

Congress of the United States
House of Representatives
Washington, DC 20515-2308

July 20, 2022

The Honorable Jennifer Granholm
Secretary, Department of Energy
1000 Independence Ave SW
Washington, D.C. 20585

Dear Secretary Granholm:

We are reaching out today in regard to the Department of Energy's (DOE) rule, EERE-2021-BT-TP-0030, the Energy Conservation Program: Test Procedure for Central Air Conditioners and Heat Pumps, with a request that the Department delay the January 1, 2023, installation deadline in that rule to July 1, 2023, so that the residential construction industry and HVAC manufacturers will have enough time to deal with supply chain delays, production challenges, and technical equipment updates to get products manufactured and into the marketplace that will meet the 2023 DOE efficiency requirements. We believe that the residential construction industry needs additional time to access newly-manufactured updated equipment, given the standard lead times that home construction requires. The current installation deadline issued by DOE does not take into account the phased construction of individual homes that would require this updated equipment to be available today, and as such, necessitates a reasonable accommodation by the DOE to adjust that installation deadline for residential construction until later in 2023.

The residential construction industry in Arizona is continuing to work hard to meet the housing demands of our growing state, yet we continue to face a chronic housing shortage which is creating an affordability crisis. Builders in Arizona are navigating supply chain disruptions, labor shortages, and regulatory hurdles. As these and other economic factors put pressure on the housing market, exacerbating challenges for Arizonans seeking new homes, we are greatly concerned about other hurdles being put into the path of the housing sector in our state. We recognize the importance of DOE re-assessing the efficiency standards of HVAC equipment on a periodic basis and making necessary adjustments to the requirements. Without question, efficient HVAC systems are a top necessity for homes in Arizona. However, the current installation deadline will present serious logistical issues to constructing and delivering homes and create unreasonable disruption to the lives of home buyers in my state. Home buyers will have to find another place to live while these logistical delays are fixed, a costly burden at a time when those other living options are also in short supply. We cannot have people living with this uncertainty for the sole purpose of checking a bureaucratic box on a deadline that we knew in advance was unworkable.

Homebuilders in our state, and throughout the southwestern and southeastern part of the United States, build homes in phases, with the air handler, furnace, and fans installed at the “rough-in” stage of home construction, and the exterior condensing units installed at the “trim” stage at the end of construction, just before closing. These two segments of HVAC components must be able to work together as one system when the home is completed. In even normal construction operations, now too exacerbated by supply chain disruptions and labor shortages which make timing even harder to predict, these two phases of construction are typically separated by five or six months. That means that to meet the updated DOE efficiency requirements for equipment installed as of the current deadline of January 1, 2023, homebuilders must be able to access the updated higher-efficiency equipment today, so that the equipment installed in the rough-in phase now will meet updated 2023 DOE requirements, and work with the equipment installed after January 1 at the end of construction.

Unfortunately, because of supply chain issues, challenges with producing the new equipment, and the work that must go into identifying the equipment that will meet the updated DOE requirements and ratings in the SW and SE of the United States, 2023-compliant HVAC equipment is not yet available. The delay in the marketplace means builders starting homes in mid-summer 2022, which are typically expected to finish and close just after the new year, cannot access equipment that meets the new requirements, and which must be installed in this early phase of construction in 2022. This potentially creates a huge hurdle for completing homes in Arizona because builders are not in a position of going to completion on a home that will not meet DOE requirements when it closes after January 1, 2023.

We are asking the Department of Energy, as it implements the higher efficiency requirements and new testing procedures for determining efficiency ratings, to please keep in mind the on-the-ground reality of these changes. If our residential construction industry cannot access the equipment with a six-month lead time, it potentially jeopardizes residential construction’s ability to close on homes for months while the manufacturers and the supply chain figure out what they are doing. I believe that moving the installation date requirement for residential construction projects to July 1, 2023 will ensure that the five- to six-month window that homebuilders need between installing phases of HVAC systems is adequately covered to allow time for the manufacturers and supply chain to produce two-phase systems that successfully meet the new efficiency requirements, and then get those systems into the marketplace. We strongly believe that this date change—which does not ask DOE to roll back important updates to efficiency—is a reasonable request to accommodate a real need in the marketplace for common sense acknowledgement by the Department that sometimes a bureaucratic deadline cannot foresee a challenging reality on the ground.

We have great interest in keeping the housing economy in Arizona strong, and we urge the Department of Energy to avoid creating additional hurdles for housing at a time when we are already faced with many challenges in supply and affordability. DOE should make this temporary, common-sense accommodation of moving the installation deadline for updated HVAC systems to July 1, 2023, thus allowing residential construction projects in the southwest and southeast of the United States the additional time that they need to get access to the upgraded equipment during their home construction phases.

We look forward to a prompt reply to our letter, given the short time that we have to ensure that home construction projects beginning in mid-summer of 2022 in Arizona, and elsewhere in impacted states, do not get delayed over a regulatory deadline.

Sincerely,



Debbie Lesko
Member of Congress



Paul A. Gosar, D.D.S.
Member of Congress



Tom O'Halleran
Member of Congress



David Schweikert
Member of Congress



Andy Biggs
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