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Chairman Latta, Ranking Member Castor, distinguished Members of the Committee, thank you for inviting me to share perspectives on the legislation being considered before you today. I am George Lowe, Vice President, Governmental Affairs and Public Policy for the American Gas Association.

AGA, founded in 1918, represents more than 200 local energy companies that deliver clean, domestic, and reliable natural gas throughout the United States. There are more than 79 million residential, commercial, and industrial natural gas customers in the U.S., of which 94 percent – more than 74 million customers – receive their gas from AGA members. Nearly 189 million Americans use natural gas because it is affordable, reliable, safe and essential to improving our environment.

Today, natural gas meets more than one-third of our nation's energy needs. AGA members recognize natural gas is the most reliable and affordable form of energy in the United States – it's our nation's strategic advantage. It is also an advantage for customers who use natural gas in their homes; a typical new household that uses natural gas for heating, cooking, and clothes drying saves an average of $1,132 per year compared to the same home using electricity for

those applications. The low cost of natural gas has saved families a total of $125 billion over 10 years. Lower fuel prices and investments in energy efficiency continue to drive consumer savings.

Natural gas utilities spend $1.5 billion on efficiency programs every year to save 1.7 million metric tons of carbon – the equivalent of removing 424,000 cars from the road. These efforts have resulted in a 50% decline in residential natural gas use on a per-customer basis since 1970. Even as the system has grown, natural gas utilities' efforts to upgrade the nation's pipeline network have driven a 70 percent decline in emissions from the natural gas distribution system since 1990.

According to an AGA survey of natural gas utilities with efficiency programs, 88 percent offer residential efficiency initiatives, 77 percent commercial, 68 percent low-income, 25 percent multi-family, and 9 percent have separate industrial efficiency offerings. During 2019, enrollments in natural gas efficiency programs reached more than 6.6 million residential consumers, over 380,000 low-income consumers, about 137,000 multi-family consumers, over 130,000 commercial consumers, and 41,000 separate industrial program consumers. Energy-efficient technologies and programs play a foundational role in creating a more reliable, affordable and sustainable energy system for the United States, and natural gas has played a critical role in forwarding this mission.

Despite the very broad, popular support for natural gas, consumers have been inundated with state, local, and federal laws and regulations that prohibit or eliminate their access to the direct use of natural gas. More than 100 communities and several states have enacted policies to prevent consumer access to natural gas service and gas appliances. Federal appliance standards have been promulgated without sufficient cost or energy savings. And the last Department of

Energy ("DOE" or the "Department") pushed model building codes that would effectively prohibit natural gas installation in new homes and commercial buildings. A 2007 law bans the use of fossil fuels at certain federal facilities beginning in 2030. These actions serve as barriers to consumer access to natural gas and should be removed. Unfortunately, in recent years, the Department has moved away from the core principles of setting efficiency standards that were economically justified and technologically feasible to a process focused on eliminating consumer access to efficient natural gas appliances.

For example, DOE initially proposed a rule that would have eliminated 50-96% of gas cooktops from the market. Thankfully, DOE changed course after public outcry. Other products were not so lucky. For example, DOE issued a rule that would have eliminated a popular natural gas water heater that is made in Georgia. Congress and the President had to step in and overturn the rule via the Congressional Review Act. As winter approaches, it is also important to highlight that DOE issued a furnace rule that eliminates the only suitable natural gas furnace for many households and that raises costs on 30% of impacted senior-only households and 26% of impacted low-income households. These actions illustrate the need for legislation to ensure that consumers are not harmed by such regulatory actions and have access to a variety of appliances.

Building codes are another mechanism being used to restrict energy choice. AGA and the industry have played a positive and active role in supporting the cost-effective improvement in efficiency requirements for natural gas appliances and model building codes for 50 years. AGA continues to support fuel-neutral, technologically feasible building codes, and AGA encourages Congress to provide much-needed oversight to the codes-making process. The process has become manipulated by special interest groups and strayed from its core mission of improving energy efficiency in favor of picking winners and losers. AGA continues to support fuel-neutral

building codes and encourages Congress to provide much-needed oversight to the codes-making process, which has also become a tool for eliminating natural gas hookups in buildings.

During the 2024 IECC code development process, DOE staff made proposals to require electric vehicle charging and electric-ready equipment. These provisions would add substantial costs for compliance, impact affordability, provide no measurable improvement to the building's energy efficiency, encourage all-electric applications, and discourage natural gas use.

These are but a few examples of attempts to limit access to natural gas. Legislative action is needed to quickly remedy attempts to limit access to natural gas and natural gas-fired appliances.

EPCA Reform Is Long Overdue

AGA has long supported the creation and implementation of cost-effective, fuel-neutral efficiency standards for appliances, efforts that predate the creation of DOE. For decades, the gas industry has played a positive and active role in supporting efficiency requirements for natural gas appliances. For example:

- Decades before the Department was formed and its predecessor, the Federal Energy Administration, came into being in the 1970s, AGA and its members supported and promoted minimum efficiency requirements for most natural gas appliances through voluntary standards developed through the consensus process accredited by the American National Standards Institute ("ANSI").
- The ANSI-accredited standards committees that developed and maintained the voluntary standards for gas appliances comprised a broad cross-section of representatives from various private and public entities, including consumers, manufacturers, utilities, installers, governmental, testing laboratories, *etc*. AGA was the Secretariat of the ANSI-accredited

standards that oversaw the standards development process and complied with the stringent standards development procedures required by ANSI, including provisions that required an open and transparent standards development process.

- Most ANSI-accredited safety and performance standards for natural gas appliances historically included a minimum efficiency requirement that the appliances had to meet to comply. For example, the minimum efficiency requirement for natural gas furnaces was a 75 percent thermal minimum efficiency-based level (referred to as a flue loss) based on an energy output over energy input measurement. In addition, there was a requirement for consumer furnaces, that the heat loss transmitted from the unit's cabinet, referred to as a "jacket loss," not exceed 5 percent.
- Detailed test methods for measuring and confirming these efficiency requirements were included in the ANSI-accredited standards. In the case of natural gas furnaces, products could not be listed as being designed certified to meet these efficiency requirements until the furnaces were tested by an independent third-party testing agency verifying compliance by actual tests.
- Gas appliances that met the ANSI-accredited standards requirements were permitted to include a seal of design certification approval and a listing in the third-party certification testing laboratories directory identifying that the model has met the ANSI-accredited standards provisions. The third-party testing laboratories, including at that time the AGA Laboratory, included an annual follow-up testing program that randomly tested models from manufacturers' inventories or in the market to verify compliance with the applicable ANSI standard.

- Many states, local jurisdictions, military specifications, *etc.*, required that gas appliances bought or installed be in compliance with the ANSI-accredited standards with verification by label or listing from an independent third-party testing agency.

Energy Policy Conservation Act ("EPCA") was amended by the passage of National Appliance Energy Conservation Act of 1987 to include federally mandated minimum efficiency requirements for gas appliances; the efficiency requirements were phased out of the ANSI-accredited standards for natural gas appliances because of the legislation. However, the support for energy efficiency by the natural gas industry did not end there. Efficiency test methods developed by the National Bureau of Standards ("NBS"), now known as the National Institute of Standards and Technology ("NIST"), took the test methods from the ANSI-accredited standards for natural gas appliances and incorporated and expanded the efficiency measurement to an annual efficiency measurement that is still incorporated in most DOE federal test methods in place today.

It is also important to note that the efficiency requirements and certification programs outlined above were all voluntary. The costs to conduct the programs were borne by the natural gas industry and appliance manufacturers and absorbed by the industries involved. No federal funds were used in support of the programs. History demonstrates that the natural gas industry supports appliance efficiency requirements.

Unfortunately, in recent years, DOE has utilized various methods to shift the purpose of the energy efficiency rulemaking process away from the plain meaning of EPCA and the statute's overall intent in a way that harms consumers, particularly those in low-income and senior households.

DOE's energy efficiency rulemaking process should be fuel-neutral and should not harm any customers by eliminating choice and increasing costs. Congress should codify a revised process for setting appliance standards that returns the program to focusing on energy efficiency while maintaining access to a variety of efficient products of differing fuel types. Consumers should be able to have access to the type of appliance of their choice and not have DOE remove such choices from the market. DOE should also make sure its processes are transparent and allow stakeholder access to all underlying data and models.

EPCA protects consumer choice by ensuring energy conservation standards are not likely to result in the unavailability of any covered product type (or class) of performance characteristics currently available to consumers. Despite this, in the past, DOE used the appliance efficiency standards process to eliminate consumer access to efficient natural gas appliances. For example, several DOE advanced proceedings, programs, and funding opportunities that threatened consumer choice:

- **Consumer Furnaces** – A final rule illegally eliminating efficient fuel gas-fired non-condensing furnaces from the market. This matter is currently under court review.
- **Commercial Water Heating Equipment** – A final rule illegally eliminating efficient fuel gas-fired non-condensing commercial water heaters from the market. This matter is currently under court review.
- **Interpretive Rule on Furnaces and Water Heaters** – A final interpretive rule issued by DOE detailing, *inter alia*, the rationale for the agency's ability to eliminate fuel gas-fired natural gas products from the market. This matter is currently under court review.

- **Consumer Water Heaters** – A final rule was issued in December 2024 that illegally eliminated certain efficient fuel gas-fired instantaneous water heaters from the market. This rule was ultimately rescinded via a Congressional Review Act resolution, and, as such, was recently withdrawn by the Department.
- **Cooking Products** – A direct final rule was issued in August 2024 that would remove a limited number of gas and propane cooktops from the market but would only result in *de minimis* energy savings.
- **Consumer Boilers** – DOE issued a notice of proposed rulemaking in 2023 that would have eliminated efficient fuel gas-fired boilers from the market. A withdrawal of this proposal was published on January 17, 2025. Nevertheless, the proposal to remove boilers from the market in violation of EPCA was concerning.
- **Miscellaneous Gas Products** – In 2022, DOE issued a determination that would have inappropriately expanded DOE's control over various fuel gas-fired products, such as vented gas log sets, indoor vented decorative hearth products, outdoor decorative hearth products, and outdoor patio heaters, in violation of EPCA. In May 2025, DOE rightfully withdrew its prior determination.
- **Commercial Packaged Boilers** – The court vacated DOE's illegal rule related to commercial packaged boilers, and the matter is now pending at DOE.
- **Consumer Pool Heaters** – DOE issued a final rule that eliminates certain fuel gas-fired pool heaters from the market.
- **National Definition of a Zero-Emissions Building** – This guidance issuance would prohibit the onsite combustion of fuels in future building construction. The definition, intended to provide industry guidance to support new buildings moving toward zero emissions, rules out

the use of natural gas or propane with carbon capture and other low or zero-carbon fuels, including renewable natural gas, hydrogen, and other biofuels, in any building codes that adopt DOE's definition of zero emissions.

- **National Blueprint for Building Decarbonization** – The emissions reduction pathways do not contemplate the role the direct use of natural gas and other fuels can play in decarbonization, focusing only on electrifying space and water heating.
- **Technical Assistance for the Adoption of Building Energy Codes** – Funds awarded to promote the adoption of new building energy codes are based on a methodology that unfairly biases against the direct use of natural gas.

Previously, DOE has utilized various methods to shift the purpose of the energy efficiency rulemaking process away from the plain meaning of EPCA and the statute's overall intent in a way that harms consumers.

AGA has raised various issues related to consumer choice in comments to DOE, such as with DOE's furnace rule, which is one of the most harmful rules issued by the Department. On December 18, 2023, DOE published a final rule that will, beginning in winter 2028, eliminate from the market a common type of natural gas or propane furnace that is currently in millions of homes and accounts for a large percentage of the furnaces that consumers choose to purchase. The final rule will cause homeowners to shift from efficient non-condensing natural gas and propane furnaces to electric heat sources, according to DOE's own analysis. This clearly demonstrates how DOE's rule is not fuel-neutral and incentivizes fuel switching. The final rule renders illegal a type of furnace that equates to approximately 40-60% of the furnaces shipped to

consumers annually. AGA believes that this rule is in violation of EPCA and, along with others, challenged the rule and two other related issuances in federal court. The court case is currently pending, and a decision is forthcoming.

A similar issue occurred concerning instantaneous natural gas and propane water heaters when, on December 26, 2024, the Department issued a rule that eliminated efficient non-condensing natural gas instantaneous water heaters from the market. This rule was later rescinded via a bipartisan Congressional Review Act resolution. While Congressional Review Act resolutions are a helpful backstop for bad regulations, AGA and our members would far prefer to modernize EPCA and codify a process that prevents the need to pursue a CRA and the related consumer and regulatory uncertainty that results from the current rulemaking process.

AGA supports efforts to reform EPCA, such as Representative Rick Allen's Don't Mess With My Home Appliances Act. AGA has several priorities for EPCA reform, which would help return it to its original intent to provide fuel-neutral energy and cost savings to consumers. AGA looks forward to working with Congress and Representative Allen to forward EPCA reform with these principles in mind:

Bring Transparency and Effectiveness to Rulemaking Processes

- Establish a mandatory requirement that DOE publish final test procedures for appliances at least 180 days before initiating a minimum efficiency standard rulemaking for the same appliance.

- Direct DOE to use full-fuel-cycle energy calculations in calculating the efficiency descriptor for appliances consistent with its 2011 Policy Statement.
- Eliminate or modify EPCA's mandatory 6-year review of energy conservation standards to reduce regulatory burdens, free up resources for innovation, and align with other regulatory frameworks. This could be achieved by repealing 42 U.S.C. §6295(m) while retaining key provisions, limiting the number of mandatory reviews, extending review timelines, or adjusting the review trigger to prevent overly frequent rulemaking cycles.

Ensure Meaningful Energy and Consumer Savings

- Clarify and simplify the definition of "economically justified" and decrease the complexity of the analysis used to determine if a proposed standard meets the definition. AGA proposes a payback period no longer than half the anticipated life of the appliance as a standard for "economically justified".
- Ensure analysis gives appropriate credit for direct use of gas and efficiency savings and ensure calculations for efficiency savings capture the percentage of electricity loss as compared to natural gas or other direct fuel use.
- Require the appliance energy regulations (gas, electric, or oil) that DOE meet a specified payback period before proposing a minimum efficiency requirement for the covered product.
- Establish a minimum energy savings threshold for new or revised efficiency standards.
- An EPCA reform bill should continue this principle and strengthen it such that DOE is not required to increase efficiency on any product where it is not deemed necessary or productive.

End Serial Rulemakings

- While DOE must evaluate any need to change a minimum efficiency requirement on a regulated product or component within the legislated time frame, DOE is not obligated to change to increase the requirement. If it determines there is no need to do so, this fully complies with DOE's requirement under the law.
- Clarify that DOE must evaluate current standards before increasing their stringency rather than simply evaluating whether further increases in efficiency are technically feasible.
- Require DOE to conduct a retrospective review of an appliance's prior efficiency standard rulemaking before initiating a new rulemaking for the same product.

Require Fuel Neutrality

- When DOE evaluates whether a new or revised appliance standard is economically justified, it must not count any energy or cost savings that come solely from consumers switching from one fuel type to another as part of the benefits of that standard. In other words, a standard for gas appliances cannot be justified by the assumption that consumers will switch to electricity and realize savings.
- Any analysis of new or revised appliance standards must fully account for potential negative consumer impacts, including higher conversion or installation costs, reduced product availability, and other economic hardships if the standard forces or incentivizes fuel or product switching. While fuel-switching benefits cannot be used as a justification for a standard, the analysis must include both the cost of switching appliances and the full life-cycle fuel cost. This approach ensures that consumers receive a complete and accurate

assessment of the economic trade-offs associated with appliance choices, maintaining fuel neutrality while preventing undue burdens.

Maintain Consumer Access to Appliances

- Clarify the "unavailability" provisions of EPCA to ensure DOE does not have the ability to eliminate appliances from the market through the rulemaking process.
- There should be a limit on any expansion of coverage to only those narrow circumstances that satisfy the statutory requirements and purpose of EPCA.
- There should be statutory language requiring DOE to treat condensing and non-condensing products as two separate product classes because condensing/non-condensing technology and related venting constitute a performance-related feature under EPCA.

Modifying EPCA will return it to its core purpose of saving consumers money and energy while maintaining access to efficient appliances of varying fuel types while also recognizing technological limitations to increased efficiency and diminishing gains from serialized efficiency rulemakings.

Energy Choice

AGA believes that all consumers deserve to make choices when it comes to meeting their unique energy needs. Consumer energy choice preserves access to safe, clean, affordable energy resources including natural gas that offer a sustainable pathway to the shared goal of reducing emissions while maintaining the affordability, reliability and quality of life Americans are proud to enjoy. This is a right currently codified in 27 states. Fuel choice legislation preserves access to natural gas in homes and businesses in states that have enacted it across America. Nebraska

Maine, Idaho, Montana, North Dakota, South Dakota, Wyoming, Utah, Arizona, Kansas, Oklahoma, Texas, Iowa, Missouri, Arkansas, Louisiana, Indiana, Ohio, West Virginia, New Hampshire, Kentucky, Tennessee, North Carolina, Mississippi, Alabama, Georgia, and Florida. Every state to pass fuel choice legislation has done so in a bipartisan manner and four Democratic Governors have signed fuel choice legislation into law. Codifying fuel choice federally would further this effort and end a patchwork approach to fuel legislation limiting consumer choice and leading to confusion with a patchwork of laws, codes, and regulations attempting to limit access to natural gas.

AGA believes the right to fuel choice extends to industrial customers and even to the federal government. For this reason, AGA supports H.R. 4690, The Reliable Federal Infrastructure Act. The Reliable Federal Infrastructure Act ensures the federal government has access to the fuels needed for clean, reliable, and affordable energy. This bill overturns the Energy Independence and Security Act of 2007's Section 433, which requires the elimination of on-site fossil fuel use from new and renovated federal facilities beginning in 2030 with phasedown targets as steep as 90% beginning in 2025. Section 433 was signed into law in 2007 before the United States shale boom that has seen year-over-year records of natural gas production. When signed into law in 2007, a 2030 timeline was far off and it may have seemed feasible to do as the bill required, which was to reduce "fossil fuel-generated energy consumption" by 100% by 2030. No action was taken on enforcing Section 433 until DOE issued an implementation rule in 2024. In fact, all previous phasedown timelines have been ignored and the rule issued in 2024 goes against the original statute by requiring only elimination of on-site fossil fuel use rather than elimination of fossil fuel-generated energy. Federal facilities such as hospitals, courthouses, military housing,

national labs and computing facilities often depend on on-site backup systems and direct-use fuels for resilience. Section 433 sacrifices this resilience, increases costs, and eliminates fuel choice in pursuit of electrification rather than allowing a fuel-neutral approach to federal building performance standards.

This approach mandates fuel choice (all-electric) rather than allowing agencies to meet emissions or efficiency goals through a mix of strategies and eliminates flexibility to use lower-carbon fuels (like renewable natural gas, hydrogen blends, or efficient natural gas systems) that could achieve the same or greater emission reductions. In fact, according to DOE's own analysis of the Clean Energy for New Federal Buildings and Major Renovations of Federal Buildings rule, the rule would *increase* overall energy consumption and likely greenhouse gas emissions. The federal building energy standards in this final rule are projected to result in an estimated national increase in energy use of 29,000,000 MMBtu.

The Clean Energy for New and Renovated Federal Facilities rule lacked a complete analysis. As part of this rule, DOE failed to assess whether the proposal will negatively impact utilities that serve federal buildings. Such an analysis quantifies and evaluates the marginal impacts on gas utility costs and revenues of a reduction in gas deliveries due to the proposal. In addition to its analysis of impacts on gas distribution utilities, DOE should have analyzed whether its proposal would have adverse impacts on retail natural gas consumers.

DOE should have also analyzed the impact of the proposal on existing service agreements that federal facilities have entered into. For example, DOE should have analyzed whether federal

buildings would have to breach contracts or if energy infrastructure would be stranded to effectuate the proposal, all of which will impact costs to the federal government and ratepayers in the area. These missing analyses are particularly important in the context of this rule because many federal buildings are located in communities that are sensitive to utility cost impacts, including low-income and rural communities.

Further, buildings can lead to additional infrastructure costs if it becomes necessary to add additional generation capacity, electric transmission, and distribution infrastructure to meet new peaks in demand. DOE failed to address how the fuel switching from natural gas end-use equipment to electricity would significantly impact the peak day electric demand and the infrastructure requirements to serve the new peak day demand. Furthermore, the need for a significant build-out of the electric grid has not been fully considered or addressed in the electric rate forecast that the Department used in the rule. Moreover, DOE has not recognized the cost impacts for those federal facilities that are exempted from the rule due to resilience needs that will still rely on natural gas service. If federal buildings are forced to fuel switch, the cost of maintaining a safe and resilient natural gas system will shift to other customers, which was not fully considered by DOE.

The underlying statute needs to be repealed as soon as possible. Section 433 does not account for broader mission-critical reliability needs where natural gas and other fuels provide security during outages, nor does it account for ways natural gas and related fuels reduce emissions and save taxpayer money.

AGA Supports Weatherization

The Weatherization Assistance Program ("WAP") provides eligible Americans with resources to reduce energy consumption through deploying energy efficiency measures, including home insulation, space-heating equipment, repair of air leakage and water heaters. In addition, WAP is also vital to improving the health and safety of homes, all while supporting economic stability for vulnerable populations. The Department's formula grant program, which was first established in 1976, sends funding to state governments/territories and then to local governments and weatherization agencies, where it is then distributed to eligible families at or below the 200% poverty income threshold.

Low-income households carry a significant energy cost burden with 13.9% of total annual income spent on energy expenses compared to 3.0% for average households. Low-income households often choose between spending money on health care, medicine, groceries and childcare or their energy bills. WAP is essential for helping low-income families reduce their energy consumption, reduce energy costs and maintain an energy-efficient home. In addition to lowering annual consumer energy costs, WAP helps reduce arrearages and the costs associated with disconnecting and reconnecting customers. Overall, this program helps ensure that low-income customers achieve energy savings which in turn reduces the strain on federal (and state) energy assistance programs like the Low-Income Energy Assistance Program ("LIHEAP"). Future funding will be directed towards low-income households to help install energy-efficient materials, make energy repairs and enhance competitive grant funding opportunities for WAP's Enhancement and Innovation, Sustainable Energy Resources for Consumers, and Community Scale Pilot Program subprograms. These competitive grants help combine multiple funding

streams, which will help low-income communities and harness opportunities for emerging clean energy technologies such as combined heat and power and gas heat pumps.

The Weatherization Enhancement and Readiness Act of 2025 (H.R. 1355) takes important steps to not only reauthorize the program but also modernize the Weatherization Assistance Program by raising the average cost per unit to $12,000 and reducing barriers to leverage other funding sources. Most importantly, it authorizes the Weatherization Readiness Program, with $50 million annually through FY2030, to help families address structural or environmental hazards that currently prevent them from accessing WAP. AGA emphasizes the importance of reauthorizing WAP and ensuring the readiness program is fully implemented so families can live in safe, efficient homes.

Conclusion

In conclusion, AGA and the natural gas utility industry have long supported improved energy efficiency through appliance standards that are technically feasible and economically justified, fuel-neutral building codes, consumer choices for energy, and efficiency and weatherization programs. Unfortunately, DOE has utilized various methods to shift the purpose of the appliance standard rulemaking process away from the plain meaning of EPCA and the statute's overall intent in a way that harms consumers. DOE has in the past supported model building codes that would effectively prohibit natural gas installation in new homes and commercial buildings. And DOE promulgated rules that would ban natural gas in new and renovated buildings. Simultaneously, over 100 states and localities have enacted policies limiting consumer choice.

AGA calls on Congress to modernize the Energy Policy and Conservation Act, repeal Section 433, and protect consumer fuel choice while continuing to fund vital weatherization programs. Natural gas remains a cornerstone of affordability, reliability, and sustainability for American families and businesses, and policy must reflect these realities rather than undermine them.