

AFFORDABLE AIR CONDITIONING ACT

APRIL 10, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mrs. RODGERS of Washington, from the Committee on Energy and Commerce, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 7626]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 7626) to prohibit the Secretary of Energy from prescribing or enforcing energy conservation standards for room air conditioners that are not cost-effective or technologically feasible, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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PURPOSE AND SUMMARY

H.R. 7626, the “Affordable Air Conditioning Act” was introduced by Representative Crenshaw (R–TX) on March 12, 2024. The legislation would prohibit the Secretary of Energy from prescribing or enforcing energy efficiency standards for a room air conditioner that are not technologically feasible and economically justified, that are likely to result in additional net costs to consumers, or that are not likely to result in a significant conservation of energy.

BACKGROUND AND NEED FOR LEGISLATION

Congress enacted the Energy Policy and Conservation Act (EPCA) in 1975 with the goal of increasing domestic energy production and supply, reducing demand, encouraging more efficient use of energy, and to improve energy security.¹ EPCA authorized the Department of Energy’s (DOE) Appliance and Equipment Standards Program in 1975. The program sets minimum energy efficiency standards for approximately 60 product categories. These standards were initially nonbinding targets until 1978 when Congress amended EPCA and authorized the Secretary of Energy to set binding standards through regulations. Title III of EPCA established the requirements for standards that remain in effect today. For a new standard to be promulgated, DOE must find that the standard would be cost-effective, technologically feasible, and result in significant conservation of energy.

Pursuant to EPCA, the DOE is required to follow specific statutory criteria for prescribing new or amended standards for covered products and covered equipment. Covered products include refrigerators, kitchen ranges and ovens, water heaters, dishwashers, clothes washers and dryers, television sets, general service incandescent lamps, and showerheads.² Covered equipment includes, but is not limited to, electric motors and pumps, commercial refrigerators, automatic commercial ice makers, walk-in freezers, and commercial clothes washers.³

Under EPCA, DOE is required to review energy efficiency standards of covered products no later than six years after the issuance of a final rule. DOE is required either to publish a determination that the standard does not need amending or to issue a Notice of Proposed Rulemaking (NOPR) including a new proposed standard.⁴ The DOE may only propose a new standard if the new standard results in a significant conservation of energy, is technologically feasible, and economically justified. EPCA also includes a provision which categorically prohibits any new or amended standard if the Secretary finds, by preponderance of evidence, that the standard is likely to result in the unavailability in the United States in any covered product type (or class) of performance characteristics (including reliability), features, sizes, capacities, and volumes that are substantially the same as those generally available in the United States at the time of the Secretary’s finding.⁵ This provision pro-

¹ 42 U.S.C. § 6201.

² 42 U.S.C. § 6292(a).

³ 42 U.S.C. § 6312.

⁴ 42 U.S.C. § 6295(m)(1).

⁵ 42 U.S.C. § 6295(o)(4).

hibits DOE from setting efficiency standards that would sacrifice the availability of a product or any desired product characteristics.

The Committee finds that the DOE has continuously ignored the consumer protections built into the underlying statute, EPCA, when setting efficiency standards. As a result, the DOE's excessive standards have increased the cost of appliances, undercut appliance product quality, and jeopardized consumer choice. The Committee has found that multiple recently proposed and finalized rules do not save a significant amount of energy and are not cost-effective. On May 26, 2023, the DOE's Office of Energy Efficiency and Renewable Energy issued a final rule for room air conditioners.⁶ These proposed standards are not cost effective and fail to save a significant amount of energy. In addition to being regulated by DOE efficiency standards, room air conditions are also subject to regulation by the Environmental Protection Agency (EPA).

The Committee finds the final rule for room air conditioners violates the rulemaking framework prescribed in EPCA, which requires the implementation of new standards to be technologically feasible, economically justified, and result in a significant conservation of energy. Because this administration has continuously proposed efficiency standards that violate EPCA, the Committee believes that this legislation is necessary to prevent the DOE from prescribing or enforcing energy efficiency standards for room air conditioners that are not technologically feasible and economically justified, that are likely to result in additional net costs to consumers, or that are not likely to result in a significant conservation of energy. The Committee finds the DOE continuously downplays and ignores the consumer protections in EPCA and prescribes standards that are contrary to the statute's original intent. This legislation is necessary to protect consumers from Federal mandates that increase costs, fail to result in significant energy savings, are not technologically feasible, or eliminate performance features or product choices.

COMMITTEE ACTION

On September 13, 2023, the Subcommittee on Energy, Climate, and Grid Security held a hearing on a discussion draft of H.R. 6192. The title of the hearing was "Keeping the Lights On: Enhancing Reliability and Efficiency to Power American Homes." The purpose of H.R. 6192 was to amend EPCA to reform DOE's procedures for issuing energy efficiency standards by prohibiting the Secretary of Energy from prescribing any new or amended energy conservation standard for a product that is not technologically feasible and economically justified. H.R. 6192 informed the development of H.R. 7626. The Subcommittee received testimony from:

- Gene Rodrigues, Assistant Secretary for Electricity, Office of Electricity, U.S. Department of Energy;
- David Ortiz, Director, Office of Electric Reliability, Federal Energy Regulatory Commission;
- Kevin Messner, Executive Vice President and Chief Policy Officer, Association of Home Appliance Manufacturers;

⁶ 86 FR 34, 298.

- B. Robert Paulling, President and Chief Executive Officer, Mid-Carolina Electric Cooperative on behalf of the National Rural Electrical Cooperatives Association;
- Ben Lieberman, Senior Fellow, Competitive Enterprise Institute; and,
- Andrew deLaski, Executive Director, Appliance Standards Awareness Project.

On March 6, 2024, the Subcommittee on Energy, Climate, and Grid Security met in open markup session and forwarded a discussion draft of H.R. 7626, without amendment, to the full Committee by a record vote of 15 yeas and 10 nays.

On March 20, 2024, the full Committee on Energy and Commerce met in open markup session and ordered H.R. 7626, without amendment, favorably reported to the House by a record vote of 24 yeas and 21 nays.

COMMITTEE VOTES

Clause 3(b) of rule XIII requires the Committee to list the record votes on the motion to report legislation and amendments thereto. The following reflects the record votes taken during the Committee consideration:

**COMMITTEE ON ENERGY AND COMMERCE
118TH CONGRESS
ROLL CALL VOTE # 31**

BILL: H.R. 7626, Affordable Air Conditioning Act

AMENDMENT: A motion by Chair Rodgers to order H.R. 7626 favorably reported to the House, without amendment (Final Passage).

DISPOSITION: **AGREED TO**, by a roll call vote of 24 yeas to 21 nays.

REPRESENTATIVE	YEAS	NAYS	PRESENT	REPRESENTATIVE	YEAS	NAYS	PRESENT
Rep. Rodgers	X			Rep. Pallone		X	
Rep. Burgess	X			Rep. Eshoo		X	
Rep. Latta	X			Rep. DeGette		X	
Rep. Guthrie	X			Rep. Schakowsky		X	
Rep. Griffith	X			Rep. Matsui		X	
Rep. Bilirakis	X			Rep. Castor		X	
Rep. Bucshon	X			Rep. Sarbanes		X	
Rep. Hudson				Rep. Tonko		X	
Rep. Walberg	X			Rep. Clarke		X	
Rep. Carter	X			Rep. Cárdenas		X	
Rep. Duncan	X			Rep. Ruiz		X	
Rep. Palmer	X			Rep. Peters			
Rep. Dunn	X			Rep. Dingell		X	
Rep. Curtis	X			Rep. Veasey		X	
Rep. Lesko	X			Rep. Kuster		X	
Rep. Pence	X			Rep. Kelly		X	
Rep. Crenshaw	X			Rep. Barragán		X	
Rep. Joyce	X			Rep. Blunt Rochester			
Rep. Armstrong	X			Rep. Soto		X	
Rep. Weber				Rep. Craig		X	
Rep. Allen	X			Rep. Schrier		X	
Rep. Balderson	X			Rep. Trahan		X	
Rep. Fulcher	X			Rep. Fletcher		X	
Rep. Pfluger	X						
Rep. Harshbarger	X						
Rep. Miller-Meeks	X						
Rep. Cammack							
Rep. Obermolte							

03/20/2024

OVERSIGHT FINDINGS AND RECOMMENDATIONS

Pursuant to clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII, the Committee held a hearing and made findings that are reflected in this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII, the Committee finds that H.R. 7626 would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII, at the time this report was filed, the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974 was not available.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII, the general performance goal or objective of this legislation is to protect consumers from Federal mandates on room air conditioners that (1) are not technologically feasible, (2) increase the cost of appliances, and (3) do not conserve a significant amount of energy.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII, no provision of H.R. 7626 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

RELATED COMMITTEE AND SUBCOMMITTEE HEARINGS

Pursuant to clause 3(c)(6) of rule XIII, the following related hearing was used to develop or consider H.R. 7626:

- On September 13, 2023, the Subcommittee on Energy, Climate, and Grid Security held a hearing on a discussion draft of H.R. 6192. The title of the hearing was “Keeping the Lights On: Enhancing Reliability and Efficiency to Power American Homes.” The purpose of H.R. 6192 was to amend EPCA to reform DOE’s procedures for issuing energy efficiency standards by prohibiting the Secretary of Energy from prescribing any new or amended energy conservation standard for a product that is not technologically feasible and economically justified. H.R. 6192 informed the development of H.R. 7626. The Subcommittee received testimony from:
 - Gene Rodrigues, Assistant Secretary for Electricity, Office of Electricity, U.S. Department of Energy;

- David Ortiz, Director, Office of Electric Reliability, Federal Energy Regulatory Commission;
- Kevin Messner, Executive Vice President and Chief Policy Officer, Association of Home Appliance Manufacturers;
- B. Robert Paulling, President and Chief Executive Officer, Mid-Carolina Electric Cooperative on behalf of the National Rural Electrical Cooperatives Association;
- Ben Lieberman, Senior Fellow, Competitive Enterprise Institute; and,
- Andrew deLaski, Executive Director, Appliance Standards Awareness Project.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(1) of rule XIII, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974. At the time this report was filed, the estimate was not available.

EARMARK, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

Pursuant to clause 9(e), 9(f), and 9(g) of rule XXI, the Committee finds that H.R. 7626 contains no earmarks, limited tax benefits, or limited tariff benefits.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides that the Act may be cited as the “Affordable Air Conditioning Act.”

Section 2. Prescribing and enforcing energy conservation standards for room air conditioners

Section 2(a) prohibits the Secretary of Energy from prescribing or enforcing a new or amended energy conservation standard for a room air conditioner that is not technologically feasible or economically justified. Nothing in this section amends subsections (m), (n), or (o) of section 325 of EPCA.

Section 2(b) prohibits the Secretary of Energy from prescribing or enforcing a new or amended energy conservation standard for a room air conditioner that is likely to result in additional net costs to the consumer. Nothing in this section amends subsections (m), (n), or (o) of section 325 of EPCA.

Section 2(c) prohibits the Secretary of Energy from prescribing or enforcing a new or amended energy conservation standard for a

room air conditioner that will not result in a significant conservation of energy. Nothing in this section amends subsections (m), (n), or (o) of section 325 of EPCA.

Section 2(d) provides the terms “covered product” and “energy conservation standard” have the same meaning as such terms in section 321 of EPCA (42 U.S.C. 6291).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation does not amend any existing Federal statute.

MINORITY VIEWS

H.R. 7626, the “Affordable Air Conditioning Act,” would prevent Americans from benefitting from the cost and energy savings made possible by the appliance standards set through the Energy Policy and Conservation Act (EPCA).

While H.R. 7626 is drafted to look like a consumer protection bill, this bill is designed to weaken the Department of Energy’s popular and successful energy conservation program. H.R. 7626 fails to acknowledge or account for the fact that EPCA already requires standards to result in significant energy conservation and be technologically feasible and economically justified.¹ The bill also does not specify when it would go into effect, potentially blocking enforcement of both recent and pending updated standards. H.R. 7626 also does not include definitions for any of its terms, leaving the door open for drastically different interpretations from administration to administration. By failing to account for life cycle cost savings from room air conditioners and failing to define “significant conservation of energy,” this bill creates a vague set of standards that would conflict with what already exists in EPCA.

In March 2023, DOE finalized efficiency standards for room air conditioners. These standards are expected to save consumers about \$1.5 billion per year on electricity bills and decrease carbon dioxide emissions by 106 million metric tons over 30 years.² The Department of Energy already has a robust process for engaging stakeholders in the development of conservation standards, and we strongly support this existing process.

In the Committee report for H.R. 7626, the Majority cites a Subcommittee on Energy, Climate, and Grid Security hearing on September 13, 2023 as the basis for H.R. 7626. This hearing, titled “Keeping the Lights On: Enhancing Reliability and Efficiency to Power American Homes,” did not include testimony on H.R. 7626. As a result, the Committee did not receive any expert witness testimony on the need for the bill or its effects on finalized rules.

Energy conservation standards are popular. Three out of five Americans support stricter energy efficiency standards for appliances and buildings.³ Additionally, the Biden Administration’s past and planned energy efficiency actions will save Americans \$570 billion over the next 30 years.⁴ We believe that the energy conservation program should be strengthened, not weakened by vague and duplicative statutory language.

¹ Congressional Research Service, *The Department of Energy’s Appliance and Equipment Standards Program* (Feb. 2022) (R47038).

² Department of Energy, *DOE Finalizes Efficiency Rules for Room Air Conditioners and Portable Air Cleaners* (Mar. 23, 2023) (press release).

³ *Attitudes on Natural Gas Bans Aren’t Changing Much—but Support is Rising for Strengthened Energy Efficiency Standards*, Morning Consult (Apr. 27, 2023).

⁴ Department of Energy, *DOE Announces Efficiency Standards to Save Americans More Than \$1 Billion Annually in Utility Bills* (July 28, 2023) (press release).

For the reasons stated above, we oppose H.R. 7626.

FRANK PALLONE, Jr.,
Ranking Member.

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