made today uses nearly 58 percent less energy
3324 than refrigerators built in 1980, with nearly 32 percent

3325 greater capacity. If the automotive industry achieves
3326 similar efficiency gains as appliances have, the average
3327 minivan would get about 80 miles to the gallon and have 3
3328 extra seats.

3329 AHAM and our members support maintaining a system of
3330 Federal standards. A national program benefits consumers by
3331 displacing costly, conflicting state requirements that
3332 interfere with interstate commerce and make it hard to sell a
3333 full range of products across the nation. In fact, this is
3334 the central balance EPCA strikes: improvements in efficiency
3335 are more achievable on a national scale.

3336 Because home appliances have undergone so many standard
3337 changes, there are diminishing returns from further
3338 tightening standards. Additional changes using existing
3339 technology may not be possible without sacrificing product
3340 performance, features, or affordability. AHAM hopes that
3341 today's hearing will provide momentum toward much-needed
3342 improvements in the Appliance Standards program. AHAM has
3343 been testifying before this subcommittee since the early
3344 2000s, seeking modernization and reform to this law. We
3345 believe now is the time to get it done and bring this home
3346 for consumers.

3347 The Don't Mess With My Home Appliances Act makes strides
3348 at assessing and addressing several key issues. Most
3349 importantly, AHAM strongly supports the bill's elimination of

3350 the provision in EPCA known as the six-year look-back. EPCA
3351 requires DoE to review standards every six years, resulting
3352 in a never-ending regulatory churn, regardless of who is in
3353 the White House. Regulations should be based on the
3354 opportunity to conserve energy in a cost-effective way that
3355 preserves consumer choice, not on a ticking clock. Removing
3356 this requirement will allow DoE to prioritize its rulemakings
3357 based on opportunities for energy, water, and cost savings
3358 for consumers. Importantly, removing it will not prevent DoE
3359 from continuing to advance efficiency when it is justified to
3360 do so.

3361 There are some changes outlined in my written testimony
3362 that we suggest to make the bill stronger, including, for
3363 example, first, protect national consistency by strengthening
3364 preemption to maintain a national marketplace and avoid
3365 states becoming de facto Federal legislators; second, make
3366 DoE accountable to follow its own rules and require DoE to
3367 affirmatively demonstrate that its actions will not harm
3368 consumers; third, lower costs for consumers and reduce
3369 regulatory burden by providing enough time to comply with new
3370 requirements and enough time between regulations.

3371 Changing EPCA is the best way to achieve continued
3372 savings while also addressing the realities of limited
3373 opportunities for further energy and water savings that are
3374 justified and preserve product features and performance.

3375 I look forward to answering your questions. Thank you.

3376 [The prepared statement of Ms. Cleary follows:]

3377

3378 *****COMMITTEE INSERT*****

3379

3380 *Mr. Latta. Thank you very much for your testimony.

3381 And Mr. Tebbenkamp, you are recognized for five minutes

3382 for an opening statement.

3383

3384 STATEMENT OF BRIAN TEBBENKAMP

3385

3386 *Mr. Tebbenkamp. Chairman Latta, Ranking Member Castor,
3387 and members of the subcommittee, my name is Brian Tebbenkamp,
3388 and I am a home builder from Kansas City, Missouri.

3389 Where I come from, safe and affordable housing isn't
3390 just a talking point; it is the foundation of strong families
3391 and strong communities, and it is the foundation of what the
3392 KCHBA stands behind. I am a proud member of the KCHBA, and
3393 our motto there is "home ownership for all.'" It is what
3394 drives us. We want every family, whether they are looking to
3395 buy their first home or rent an apartment to have options
3396 that fit their needs and their budgets. But right now one of
3397 the biggest hurdles we face in Kansas City is a shortage of
3398 attainable housing. A big part of that problem is the new
3399 energy code and the complexities and the costs that it adds
3400 to the cost of our projects.

3401 I support cost-effective building codes that create safe
3402 and efficient homes. I have built my career around that,
3403 delivering high-performance homes long before performance
3404 testing was required in KC. I would hire third-party energy
3405 raters to verify and test our homes to make sure that they
3406 were delivering what we wanted to our clients, to make sure
3407 that they were saving over the average home that was being
3408 built in our area. It was something that was important to

3409 us.

3410 We wanted our clients to have their families' largest
3411 investment that they were probably ever going to make be
3412 efficient for them, safe, and keep them comfortable all year
3413 long. But lately things have gone too far. We have hit a
3414 point of diminishing returns, and now families are on the
3415 hook for thousands of additional dollars in construction
3416 costs, but they are seeing very little in the way of
3417 additional returns and savings on their utility bills.

3418 In Kansas City, new homes were already being built well
3419 past the point where adding more insulation or other
3420 prescriptive measures makes much of a difference. Yet under
3421 the new code these costly mandates keep stacking up. In 2021
3422 the IECC was supposed to be a model for state and local
3423 governments to adapt to their circumstances. That
3424 flexibility has always been very important because what works
3425 in New York or works in California may not work in Kansas,
3426 Missouri, or Texas.

3427 Back in 2022 the Kansas City, Missouri City Council was
3428 looking at adopting the 2021 IECC. Builders, community
3429 leaders, policy-makers, we were all working together to make
3430 amendments to the code that would make it more practical for
3431 our region. But after the Inflation Reduction Act passed and
3432 section 50131 was set up with a \$1 billion grant fund,
3433 suddenly the message that they heard was don't change a thing

3434 or you won't receive any of the money.

3435 When Congress ties state and local government grant
3436 money to adopting unamended codes, local officials don't have
3437 a choice in order to receive those funds. That is exactly
3438 what we saw play out in Kansas City. When the code took
3439 effect in October of 2023, home building in Kansas City
3440 nearly stopped. For over three-and-a-half months, the city
3441 did not issue one single family building permit. Before
3442 that, the average was 66 permits a month. The number of
3443 builders active in the city plummeted from 98 in 2023 to just
3444 22 in 2024. That is a 78 percent decline. These numbers
3445 come straight out of the city's own permitting system, and I
3446 can tell you what that looks like on the ground.

3447 In April of 2024 my company applied for what should have
3448 been a simple basement finish permit. That process would
3449 normally take a few days. This time it took an agonizing 39
3450 days, 17 emails, and a final plea to city management and
3451 leadership for help. Meanwhile, our crews sat at home
3452 without any work to do. And the costs for that family were
3453 just as frustrating. That particular home was already HERS-
3454 rated with a score of 62, meaning that it would save that
3455 family about \$2,500 over the average American home at that
3456 time. But they had to comply with the new energy code, and
3457 they spent over 10,000 additional construction dollars to
3458 comply with that code for that basement.

3459 What did they get for that money? They got a single
3460 point improvement on their HERS rating, which equates to
3461 about \$2 in savings on utility costs in a year. That doesn't
3462 add up for the families I serve, and I certainly don't think
3463 it adds up for your families, either. That is why I commend
3464 Congressman Goldman for introducing the Homeowner Energy
3465 Freedom Act to repeal section 50131. This program has
3466 distorted local decision-making, driven up costs, and
3467 reducing housing production, all while delivering little in
3468 the way of energy savings through the cost of utility bills.

3469 [The prepared statement of Mr. Tebbenkamp follows:]

3470

3471 *****COMMITTEE INSERT*****

3472

3473 *Mr. Latta. Well, and I am sorry, your time has expired
3474 and we will go to Mr. deLaski for five minutes for his
3475 opening statement. Thank you.
3476

3477 STATEMENT OF ANDREW DELASKI

3478

3479 *Mr. deLaski. Thank you. Thank you, Chairman Latta,
3480 Ranking Member Castor, and members of the subcommittee. My
3481 name is Andrew deLaski, and I am the executive director of
3482 the Appliance Standards Awareness Project based at the
3483 American Council for an Energy-Efficient Economy, a leading
3484 efficiency non-profit organization.

3485 Guided by a broadly representative steering committee,
3486 ASAP carries out research, analysis, and advocacy in support
3487 of standards that cost effectively save energy and water,
3488 reduce utility bills and pollution. I would like to focus my
3489 remarks on how appliance and equipment standards have saved
3490 consumers money and bolstered the electric grid, but would be
3491 threatened by H.R. 4626, and then I will offer my support for
3492 H.R. 1355, the Weatherization Enhancement and Readiness Act.

3493 The U.S. Appliance and Equipment Standards Program
3494 established and updated numerous times on a bipartisan basis
3495 protects U.S. families and small business owners from
3496 needless energy waste. Less energy waste means lower utility
3497 bills month after month, year after year for families. It
3498 means preserving electric grid capacity for growing electric
3499 loads so we can win the race to lead the world in artificial
3500 intelligence and manufacturing. These standards ensure that
3501 manufacturers and importers include cost-effective, energy-

3502 saving innovations throughout the wide variety of choices
3503 they offer in the marketplace, not just in the top-of-the-
3504 line or specialty products.

3505 Let me put some numbers to this. According to DoE,
3506 existing efficiency standards helped the typical U.S.
3507 household spend \$576 less on utility bills in 2024.
3508 Standards scheduled to take effect will boost annual savings
3509 to roughly \$700 per year for the typical family. That is
3510 real money, especially for families on tight budgets stressed
3511 by rising electricity prices.

3512 While some cite diminishing returns for certain
3513 products, the overall picture for future efficiency gains is
3514 promising. Technology innovation keeps opening new
3515 opportunities for cutting energy waste and saving families
3516 money. We estimate that stronger standards, which could be
3517 issued over the next decade or so, could lower family utility
3518 bills by another \$150 a year, driving total annual savings to
3519 about \$850 from this important energy saving and energy waste
3520 reduction program. And they could cut peak electricity
3521 demand by 32 gigawatts, 32 gigawatts. That is about the
3522 equivalent of 100 large power plants. We need that capacity.
3523 We can't afford not to go forward with improved efficiency.

3524 I want to take a moment to address some inaccurate
3525 claims we have heard in some of these conversations.

3526 First, some argue that applying standards restrict

3527 choice. Nothing could be further from the truth. Visit any
3528 big box appliance seller. They can look online. Buyers have
3529 a dizzying array of options, more than 11,000 refrigerator
3530 models on the market today, more than 1,400 models of clothes
3531 washers and dishwashers. Efficiency standards ensure that
3532 all of these choices, models at any available price point,
3533 include energy innovations that save people money.

3534 Second, some have suddenly started blaming efficiency
3535 for products that fail early. Now, there have always been
3536 lemons, and it is frustrating when products break before they
3537 should. But it is just not accurate to blame the efficiency
3538 standards. Rather, problems can be traced to manufacturers,
3539 some manufacturers who cut corners like using plastic parts
3540 rather than metal parts. In other cases manufacturers
3541 include features or gizmos, some of which consumers want,
3542 some of which they don't, that are unrelated to efficiency
3543 but are prone to failure.

3544 And finally, some manufacturers make it hard to fix
3545 their products by limiting access to diagnostic information
3546 and charging high prices for replacement parts.

3547 H.R. 4626 would severely weaken the appliance standards
3548 statute. It would hand the executive branch new powers to
3549 attack existing efficiency standards. It would weaken
3550 states' rights by blocking them from setting efficiency
3551 standards even when no Federal standards are applied. It

3552 would eliminate accountability for DoE to review standards
3553 from time to time. And it would set additional roadblocks
3554 designed to stymie future progress.

3555 Proponents of the bill claim it would protect consumer
3556 choices, but existing law already ensures that consumers have
3557 access to product features they value, and prohibits DoE from
3558 eliminating categories of products that use a particular fuel
3559 type like gas.

3560 So at a time when utility bills are already outpacing
3561 inflation, this bill would mean even higher costs for
3562 American families and businesses. It will lead to increases
3563 in electricity demand when that capacity is needed for AI and
3564 manufacturing, and it would create a treacherous regulatory
3565 landscape for domestic manufacturers, potentially allowing
3566 importers to undercut them after they have already invested
3567 to comply with pending standards.

3568 I urge you to reject this bill.

3569 In contrast, the weatherization bill before you is
3570 sorely needed. This program provides essential help to
3571 households struggling to stay safe and pay their energy
3572 bills. This bill would reauthorize the program and ensure
3573 that more homes can be made ready for weatherization
3574 improvements and have access to adequate resources to carry
3575 out upgrades.

3576 Thank you very much for the opportunity to testify

3577 today.

3578 [The prepared statement of Mr. deLaski follows:]

3579

3580 *****COMMITTEE INSERT*****

3581

3582 *Mr. Latta. Thank you very much.

3583 And Mr. Lowe, you are recognized for five minutes for
3584 your statement.

3585

3586 STATEMENT OF GEORGE LOWE

3587

3588 *Mr. Lowe. Chairman Latta, Ranking Member Castor,
3589 members of the committee, thank you for allowing me to
3590 testify today. I am George Lowe, vice president of
3591 government affairs and public policy _

3592 *Mr. Latta. I am sorry, could you pull your mike just a
3593 little bit closer up there, please? Thank you.

3594 *Mr. Lowe. _ vice president of public affairs and
3595 government policy at the American Gas Association.

3596 AGA, founded in 1918, represents more than 200 local
3597 energy companies that deliver clean, domestic, and reliable
3598 natural gas throughout the United States. More than 79
3599 million residential, commercial, and industrial natural gas
3600 customers in the U.S., 94 percent of which are our member
3601 companies, and more than 74 million homes in that receive
3602 their gas from AGA.

3603 Natural gas remains popular among consumers, with more
3604 than 1 new residential customer signing up every minute of
3605 every day, along with 60 businesses joining them. Nearly 189
3606 million Americans in total use natural gas because it is

3607 affordable, reliable, safe, and essential to improving our
3608 environment. A typical new home that uses natural gas for
3609 heating, cooking, and drying clothes saves an average of
3610 \$1,132 per year, compared to a home using electricity with
3611 those appliances. Lower fuel prices and investments in
3612 energy efficiency for customers within our 1.2 million miles
3613 of pipes continue to drive consumer savings.

3614 I am testifying today in support of legislation being
3615 considered, but I would be remiss if I didn't take this
3616 opportunity to correct the record of the role of natural gas
3617 utilities in energy efficiency and appliance standards.
3618 Natural gas utilities spend \$1.5 billion on energy efficiency
3619 programs every year, saving 1.7 million metric tons of
3620 carbon, the equivalent of removing 424,000 cars from the
3621 road.

3622 There are hundreds of natural gas utility energy
3623 efficiency programs across the United States providing
3624 guidance, funding for weatherization, technical assessments,
3625 training, and programs for equipment replacements and
3626 upgrades. These programs have resulted in a 50 percent
3627 decline in the residential natural gas use per customer since
3628 1970. Even as the system has grown steadily to support more
3629 customers, natural gas utilities' efforts to upgrade the
3630 nation's pipeline networks have driven a 70 percent decline
3631 in emissions from natural gas distribution systems since

3632 1990.

3633 Even before the United States Department of Energy was
3634 formed, AGA and its member companies supported and promoted
3635 minimum appliance efficiency requirements developed through a
3636 consensus process. AGA and the industry have played a
3637 positive and active role in supporting energy efficiency
3638 requirements for natural gas appliances and model codes for
3639 more than 50 years. This commitment is one of the many
3640 reasons why our utilities are serving more customers than
3641 ever before while using less natural gas to do it.

3642 Despite the broad support for natural gas, communities
3643 have been inundated with state, local, and Federal laws and
3644 regulations that prohibit or eliminate access to the direct
3645 use of natural gas. More than 100 communities in several
3646 states have enacted policies to prevent consumer access to
3647 gas or natural gas appliances.

3648 Current Federal appliance standards have been
3649 promulgated without sufficient cost or energy savings. In
3650 the last, DoE pushed model building codes that would
3651 effectively prohibit natural gas installation in new homes
3652 and commercial buildings. A 2007 law banning the use of
3653 fossil fuels in certain Federal facilities beginning in 2030
3654 _ these actions serve as a barrier to consumer access to
3655 natural gas and should be removed.

3656 Further, in recent years DoE has unfortunately shifted

3657 its emphasis away from establishing rules that focus on
3658 energy efficiency to a process focused on eliminating
3659 consumer access to gas appliances. This included an attempt
3660 to eliminate up to 96 percent of gas cooktops from the market
3661 that failed after public outcry. Other products were not so
3662 lucky. DoE then issued final rules to eliminate natural gas
3663 water heaters and furnaces from the market. This Congress,
3664 in a bipartisan fashion along with President Trump, had to
3665 step in and overturn that harmful water heater via a
3666 Congressional Review Act.

3667 The onerous furnace rule, unfortunately, is still in
3668 effect, and it will raise costs on 30 percent of impacted
3669 senior-only households and 20 percent of impacted low-income
3670 households. These actions illustrate the need for
3671 legislation to ensure that consumers are not harmed by
3672 regulatory actions, that the consumers have accessibility to
3673 a variety of appliances.

3674 Today's hearing features several pieces of legislation
3675 which will repair the broken efficiency rulemaking process,
3676 help ensure consumer choice, and enable the Federal
3677 Government to access reliable and affordable fuels. AGA
3678 supports swift passage of the bills to return our nation's
3679 energy markets and allow natural gas to continue to drive
3680 national economic growth, energy security, and affordability
3681 reliability for consumers and the government.

3682 Thank you again, and I look forward to your questions.

3683 [The prepared statement of Mr. Lowe follows:]

3684

3685 *****COMMITTEE INSERT*****

3686

3687 *Mr. Latta. Well, thank you. That concludes our
3688 witnesses' opening statements, and we will move into the
3689 question-and-answer portion of the hearing. I am going to
3690 begin with questions. I recognize myself for five minutes.

3691 Mr. Lowe, as we heard last week, everyone on this
3692 committee is supportive of balanced energy efficiency
3693 measures. Do natural gas restrictions reduce energy
3694 consumption?

3695 *Mr. Lowe. Do natural gas restrictions reduce energy
3696 consumption? No, I would say, in fact, in the case of
3697 section 433, it is likely to increase energy consumption for
3698 the Federal Government. The direct use of natural gas is
3699 about 91 percent efficient, and electricity is about 34
3700 percent. So you have that 34 percent line loss.

3701 Using direct use of natural gas into a Federal building
3702 is the most efficient use for it. It is also the most
3703 reliable way for that energy source to be delivered.

3704 *Mr. Latta. Well, thank you.

3705 Ms. Cleary, the look-back provisions in EPCA are a poor
3706 mechanism to initiate energy efficiency standards in home
3707 appliances, as you mentioned in your testimony. How
3708 difficult is the six-year timeline for a company's supply
3709 chain?

3710 *Ms. Cleary. Thank you for the question.

3711 Certainly, having the constant churn of regulations is

3712 challenging, but it is also challenging for DoE. Regardless
3713 of who is in the White House, what we have seen is that DoE
3714 rarely meets its deadlines. And this is not actually helpful
3715 toward efficiency savings either, because it means that the
3716 rules aren't getting done on the timeline that EPCA is
3717 setting forth. So that is why we are looking for changes to
3718 this provision, so that manufacturers will have the time that
3719 is needed, consumers will be able to retain choice, and DoE
3720 will be able to focus its efforts where there are
3721 opportunities for savings.

3722 *Mr. Latta. And are companies and consumers
3723 consistently able to realize benefits within that six-year
3724 period?

3725 *Ms. Cleary. The six-year period is actually the period
3726 during which DoE cannot look at additional changes. So it is
3727 actually a longer period that manufacturers do have and
3728 consumers have to realize those benefits.

3729 That said, that review is often taking place at a time
3730 before products that meet the standard before are on the
3731 market. So it is challenging for DoE to even know what those
3732 improvements were when they are setting the next round of
3733 standards. It is hard to know the impact on consumers when
3734 setting the next round of standards.

3735 *Mr. Latta. Okay, well, thank you very much.

3736 Mr. Tebbenkamp, in your testimony when you were talking

3737 about building codes, a couple of questions right off the
3738 bat. You know, when you were talking about especially the
3739 IECC is designed as a model for state and local governments
3740 to consider, how often are they really looking at the local
3741 _ you know, are we looking at a model that everyone in the
3742 country is supposed to live by? Or is it _ do they ever take
3743 into consideration what is happening out there in the real
3744 world, in the local communities?

3745 *Mr. Tebbenkamp. That is a great question, and the code
3746 book is about that thick, and it comes out every three years.
3747 So for a municipality to adopt that code every three years is
3748 _ it is just not possible. It takes time for stakeholders
3749 and everybody to review that, and analyze it, and see what is
3750 fit for their area and to amend or strengthen certain parts
3751 to make it work for their area.

3752 I think we can all agree that American families deserve
3753 safe, strong, and efficient homes, but we need a better
3754 pathway forward that gives local control, encourages
3755 innovation, and keeps homes within the reach of Americans.
3756 That is why, you know, I would urge Congress to let builders
3757 build and let local governments work together with their
3758 builders to make sure that those codes are accurate for their
3759 area, rather than have the Federal Government incentivize
3760 them to adopt something that is supposed to be a one-size-
3761 fits-all.

3762 *Mr. Latta. Yes, in my last 40 seconds, when you are
3763 talking about what happened in your _ in the Kansas City
3764 area, you know, you said that Kansas City has not received a
3765 single dollar from the Department of Energy for adopting the
3766 code, yet the local housing production has been _ or housing
3767 production has been severe. Is it also a situation out there
3768 _ and I have, like, about 20 _ about 15 seconds left _ is it
3769 another situation out there that it is harder for builders
3770 out there just to be able to understand what the code is, so
3771 they _ just to comply with it?

3772 *Mr. Tebbenkamp. I don't think it is understanding it,
3773 I think it is just there is so much complexity to it to make
3774 sure that you can comply with it. You can either go
3775 prescriptive or performance, and most go with a performance
3776 method to comply with that code.

3777 *Mr. Latta. Well, thank you very much. My time is
3778 expired, and I yield to the gentlelady _

3779 *Ms. Castor. Here we go.

3780 *Mr. Latta. _ the gentlelady from Florida, the ranking
3781 member of the subcommittee, for five minutes for questions.

3782 *Ms. Castor. Well, thank you, Mr. Chairman. Thank you
3783 to the witnesses for being here today.

3784 Preparing for this hearing I pulled up a Department of
3785 Energy report from the beginning of the year from one of our
3786 national laboratories, and they had looked at energy

3787 efficiency standards and said here by 2024 the improvement
3788 over the decades now is resulting in savings for the average
3789 household of about \$576 annually. So energy efficiency over
3790 time now has saved people a lot of money. It has also cut
3791 pollution. It has cut consumption.

3792 And we are really worried about consumption right now
3793 and demand. We know that all the projections are we are
3794 going to need more energy. So it is very important that we
3795 keep on track with conservation and savings that helps with
3796 people's _ the affordability squeeze, but also we are going
3797 to need more energy. And while the Administration has been,
3798 you know, killing all of these clean energy projects and all
3799 the clean energy coming onto the grid, let's hold on to our
3800 savings on energy efficiency.

3801 Mr. deLaski, will any of the Republican bills that have
3802 been noticed for today, will they help us meet rising load
3803 growth that is driven in part by AI data centers?

3804 *Mr. deLaski. Not to my understanding, no.

3805 *Ms. Castor. And we heard last week when we had a
3806 hearing that there are important tools to use all of this
3807 incredible innovation to connect buildings and smart systems
3808 that can reduce energy use during peak demand, and can be
3809 deployed very quickly over the next few months. Could you
3810 elaborate about _ on how these virtual or distributed power
3811 plants can help us meet our growth and load challenge?

3812 *Mr. deLaski. Yes, absolutely. Low growth is a huge
3813 challenge. ICF recently put out an analysis showing about 25
3814 percent growth by 2030, 78 percent by 2050. So we need to
3815 allocate all of our energy resources, including efficiency
3816 and a way to meet that demand.

3817 Innovative virtual and distributed power plants are an
3818 emerging tool to help us do just that. This is, of course,
3819 in addition to the baseline you get from efficiency standards
3820 and other efficiency policies. Just to give you a couple of
3821 examples, you know, would be like a home with an HVAC system
3822 being connected to a thermal energy storage solution,
3823 enabling that home to optimize how and when it pulls power
3824 from the grid throughout the day. Other relatively new
3825 solutions include HVAC systems that can respond to peak
3826 demand by adjusting how much power it uses without turning
3827 off the resident's heating or cooling. Then, of course, you
3828 have distributed solar and also storage solutions.

3829 Now, this is all voluntary, mind you. Consumers can opt
3830 in or opt out, but that is a value consumers can offer back
3831 to the grid and the _ and be paid for. So consumers can
3832 capture that value, and we as a country can meet our energy
3833 needs in a way that lowers costs for consumers rather than
3834 putting up new, expensive infrastructure.

3835 *Ms. Castor. That is right. Some of the discussion
3836 over appliances is really funny. There is a lot of nostalgia

3837 for kind of the old _ your old fridge or something. And
3838 there is this _ you know, it is so specific on your
3839 appliance, but there is something of a canard that has
3840 developed that it used to be appliances would last forever.

3841 Now, we have asked all of the products. The
3842 manufacturers have done a great job responding to consumer
3843 demand. I know there is often problems with your ice
3844 dispenser, but can you point to anything that demonstrates
3845 that energy efficiency standards are the cause, or are
3846 causing appliances not to last as long?

3847 *Mr. deLaski. No, I can't. There is no evidence that
3848 we are aware of that it is the efficiency standards that
3849 cause products to last less long. Certainly, it is
3850 frustrating when your products break, but to blame efficiency
3851 is just not accurate. There are other causes. There are
3852 other reasons why things might be breaking, and that has
3853 always been a problem.

3854 *Ms. Castor. It is that ice dispenser, the water
3855 dispenser on the front, often times.

3856 *Mr. deLaski. It tends to be those other gadgets, yes.

3857 *Ms. Castor. Yes, yes. Congress directed the
3858 Department of Energy to update energy usage in Federal
3859 buildings back in 2007 to ultimately save taxpayers money.
3860 So one piece of that Federal procurement is Energy Star and
3861 other products. DoE has estimated that energy-efficient

3862 project _ product purchases could save the Federal Government
3863 and taxpayers half a billion dollars' worth of energy each
3864 year. Can you elaborate on that? And why would we ever want
3865 to go backwards on those kind of savings?

3866 *Mr. deLaski. Absolutely. Buying efficient products in
3867 Federal facilities is a great way to save taxpayers money.
3868 Also, the Federal Government should be leading when it comes
3869 to energy efficiency. So it is money _ saving for the
3870 taxpayers, but also paving the way for consumers to have
3871 greater access to affordable, efficient products.

3872 *Ms. Castor. Thank you very much.

3873 I yield back.

3874 *Mr. Latta. Thank you. The gentlelady's time has
3875 expired and she yields back. The chair now recognizes the
3876 chair of the full committee for five minutes for questions.

3877 *The Chair. Thank you. I appreciate it very much, and
3878 agree with my friend from Florida. As you look at _ that we
3879 haven't really had an increase in demand of electricity over
3880 the last several years, it is because, one, that
3881 _unfortunately, I am not agreeing with her there _ is that we
3882 have deindustrialized to some extent, but the other is we got
3883 more efficient. Things have gotten more efficient with the
3884 use of electricity we have.

3885 Unfortunately, we have gotten to the area where demand
3886 is rising to the point where just pure squeezing out

3887 efficiencies aren't going to work. And, you know, one of the
3888 things I know we were talking about where people are more
3889 efficient at home, don't run your dryer at 2:00 in the
3890 afternoon in August, don't run _ you know, wash your clothes
3891 in the middle of the night. And a lot of people are doing
3892 that and being smart about it. And I know you have talked
3893 about there are optional items. People can do their _ have
3894 their house set up where they are _ like, if they are not
3895 home in the afternoon, the electricity goes off _ down
3896 automatically.

3897 We had a power company, a Glasgow power plant board in
3898 Kentucky, came up with this peak hour pricing because they
3899 wanted to get ahead of everybody else. And I remember asking
3900 a lady who was probably a Millennial saying, oh, this is
3901 great, I have everything on my phone, all my appliances. I
3902 watch my work. The problem was you had 92-year-olds sitting
3903 at home, turning their power off because they were afraid
3904 they were going to get caught on the peak power. So we have
3905 got to look at what is smart and what has unintended
3906 consequences and what you force people to do.

3907 You know, one of them, Mr. Lowe, is that, you know, we
3908 have _ we are getting rid of gas stoves, which means we are
3909 going to use more on the electric grid. I know gas powers
3910 the electric grid if you have a combined natural gas plant,
3911 but also gas is a substitute for electricity in stoves.

3912 Correct?

3913 *Mr. Lowe. That is correct.

3914 *The Chair. So _

3915 *Mr. Lowe. And right now about 40 percent of our
3916 electricity is generated from natural gas. It is _

3917 *The Chair. But if you are using the natural gas stove
3918 in your house, you are not drawing off the grid for that
3919 cooking purpose.

3920 *Mr. Lowe. Absolutely correct. And under the previous
3921 administration, you know, 90 percent _ 96 percent of stoves
3922 would have been eliminated for about \$1.21 savings per year,
3923 or about \$19 over the life of that stove.

3924 Another thing that they did in that was they took out a
3925 number of consumer-friendly pieces that people wanted. They
3926 wanted to have a grate over the stove; that was taken out.
3927 There is no energy efficiency savings in taking that out. It
3928 is much like the ranking member mentioned, you know, it is an
3929 added benefit but there is no energy savings in that by
3930 removing that. It was something to do to disincentivize
3931 folks from wanting to continue to have their gas stove.

3932 *The Chair. Thanks. Do you think that this _ a
3933 standard that effectively bans gas products in favor of
3934 electric products is a technically feasible standard? They
3935 have _ EPCA has to have a technically feasible standard, just
3936 _

3937 *Mr. Lowe. Absolutely not.

3938 *The Chair. _ because I am going to go to someone _ all
3939 right.

3940 Ms. Cleary, in order for consumers to realize both
3941 energy and cost savings, standards must prioritize reasonable
3942 payback periods. Do you agree that this aspect of DoE's
3943 Appliance Standard Program requires reform? Do you think
3944 that that allows for reasonable payback _ is a reasonable
3945 payback period?

3946 *Ms. Cleary. You are asking about today's?

3947 *The Chair. Yes, so the DoE's Appliance Standard
3948 Program, does it need reforms? Is it a reasonable payback
3949 period?

3950 I didn't ask that question well, I guess. But it
3951 requires a reasonable payback period, a period that _ do you
3952 think that the compliance standard gives you a reasonable
3953 payback period? Does it make sense?

3954 *Ms. Cleary. I will answer your question in a way that
3955 makes sense. How about that?

3956 *The Chair. Okay, yes.

3957 *Ms. Cleary. So I think _

3958 *The Chair. Perfect.

3959 *Ms. Cleary. I think you are asking if we have seen
3960 reasonable payback periods, and I think it depends on the
3961 product category. I think there are _ payback periods are

3962 starting to get longer in some cases, and really looking at
3963 the savings that consumers are seeing. For example, a
3964 microwave oven rulemaking under the last administration would
3965 have saved _ would _ is expected to save consumers \$0.07 a
3966 month. That is less than a dollar a year. And yet DoE was
3967 required to prioritize and review that rule when it could
3968 have been spending its time on opportunities for _ where
3969 there are real opportunities for savings that consumers could
3970 realize in a reasonable period of time.

3971 *The Chair. Okay, thanks. So I have got about a minute
3972 left.

3973 Mr. Tebbenkamp, you operate in both Kansas and Missouri.
3974 Could you talk about the difference in the two states, and
3975 how operating in the two states _

3976 *Mr. Tebbenkamp. So I operate in Missouri only.

3977 *The Chair. Oh.

3978 *Mr. Tebbenkamp. And in Kansas City, Missouri in
3979 particular is the big place that we work in.

3980 Since the 2021 code has been put into effect there,
3981 there has been ongoing debate on how long it takes for these
3982 efficiencies to pay back. And if you go back to the DoE
3983 report that was referenced earlier, you know, they show that
3984 payback in a couple of different ways. The simple payback
3985 method is the easiest, and it says "simple" in its name, yet
3986 it is the last one the DoE uses to show the consumer of how

3987 quick they can recoup their costs on you spend this much, you
3988 save this much on utility. It takes you, in our area, 8.3
3989 years to recoup the hard cost.

3990 The thing that DoE does with that is they take out other
3991 factors like financing that cost. They take all that away
3992 from it, and they give you that so it looks really good. But
3993 there are other methods they calculate _

3994 *The Chair. Yes, my time is expired on that. Thanks
3995 for _ we get your _ thank you for your answer. I appreciate
3996 it.

3997 *Mr. Latta. Thank you very much. The gentleman's time
3998 has expired and he yields back.

3999 And just to let everybody know, the gentleman from New
4000 Jersey will be our last before we have to go vote. They have
4001 called a vote and we have about 11 minutes left. And so the
4002 gentleman from New Jersey is recognized for five minutes.

4003 *Mr. Menendez. So I can use 11 minutes instead of 5?

4004 *Mr. Latta. Pardon me?

4005 *Mr. Menendez. I can use 11 minutes instead of 5?

4006 *Mr. Latta. No, you get five minutes.

4007 [Laughter.]

4008 *Mr. Menendez. Thank you, Chairman. Thank you all for
4009 being here today.

4010 I know the topic is appliances and building policies and
4011 how this impacts Americans' ability to purchase homes and

4012 deal with the affordability crisis that so many families are
4013 dealing with, and we hear about it every single day. I
4014 represent New Jersey's 8th congressional district. The
4015 affordability challenge is something that we have been trying
4016 to tackle from day one of taking office. But I think this is
4017 just misguided.

4018 Like, for instance, I think if you talk to the average
4019 American or any industry right now, whether it is appliance
4020 standards or tariffs that are raising costs and making home
4021 ownership less achievable, I think tariffs would take the
4022 day, not appliances and their energy efficiency standards.
4023 So I think we are sort of missing the bigger picture in how
4024 we are going to deal with this challenge, especially because
4025 the President and Republicans who control the House and the
4026 Senate have talked about affordability, and we are here
4027 talking about, in my opinion, a very niche issue in the
4028 spectrum of things that we need to deal with as a country.

4029 So, first question in terms of those bigger pictures,
4030 can any of our witnesses tell me what the current
4031 unemployment rate is in the United States?

4032 [No response.]

4033 *Mr. Menendez. Okay. So according to Reuters, the
4034 unemployment rate increased to a nearly 4-year high of 4.3
4035 percent. The Labor Department's employment report also
4036 showed that the economy lost jobs in June, and that job

4037 growth has slowed since April.

4038 Another big thing in terms of how people can address the
4039 affordability challenge is wages. Do any of our witnesses
4040 know what current wage trends look like in the United States?

4041 [No response.]

4042 *Mr. Menendez. Okay, 21 states and D.C. have no
4043 measurable change in household income, according to an
4044 Economic Policy Institute analysis of census data. Overall,
4045 economists agree that the most recent jobs report was weak,
4046 showing slowed growth and rising unemployment. Economists
4047 also agree that Trump's policies will undermine any recent
4048 progress, especially for low-income households.

4049 So let's say we have more choice on the appliance front.
4050 Wouldn't we need employment to be as high as possible and
4051 wage growth to be as high as possible to afford any
4052 appliances, given how prices have also increased because of
4053 tariffs? That seems to me to be a bigger issue that we have
4054 to tackle as a country.

4055 Also, no matter what appliances we have, we have seen
4056 energy prices go up, right? That is _ you have heard that,
4057 you have seen that trend. Yet this Administration is rolling
4058 back the progress that we made on clean, renewable energy.
4059 So my understanding of energy production and energy costs is
4060 that the more energy that we can produce, the better able we
4061 are to lower costs.

4062 Now, I have said this numerous times, and my colleagues,
4063 I am sure, are tired of hearing of it, but Texas _ right, not
4064 a _ doesn't come to mind as a blue state _ 30 percent of
4065 their energy production comes from clean, renewable energy.
4066 Texas, I believe, is one of two states where consumers have
4067 seen lower prices.

4068 So if we want to lower prices, we can talk about
4069 appliances _ by the way, I have a gas stove, so this idea
4070 that Democrats are taking away gas stoves and choice is just
4071 fundamentally flawed. Having more efficient appliances when
4072 we already have a strain on our energy demand seems like
4073 pretty good policy to me, but I digress.

4074 We have talked about reliability when it comes to
4075 planning for our energy needs. It is incredibly difficult to
4076 plan for the long term when there is such a stark policy
4077 contrast between administrations going back to the clean,
4078 renewable energy. Biden was for it. Trump is opposed to it.
4079 That is fine. Elections have consequences. But now we are
4080 rolling back all the progress that we have made. We are
4081 pulling permits on offshore wind that are already almost
4082 three-fourths of the way complete. It makes absolutely no
4083 sense.

4084 But going back to this idea of administrations and
4085 changing policies, Mr. deLaski, can you talk about what it
4086 means for the appliance industry when there are stark changes

4087 in standards between administrations?

4088 *Mr. deLaski. I think it can be a big problem. In
4089 fact, this Administration, the current Administration,
4090 proposed to roll back 17 standards and the _ and throughout
4091 that docket there is 30 comments from manufacturers and their
4092 associations opposing going backwards. So manufacturers, as
4093 far as we can see, don't support going back.

4094 *Mr. Menendez. As part of _ part of capital-intensive
4095 industry is planning and the ability to plan. And in a pro-
4096 growth, pro-economy agenda, you want capital-intensive
4097 industries to have the certainty that if one administration
4098 provides a set of tax credits, those will be honored by the
4099 next administration. You want predictability in what tariffs
4100 will be at any given moment, but that changes. That is a bad
4101 business environment.

4102 So when I think about the costs that all of our
4103 constituents are facing, I think about this erratic
4104 administration and how Republicans here in the legislative
4105 branch who could push back stay silent while all of our
4106 constituents are suffering. We need to take on the
4107 affordability challenge. Democrats are ready to, and I hope
4108 that one day Republicans join us.

4109 And with that I yield back.

4110 *Mr. Latta. Thank you. The gentleman yields back and,
4111 as I mentioned, votes have been called.

4112 So the subcommittee is going to reconvene immediately
4113 after the third vote is called. And if _ and we will also
4114 let the other subcommittee members know that. So the
4115 subcommittee is now in recess.

4116 [Recess.]

4117 *Mr. Latta. The subcommittee will come to order.

4118 [Pause.]

4119 *Mr. Weber. [Presiding.] Okay, thank you for being
4120 here. The chair recognizes himself for five minutes. You
4121 are all in your places with sunshiny faces. Good.

4122 Ms. Cleary, I am going to come to you first. You said
4123 in your comments that there is not much room for further
4124 decreases without sacrificing efficiency or performance.
4125 When you talk about those things, are you talking about
4126 household appliances? You are talking about the whole gamut
4127 from dishwashers to stoves to air conditioning to furnaces?

4128 *Ms. Cleary. Thanks for the question. I am talking
4129 about many home appliances.

4130 So many of the products that are under AHAM's scope have
4131 seen standards, you know, four, five, six, as many as seven
4132 tightening of standards for _ so for some of those products,
4133 if we are using technologies that are existing today, our
4134 concern is that future tightening of standards could have _

4135 *Mr. Weber. Okay.

4136 *Ms. Cleary. _ negative consequences.

4137 *Mr. Weber. Thank you. I wanted to clarify that.

4138 Mr. Tebbenkamp, is that how you say that?

4139 *Mr. Tebbenkamp. Yes.

4140 *Mr. Weber. You are a builder. I was an air
4141 conditioning contractor for 35 years. So you are building
4142 houses there in Kansas, if I read right.

4143 *Mr. Tebbenkamp. Kansas City, Missouri.

4144 *Mr. Weber. Oh, Missouri?

4145 *Mr. Tebbenkamp. Yes.

4146 *Mr. Weber. Kansas City, Missouri? Okay. So you are
4147 probably aware that the houses get a breaker box, the main
4148 breaker box outside. Now, I am 72 years old. My parents had
4149 a rental property growing up in the 1950s and 1960s. In
4150 fact, we still have rental property. You could have built an
4151 old house back then for _ with a 100-amp breaker on the
4152 system. Now they are 200 amp and more. So what does that do
4153 to the price of electricity, when you have to double the size
4154 of the electrical service?

4155 *Mr. Tebbenkamp. It adds to it. And, you know, the
4156 house I gave as an example earlier, we _ actually, the client
4157 wanted to do a lot of electric appliances in that home. Due
4158 to the size of the home _ they wanted to do an EV charger.
4159 In a 200-amp service there wasn't enough. And during that
4160 time there was an unavailability of 400-amp meters from our
4161 local utility, so we had to stick with 200. So they had to

4162 sacrifice doing that because they wanted to, but it all comes
4163 at a higher cost, obviously.

4164 *Mr. Weber. Sure. And you have watched, probably, the
4165 ratings _ you were involved in HVAC stuff, but the ratings on
4166 the furnaces, for example, AFUE ratings on the furnaces as
4167 they were increasing, going up because they wanted to have
4168 more and more fuel-efficient furnaces, but that did nothing
4169 but drive the price up. You had to have a separate venting
4170 system, now you have got PVC with a drip line. All the
4171 things that were mandated to be energy efficiency was doing
4172 nothing but driving the cost of the house up.

4173 I think you said _ and I am trying to read my hand
4174 scratch _ that _ I think that there was, like, \$2 savings per
4175 month per year.

4176 *Mr. Tebbenkamp. On that home it was \$2 over the course
4177 of the year.

4178 *Mr. Weber. Right.

4179 *Mr. Tebbenkamp. And one of those examples you just
4180 gave of the furnaces and the ratings on those, everybody
4181 knows about the new refrigerant change we just went through.
4182 That single change on most of our homes, depending on how
4183 many tons the system is, it is anywhere from 13 to \$1,700
4184 cost increase just for that refrigerant change, and that
4185 refrigerant change is _ it is supposed to be _ the equipment
4186 is supposed to be more efficient, it is supposed to be better

4187 for the environment. We are now having to install leak
4188 detection systems in the units because that refrigerant is
4189 mildly flammable.

4190 *Mr. Weber. Yes, we used to sell R22 _ I am sorry,
4191 folks, I am getting down in the weeds a little bit _ for \$8 a
4192 pound when I started my air conditioning company in 1981.
4193 And, of course, as you know, 22, then it was 410, 410A, and
4194 so there is a whole lot of refrigerant that went _ did
4195 nothing but go sky high. And who pays for that? The
4196 homeowner.

4197 Let me see, if I can _ was it you, Mr. Lowe? I think
4198 you said about _ it was 1,132 annual savings over electric.
4199 Now, let me make that distinction for our _ for the folks
4200 here, for the committee. A gas furnace is extremely more
4201 efficient than an electric furnace is because we already
4202 talked about having to double the size of the breaker box in
4203 your home. That also increases the size of the wiring. When
4204 you are running an electric furnace, partner, you better have
4205 probably anywhere from a 4-gauge to a 6-gauge feed to that
4206 thing, instead of a 12 gauge feed to a regular gas furnace.

4207 So I think you said that there was a 1,132 savings over
4208 electric if you had a furnace. Do I remember that correctly?

4209 *Mr. Tebbenkamp. That is correct, yes, if you are using
4210 gas appliances to heat your home _

4211 *Mr. Weber. Right.

4212 *Mr. Tebbenkamp. _ cook your food, take your showers.

4213 *Mr. Weber. And one thing we didn't say was during the
4214 winter time, if you had a gas _ you know, if you had a
4215 fireplace, as long as it was vented, the house was properly
4216 vented, you could lose your electricity and not have any
4217 heat, but you could have a gas fireplace that was providing
4218 heat.

4219 So my time is going to expire and Mr. Tonko, you are up
4220 for five minutes.

4221 *Mr. Tonko. Thank you, Mr. Chair. The Weatherization
4222 Assistance Program has helped millions of Americans reduce
4223 their energy bills over the past 50 years. It is a tried-
4224 and-true program that deserves our continued support.

4225 Mr. deLaski, there has been a lot of discussion at this
4226 hearing about rising utility bills and how many of our
4227 constituents are struggling with energy affordability. How
4228 important is it that the Weatherization Assistance Program
4229 provides some relief to low-income Americans?

4230 *Mr. deLaski. It is extremely important.

4231 *Mr. Tonko. It is obviously something worth addressing
4232 in a bipartisan fashion also.

4233 Mr. Lowe, I also want to acknowledge and thank AGA for
4234 supporting the Weatherization Assistance Program. Can you
4235 talk about why this program is important to your members'
4236 customers, and what is the value in supporting a fuel-neutral

4237 program like Weatherization?

4238 *Mr. Lowe. Well, I think there are several values in
4239 that, starting off with, you know, a lower-income family
4240 spending 16 to 18 percent of their income on energy bills
4241 because of a poor envelope of the house or less insulation,
4242 any of those things. Anything you can do to tighten the
4243 envelope means less money is being spent on the energy in
4244 that building, so incredibly important. We are very
4245 supportive of it, along with the LIHEAP program.

4246 *Mr. Tonko. Thank you. And I want to highlight a
4247 couple of important reforms included in the bipartisan H.R.
4248 1355 legislation, which, in addition to reauthorizing the
4249 program, will help ensure that we are maximizing the benefits
4250 of the program to our constituents.

4251 One of the biggest issues facing the program is that
4252 material and labor costs must be under an average-cost-per-
4253 dwelling unit limit which currently stands at about \$8,500.
4254 This limit has not kept pace with inflation, meaning there is
4255 a real risk that homes are receiving fewer weatherization
4256 measures than in the past. So Mr. deLaski, how would raising
4257 the average cost per unit, as proposed in H.R. 1355, improve
4258 not just the health of the weatherization program, but also
4259 the services it provides to our constituents?

4260 *Mr. deLaski. I think raising the limit is very
4261 important. It will help ensure that more homes can benefit,

4262 more homeowners can benefit from the Weatherization Program.
4263 It is essential.

4264 *Mr. Tonko. And the bill also formally authorizes the
4265 Weatherization Readiness Fund. Mr. deLaski, is it accurate
4266 that this program has existed at the Department of Energy for
4267 the past several years based on program direction and annual
4268 funding and appropriations bills?

4269 *Mr. deLaski. That is accurate, yes.

4270 *Mr. Tonko. So it is fair to say that H.R. 1315 _ 1355
4271 isn't proposing a new program. Is that correct?

4272 *Mr. deLaski. That is correct.

4273 *Mr. Tonko. We had some discussion about that earlier
4274 today.

4275 But this bill would formally authorize the program,
4276 which I believe is an important duty of this committee. So
4277 again, Mr. deLaski, why are these readiness dollars a
4278 valuable complement to the traditional Weatherization
4279 Assistance Program?

4280 And based on the experience of readiness funding from
4281 the past few years, have these dollars been proven to be
4282 effective at reducing the number of homes deferred for
4283 weatherization?

4284 *Mr. deLaski. You know, readiness dollars are essential
4285 for the program. If a home has rot, if it is _ if
4286 contractors can't enter the home safely, or if you have a

4287 hole in the roof or a mold problem, you have to remediate
4288 that problem before you can do, you know, proper
4289 weatherization. So the readiness program is essential for
4290 this program to reach those folks who really need it the
4291 most.

4292 *Mr. Tonko. And I assume there is a great number of
4293 homes that are ineligible without this sort of reform.

4294 *Mr. deLaski. That is accurate, yes.

4295 *Mr. Tonko. Okay. The Readiness Fund isn't intended to
4296 address a one-off issue, but to fix a systematic gap that is
4297 preventing many of the households most in need of
4298 weatherization from indeed participating in the program.
4299 With the many cost-of-living challenges facing Americans, it
4300 would be wise, I believe, for Congress to continue supporting
4301 this program to enable more eligible families to be able to
4302 live in healthier, safer, and weatherized homes with a much
4303 improved environment all around.

4304 So with that I thank you, Mr. Chair, and I yield back.

4305 *Mr. Weber. I thank the gentleman. The gentleman from
4306 Alabama is recognized for five minutes.

4307 *Mr. Palmer. Thank you, Mr. Chairman.

4308 This is for you, Mr. Lowe, Ms. Cleary, and Mr.
4309 Tebbenkamp. I want to go back to something that Mr. Weber
4310 was talking about, the Federal Mechanical Installation Act,
4311 some of the issues that he has raised with that. It is a

4312 bipartisan proposal to amend the National Energy Compensation
4313 Act to allow the installation of mechanical insulation as a
4314 means to improve energy and water efficiency in Federal
4315 buildings. It would not mandate the use of mechanical
4316 insulation or _ nor would it apply to privately-owned
4317 buildings. The purpose for this is to save taxpayer money to
4318 promote practical, cost-effective energy efficiency.

4319 Over the past week we have been discussing where
4320 efficiency standards may have missed the mark. With that in
4321 mind, can you speak to _ can you guys speak to how targeted
4322 industry-supported and achievable measures such as the one
4323 outlined in Mr. Weber's bill can and should be promoted?

4324 Mr. Tebbenkamp?

4325 *Mr. Tebbenkamp. Could you rephrase the question on
4326 exactly what you are asking us to address?

4327 *Mr. Palmer. Well, he is asking if we have a bipartisan
4328 bill, we have a consensus, doesn't it make sense to implement
4329 legislation like this that would allow us to have a standard
4330 for mechanical insulation for any new installations? Because
4331 over time it is going to save us a good bit of money.
4332 Doesn't that make sense?

4333 *Mr. Tebbenkamp. Yes. And again, that goes back to us,
4334 you know, being in favor of reasonable building codes. But
4335 there is a point at which, you know, putting too much in, you
4336 are putting more in than you are getting back. So setting a

4337 standard that works for whatever goal you are trying to
4338 achieve in different parts of the country, we support that.
4339 But trying to put something together that is a one-size-fits-
4340 all, that is _

4341 *Mr. Palmer. Well, that leads me to another question
4342 for you, and that is local conditions because, you know,
4343 weather is different in different parts of the country, and
4344 you have got to have some flexibility in your coding,
4345 wouldn't you?

4346 *Mr. Tebbenkamp. I agree. And so that is one of the
4347 biggest reasons why we have tried to educate lawmakers on the
4348 problems with the 2021 IECC. Again, it was put together as a
4349 model to allow local agencies and municipalities to set up
4350 their codes.

4351 When the Inflation Reduction Act put this grant out
4352 there, it basically said don't amend it, don't do anything,
4353 adopt it as is. Well, when that is done, that basically says
4354 that we can't make it fit for our area as we see _

4355 *Mr. Palmer. Now, Alabama is a little different than
4356 Minnesota.

4357 *Mr. Tebbenkamp. I agree. I agree, so that is the one
4358 reason that I would ask _

4359 *Mr. Palmer. Let me _

4360 *Mr. Tebbenkamp. _ that Congress, you know, let
4361 builders build and enact policies that reduce some of these

4362 burdens on us to be able to make what works in our area most
4363 efficiently.

4364 *Mr. Palmer. One of the issues I have is some of these
4365 codes trying to exclude natural gas. And I think your local
4366 codes, Federal codes, your international codes should include
4367 natural gas.

4368 I introduced and got passed a resolution, H.R. 20, to
4369 allow _ to overturn a Biden regulation that would have
4370 basically eliminated natural gas tankless condensing water
4371 heaters. And I mean, it is _ was going to cost a significant
4372 amount of money for about 40 percent of consumers.

4373 Mr. Novak, how can _ can you speak to _ not Novak, I am
4374 sorry, that was the previous one _ Mr. Lowe, can you speak to
4375 how the DoD (sic) is working to make sure that rules are
4376 submitted _ that _ how they ought to be making sure that
4377 these rules are submitted are for the benefit of the American
4378 people?

4379 *Mr. Lowe. Absolutely. Energy codes ought to be based
4380 on energy efficiency and the reductions around the energy
4381 efficiency. Energy efficiency does not equate to
4382 electrification. You can have energy savings through the
4383 process of codes. And like I have said, we have been very
4384 supportive for more than 50 years. In fact, the original
4385 voluntary standards that AGA and our members instituted
4386 around appliances were the ANSI standards that were then

4387 taken over by EPCA and the Department of Education when it
4388 was brought into existence. We have a long history of it.

4389 But when you are moving policy to eliminate a fuel
4390 source rather than remaining fuel neutral, that is where we
4391 have a problem, and that is where we will step up to defend
4392 the direct use of natural gas and ensure that Americans have
4393 that opportunity to have that fuel choice.

4394 *Mr. Palmer. Thank you, Mr. Lowe.

4395 Mr. Chairman, I would yield back.

4396 *Mr. Weber. Thank you. The chair now recognizes the
4397 gentleman from Georgia for five minutes.

4398 *Mr. Allen. Thank you, Chairman, and thank you for
4399 holding this important second panel with stakeholders to
4400 discuss appliance and building policy.

4401 As I mentioned during the first panel, I introduced the
4402 Don't Mess With My Home Appliances Act to modernize energy
4403 policy and conservation. EPCA, which is Energy Policy and
4404 Conservation Act, EPCA, to protect consumer choice in
4405 appliances _ and my wife is who really insisted on this
4406 because she has a new gas stove and she wants to keep it. In
4407 fact, I never thought in my wildest imagination I would
4408 testify on the House floor during a debate trying to save my
4409 wife's gas stove, but, you know, these are different times.

4410 The Biden-Harris Administration waged a four-year war on
4411 domestic energy and consumer choice, and American families

4412 have paid the price. This bill makes necessary reforms to
4413 EPCA to ensure no future administration can implement
4414 regulations to drive up costs for consumers. You know, back
4415 home in August the question I got is why does my _ replacing
4416 my air conditioning system cost three times more today than
4417 it did five years ago? That is what the American people are
4418 asking.

4419 Ms. Cleary, you said AHAM has been testifying since the
4420 early 2000s seeking EPCA reform. What are the top one or two
4421 most important reforms you would like to see accomplished?

4422 *Ms. Cleary. Well, we are thrilled that we are here
4423 today talking about this issue. Like I said, we have been
4424 wanting it for a long time, so thank you for initiating it
4425 with your bill. We really believe that, as your bill does,
4426 it is time to shift the focus at DoE from endless rulemaking
4427 cycles to meaningful energy savings. So that is the top
4428 priority, to do that, and your bill does that.

4429 We also support maintaining and strengthening Federal
4430 preemption because efficiency standards work best when they
4431 are on a national scale, so that is really important.

4432 And if I could put in a third one, we want to make sure
4433 that DoE is following EPCA so that it is not resulting in
4434 reduced choice to consumers.

4435 *Mr. Allen. Okay, thank you. I hope to get _ Mr. Lowe,
4436 my bill is aimed at ensuring that efficiency standards are

4437 economically justified with a payback period of three years.
4438 Can you explain how this provision would _ will ensure
4439 consumer affordability for appliances?

4440 *Mr. Lowe. Well, first of all, thank you for
4441 introducing the legislation. We look forward to working with
4442 you on it, and there are a couple of areas we would love to
4443 add to the bill, including the inclusion of some _ two
4444 product-class legislation. The previous administration tried
4445 to eliminate natural gas furnaces, condensing versus non-
4446 condensing. I would love to talk to your staff _

4447 *Mr. Allen. Right.

4448 *Mr. Lowe. _ about the opportunities there.

4449 *Mr. Allen. Yes, do that.

4450 *Mr. Lowe. The payback period is incredibly important.
4451 You know, it _ there were a number of times during the
4452 original furnace rule that DoE said a 900-year payback period
4453 was appropriate for a furnace. If I am in a house 900 years
4454 from now and that is still paying off, I will take my words
4455 back.

4456 *Mr. Allen. Yes, yes.

4457 *Mr. Lowe. But, you know, we have got to have
4458 reasonable payback periods _

4459 *Mr. Allen. Yes.

4460 *Mr. Lowe. _ for it to make sense _

4461 *Mr. Allen. Right.

4462 *Mr. Lowe. _ for the customer to purchase that model.

4463 *Mr. Allen. Yes, it sounds like they are talking about
4464 biblical times, Old Testament times there. And thank you for
4465 that because, yes, we are going to mark the bill up and amend
4466 it, so we need to get that information from you, and I
4467 appreciate that feedback. That is why we, by the way, why we
4468 have these hearings before we mark up a bill, so we can do
4469 this thing right from the bottom up, rather than the top down
4470 like we have seen the last four years before this
4471 Administration.

4472 Mr. Tebbenkamp, did I get that correct?

4473 *Mr. Tebbenkamp. Yes.

4474 *Mr. Allen. Close? Okay, Good. Thank you.

4475 Housing affordability is an issue for too many
4476 Americans, and we must focus on policies that expand housing
4477 accessibility. We have a big housing shortage in this
4478 country, and an affordability crisis. Obviously, it would
4479 help if interest rates _ hopefully they came down, I think,
4480 today or tomorrow, whenever the Fed meets.

4481 But, you know, things like the changes in transformers
4482 and things like that, we couldn't get transformers to
4483 develop. But can you share real quickly _ I got about 20
4484 seconds _ how energy efficiency standards that phase out
4485 natural gas appliances can impact the ability to build
4486 affordable homes?

4487 *Mr. Tebbenkamp. So you are asking me how that would _
4488 phasing out natural gas?

4489 *Mr. Allen. Right.

4490 *Mr. Tebbenkamp. The house I talked about earlier, the
4491 customer wanted to put an EV charger in it but he insisted on
4492 having dual electric water heaters.

4493 *Mr. Allen. Right.

4494 *Mr. Tebbenkamp. Because of the 200-amp total that we
4495 could have on the house at the time, that made that
4496 impossible. So we tried to get him to go with a high-
4497 performing direct-vent gas water heater so that he could do
4498 that.

4499 *Mr. Allen. Right.

4500 *Mr. Tebbenkamp. He didn't want to do that and put that
4501 cost in there, so _

4502 *Mr. Allen. Yes, the customer comes first, right?

4503 *Mr. Tebbenkamp. Yes.

4504 *Mr. Allen. I am out of time. I yield back, Mr.
4505 Chairman.

4506 *Mr. Weber. The gentleman yields back. The chair now
4507 recognizes Representative Balderson.

4508 *Mr. Balderson. Thank you, Mr. Chairman. Thank you all
4509 for being here this afternoon. I apologize for the running
4510 around. My first question is for Mr. Lowe.

4511 Section 433 of the Energy Independence and Security Act

4512 requires the elimination of on-site fossil fuel use from new
4513 and renovated buildings by 2030. As you note in your
4514 testimony, the Federal facilities such as hospitals, military
4515 housing, national labs, and computing facilities depend on
4516 on-site backup systems and direct-use fuels for resilience.
4517 Can you discuss the impact section 433 would have on these
4518 facilities, if left in place?

4519 *Mr. Lowe. It is impossible to achieve, first of all.
4520 You know, and I was a Senate staffer in 2007 when this
4521 passed, pre-shale revolution, before directional drilling and
4522 hydraulic fracturing became _ helped us become dominant in
4523 the gas space. And I think that there was a lot of hope and
4524 prayer behind that we would get to 2030 and have energy
4525 solutions that simply aren't there yet.

4526 It endangers our troops, it endangers our veterans. If
4527 you are going through cancer treatment in a hospital, you
4528 have got to have reliable generation and reliable backup
4529 generation. If we are suddenly taking away that reliability
4530 and going to less reliable sources, that is not what our
4531 veterans deserve, that is not what our troops deserve, that
4532 is not what the American taxpayer deserves. And the Biden
4533 Administration's own rule in 2024 showed that it was likely
4534 to produce another 200 _ or, I am sorry, 28 million MMBtu of
4535 fuel use in additional costs not only in energy, but in
4536 emission costs, as well.

4537 So while this rule may have been good intended in the
4538 beginning, in 2007, it has outlived its purpose. It has
4539 outlived its value and needs to be repealed.

4540 *Mr. Balderson. Thank you. Do you believe section
4541 433's ban on natural gas and fossil fuels _ you basically
4542 answered that.

4543 My follow-up to you would be _ is on the issue I raised
4544 during last week's subcommittee hearing. In your testimony
4545 you mentioned concerns with the previous administration's
4546 final rule on residential furnaces, which effectively bans
4547 non-condensing gas furnaces after 2028. Can you walk us
4548 through how this rule would increase costs for consumers and,
4549 specifically, how it would disproportionately impact seniors
4550 and low-income families?

4551 *Mr. Lowe. I appreciate the question, and the
4552 difference in this is condensing versus non-condensing. If
4553 you think about it, a traditional furnace that most people _
4554 probably 60 to 70 percent of the market right now _ have it
4555 vented out and it goes out your roof, goes out your chimney,
4556 goes out where it may be. Very good technology. A non-
4557 condensing furnace does not have that same attribute. It
4558 does not exhaust out the top. It has got to go out a side
4559 vent. So think of older, you know, Philadelphia, here in
4560 Washington, D.C., New York City, where you have row houses.
4561 You may be able to vent straight out the top right now. You

4562 can't vent out a neighbor's sidewall at all, and that becomes
4563 an issue. Cost also becomes an issue because you are re-
4564 piping the entire house, so you are looking at a couple of
4565 thousand dollars of additional cost around that.

4566 There are clearly two very separate products, should be
4567 treated very separately. The previous DoE viewed them as one
4568 product class as a way to eliminate what is 40 to 50 percent
4569 of the market today and is reliable and affordable,
4570 especially for those in low-income neighborhoods. They
4571 simply could not afford to replace it, if you are even
4572 allowed to by statute.

4573 *Mr. Balderson. Okay, thank you.

4574 Ms. Cleary, we have a minute left, but do _ I think many
4575 on this committee, myself included, have deep concerns that
4576 the efficiency standards proposed and finalized by the
4577 previous administration failed to meet EPCA's requirement
4578 that the standard is economically justified. Do you believe
4579 those efficiency standards finalized on home appliances were
4580 economically justified or cost effective?

4581 *Ms. Cleary. Well, certainly, DoE finalized those
4582 standards and made that determination. And I think our
4583 concern is making sure that all standards in the future are
4584 justified for consumers.

4585 *Mr. Balderson. Okay. Thank you very much.

4586 Mr. Chairman, I yield back.

4587 *Mr. Weber. The gentleman yields back. The chair now
4588 recognizes the gentleman from Massachusetts for five minutes.

4589 *Mr. Auchincloss. Thanks, Chair, and I appreciate the
4590 panel's testimony today. I want to talk about the
4591 manufactured housing bill.

4592 Housing is usually the single largest expense for
4593 American households, and I think the cost of housing is the
4594 single most pressing economic challenge in the United States
4595 today. We have got to build five million new units of
4596 housing over the next decade, and we are lagging behind. I
4597 think off-site construction of housing is a really important
4598 way to help deliver the units that we need, and I have seen
4599 firsthand in my district and also in speaking to developers
4600 and experts how much progress has been made on off-site
4601 construction. I know this has been an industry that has been
4602 doing this in some form for, like, 70, 80 years, but in the
4603 last decade there has been pretty significant progress, which
4604 is exciting to see.

4605 And so I understand the intent of the Affordable Housing
4606 Over Mandating Efficiency Standards Act. I am sort of
4607 concerned that the bill would take authority for manufactured
4608 housing energy standards away from Energy and grant it to
4609 HUD, because it doesn't _ it is not clear that HUD has the
4610 experience with energy standards. But I understand the
4611 intent of the bill. Can any of you speak to why we should

4612 assume that HUD can do this instead of Department of Energy?

4613 Mr. Tebbenkamp?

4614 *Mr. Tebbenkamp. Could you rephrase the question of
4615 what you are asking there?

4616 *Mr. Auchincloss. Well, so this bill, the Affordable
4617 Homes Act, it would repeal the authority for the Department
4618 of Energy to establish energy conservation standards for
4619 manufactured housing, and vest that authority solely with
4620 HUD, with Housing and Urban Development. And it looks like
4621 the intent here was that HUD previously had this authority,
4622 and I think in 2007 it was moved to the Department of Energy.
4623 And the standards since have gotten much tighter and more
4624 stringent.

4625 And I can totally believe that maybe the standards have
4626 inhibited the production of manufactured homes, which is a
4627 shame, we need more of it. But why would we, instead of
4628 telling Department of Energy maybe, you know, scope down the
4629 standards to a place that works, why would we give it to HUD,
4630 which probably doesn't really have the in-house expertise to
4631 do energy conservation standards?

4632 *Mr. Tebbenkamp. I don't know that I could answer that
4633 question for you, but I would be willing to try and find out.

4634 *Mr. Auchincloss. Anybody?

4635 *Mr. deLaski. I think it is accurate that the
4636 Department has the expertise when it comes to energy

4637 efficiency standards.

4638 *Mr. Auchincloss. That Energy Department does?

4639 *Mr. deLaski. Yes.

4640 *Mr. Auchincloss. Yes, but this bill is taking it from
4641 Department of Energy and giving it to HUD.

4642 [Pause.]

4643 *Mr. Auchincloss. Does the chair want to weigh in? It
4644 is a genuine question about the bill. I am serious. I want
4645 to vote for this bill, I just _ why would HUD know how to do
4646 this?

4647 *Mr. Weber. Restate your question.

4648 *Mr. Auchincloss. This bill, the Affordable Homes Act,
4649 it is actually Representative Houchin's, and, you know, maybe
4650 she can weigh in on it. But it would repeal the authority
4651 for the Department of Energy to establish energy conservation
4652 standards for manufactured housing and give it to HUD, the
4653 idea being that Department of Energy standards were too
4654 stringent, HUD will be more lax _

4655 *Mr. Weber. Yes _

4656 *Mr. Auchincloss. _ which I can _ I _ maybe they are
4657 too stringent and we should just pare them back, but why give
4658 it to HUD?

4659 *Mr. Weber. Well, I am not going to comment right now.
4660 I am going to ask that you direct your questions to the
4661 witnesses that we invited.

4662 *Mr. Auchincloss. Yes. None of the witnesses seemed to
4663 know either why we would give it to Energy _

4664 *Mr. Weber. Yes _

4665 *Mr. Auchincloss. _ or give it to HUD, rather.

4666 *Mr. Weber. Now, let me say this. Like she is saying,
4667 the committee staff can follow up with your staff.

4668 *Mr. Auchincloss. Okay.

4669 *Mr. Weber. But for right now, let's direct our
4670 attention to the witnesses.

4671 *Mr. Auchincloss. Okay. Well, I yield back.

4672 *Mr. Weber. The gentleman yields back. Mr. Langworthy,
4673 you are recognized for five minutes.

4674 *Mr. Langworthy. Thank you very much, Mr. Chairman. I
4675 want to begin by thanking the Energy Subcommittee for
4676 considering these two important bills in today's hearings,
4677 especially the Energy Choice Act and the Reliable Federal
4678 Infrastructure Act which I introduced earlier this year.
4679 These two bills are connected by a simple principle that
4680 protecting the freedom of Americans to make their own energy
4681 choices; and ensuring that the infrastructure we build is
4682 reliable, affordable, and resilient.

4683 In my home state of New York, families and businesses
4684 are being crushed under the weight of Albany's reckless
4685 energy mandates. Beginning January 1 of next year, a
4686 statewide ban on natural gas hookups in new construction goes

4687 into effect, the first of its kind in the entire nation.
4688 State leaders have declared war on natural gas and propane,
4689 stripping away consumer choice and driving up costs at a time
4690 that people can absolutely least afford it. These policies
4691 aren't just misguided, they are downright dangerous.

4692 During Winter Storm Elliot, more than 60 _ almost 70 _
4693 New Yorkers froze to death, many of which in their own homes
4694 when the power went out. If this mandate had been in place,
4695 forcing families to rely only on the electrical grid, we
4696 wouldn't have been looking at dozens of deaths, we would be
4697 into the hundreds, if not the thousands.

4698 Mr. Tebbenkamp, from your perspective as a homebuilder,
4699 what are the real-world consequences of forcing new homes to
4700 rely solely on electricity both for construction costs and
4701 for resident safety during power outages during extreme
4702 weather?

4703 *Mr. Tebbenkamp. I would say it is extremely dangerous.
4704 Going all-electric raises the cost and limits efficient
4705 heating in certain areas of the country. In the homes that
4706 we build, it was mentioned earlier, I mean, we put a
4707 fireplace in that runs on a D battery. So if there is no
4708 power in the house, they can put a D battery in there, and
4709 they can turn the fireplace on, and they can heat their house
4710 with gas during a power outage. As long as they light that
4711 one time, it will continue to produce heat.

4712 If they were completely reliant on electricity for their
4713 home, then as the house cools over a few days, then, I mean,
4714 there is nothing else they can do. And then you are going to
4715 see people probably doing things that are not the smartest in
4716 order to try and keep their families warm that will end up
4717 most likely costing families their lives.

4718 *Mr. Langworthy. Thank you very much. And at the same
4719 time, we have to take a hard look at how the Federal
4720 Government itself is approaching energy. We spend taxpayer
4721 dollars to maintain Federal buildings, and we can't waste
4722 these dollars building unreliable and inefficient
4723 infrastructure. Under section 433 of the Energy Independence
4724 and Security Act, Federal buildings are required to eliminate
4725 on-site fossil fuel use by 2030. It ties the hands of
4726 agencies, it drives up construction costs, and it is forcing
4727 the taxpayers to foot the bill for mandates that don't even
4728 guarantee lower emissions.

4729 The men and women who rely on VA hospitals, military
4730 bases, and research facilities, they deserve infrastructure
4731 that is reliable and affordable and not subject to the latest
4732 political fad. If anything, our Federal buildings should be
4733 leading by example and prioritizing resilience and
4734 affordability and predictability so they can continue their
4735 critical missions without disruption.

4736 Mr. Lowe, section 433 intends to ensure Federal

4737 Government buildings can run on clean energy. Can you tell
4738 us why AGA is concerned with section 433, and why we need the
4739 Reliable Federal Infrastructure Act?

4740 *Mr. Lowe. Thank you, Congressman, and thank you for
4741 your work around these issues. It is incredibly important.

4742 Let me say consumers, including the U.S. Government,
4743 should have choices when it comes to the energy they use and
4744 the best solutions that they have. What may be a solution
4745 for upstate New York may be very different in Florida. My
4746 home state of Alaska, I can tell you, building a Federal
4747 courthouse in Fairbanks, Alaska that uses just wind or solar
4748 may be a very difficult option to achieve, whereas having the
4749 gas line running down, having that right there, using it
4750 makes a lot of sense.

4751 We ought to have the flexibility as a Federal
4752 Government, just like every American should have the
4753 flexibility, to choose the fuel source that makes the most
4754 sense for them.

4755 *Mr. Langworthy. Thank you very much. And taken
4756 together, these two bills are putting Americans first.
4757 Whether it is giving families the freedom to choose how to
4758 heat their home or ensuring Federal projects are built
4759 reliably and resiliently, these bills reject costly mandates
4760 that put ideology over common sense. Energy policy should
4761 serve the people, keeping homes warm, people safe, businesses

4762 running, and critical infrastructure strong, not advancing
4763 woke political agendas.

4764 And with that, Mr. Chairman, I yield back.

4765 *Mr. Weber. The gentleman yields back. Seeing no other
4766 members, I want to thank the witnesses for being here today.

4767 Members may have additional written questions for you,
4768 and I will remind members that they have 10 business days to
4769 submit additional questions for the record, and I ask that
4770 the witnesses do their best to submit responses within 10
4771 days of receipt of those questions.

4772 I ask unanimous consent to insert in the record the
4773 documents included on the staff hearing documents list.

4774 Without objection, so ordered.

4775 [The information follows:]

4776

4777 *****COMMITTEE INSERT*****

4778

4779 *Mr. Weber. Without objection, the subcommittee is
4780 adjourned.

4781 [Whereupon, at 3:31 p.m., the subcommittee was
4782 adjourned.]