

Summary of House Committee on Energy and Commerce Subcommittee on Energy and Air Quality hearing on buildings and energy efficiency.

On Thursday, July 17th, the House Subcommittee on Energy and Air Quality held a hearing on “Climate Benefits of Improved Building Energy Efficiency”. Witnesses included representatives of Mr. David Rodgers, Deputy Assistant Secretary for Energy Efficiency in DOE, Mr. Brian J. McLean, Director, Office of Atmospheric Programs at EPA, Brad Heavner of Environment America, Matt Belcher representing the National Association of Home Builders (NAHB) , Mr. Richard Weiland, Chief Executive Officer, International Code Council and others.

The central point of disagreement among the witnesses and Subcommittee members was over creating new standardized national building codes for new buildings. Buildings represent 40% of total U.S. greenhouse gas emissions. Over 90% of these emissions come from older buildings, but new construction locks in additional inefficiencies going forward.

Mr. Belcher of the NAHB expressed concern that too much emphasis was being placed on construction of new buildings and homes and not enough on retrofitting existing structures. Several Subcommittee members joined him in concern that new national codes could have anti-competitive effects and hurt small business.

Mr. Heavner of Environment America countered that inefficiency in new structures is more easily addressed and perpetuates efficiency problems. He argued that state-by-state building codes create problems of economic leakage and a “race-to-the-bottom”, adding that enforcement of such codes should also be organized at the national level.

Much attention was directed toward the economic disconnect between builders and end-users of buildings. This represents a market failure due to inadequate communication of efficiency costs and many proposed solutions drew on experience with efficiency labeling on consumer electronics. Other proposals looked at financial techniques that, in various ways, incorporate energy costs into mortgage projections, as well as further educating building appraisers on energy efficiency issues. Finally, various efficiency tax credits were suggested, such as a tax credit for consumers to perform energy efficiency audits on their buildings. Ultimately, there seemed to be a strong sense among the members and witnesses that Congress should act to extend the renewable energy production tax credit as well.