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Energy Conservation Program
US Department of Energy
Office of Energy Efficiency and Renewable Energy
Mailstop EE-5B
1000 Independence Avenue SW, Washington, DC 20585-0121

RE: Energy Conservation Program: Procedures, Interpretations, and Policies for Consideration of New or Revised Energy Conservation Standards and Test Procedures for Consumer Products and Certain Commercial/Industrial Equipment — Request for Information Docket No. EERE-2025- BT-STD-0001

The National Multifamily Housing Council (NMHC) and National Apartment Association (NAA) have a significant interest in the performance and affordability of the consumer appliances that America's renters rely on in their homes. Therefore, we appreciate the Department of Energy's (DOE) efforts to improve its policies for establishing energy conservation standards and submit these comments in response to the Request for Information (RFI) on the Energy Conservation Program: Procedures, Interpretations, and Policies for Consideration of New or Revised Energy Conservation Standards and Test Procedures for Consumer Products and Certain Commercial / Industrial Equipment (i.e., the "Process Rule"). In addition to supporting the goals of the Energy Policy and Conservation Act (EPCA), we are committed to addressing the nation's pressing housing needs. As you consider revision of the Process Rule, we therefore urge you to incorporate robust measures to protect the availability and affordability of housing in the development of new energy conservation standards for residential appliances and equipment.

For more than 26 years, NMHC and NAA have partnered on behalf of America's rental housing industry. Drawing on the knowledge and policy expertise of staff in Washington, D.C., as well as the advocacy power of over 140 NAA state and local affiliated associations, NAA and NMHC provide a single voice for developers, owners and operators of multifamily rental housing. One-third of all Americans rent their housing, and 40 million of them live in an apartment home.

The apartment industry plays a critical role in meeting the nation's housing needs. While we support improved energy performance in the residential sector, the practical implementation of new appliance efficiency standards can create serious, and sometimes cost-prohibitive, challenges for housing providers and our residents. Apartment providers are bulk purchasers of consumer appliances and are responsible for ensuring our residents' homes are well-equipped with safe, effective and affordable products that meet their performance expectations and consumer preferences. At the same time, higher appliance costs, design and installation barriers in multifamily buildings and operational changes driven by new appliance efficiency requirements have a direct impact on the cost of housing.

The Nation's Critical Housing Shortage

Upon taking office, President Trump took immediate action to address America's housing challenges and issued an Executive Order on day one instructing agencies to pursue efforts to "lower the cost of

housing and expand housing supply.”¹ This action rightly acknowledges the acute housing affordability and availability needs facing the nation. **The U.S. needs to build 4.3 million new apartment homes by the year 2035 to meet the demand for rental housing.**² This underproduction of housing has translated into higher housing costs – resulting in a consequential loss of affordable housing units (those with rents less than \$1,000 per month), with a decline of 4.7 million affordable apartments from 2015-2020. In fact, the total share of cost-burdened apartment households (those paying more than 30% of their income on housing) has increased steadily over several decades and reached 57.6% in 2021.³ During this same period, the total share of *severely* cost-burdened apartment households (those paying more than half their income on housing) increased from 20.9 to 31.0%.⁴

Costly regulations exacerbate these conditions. This harms the millions of Americans who depend on rental housing, and deters the rapid investment, innovation and development critical to the growth and success of the rental housing industry. Indeed, recent empirical research confirms that regulation accounts for an average of 40.6 percent of multifamily development costs and adds significantly to the costs of operating multifamily rental housing, negatively impacting all aspects of the industry, including rental housing affordability for millions of Americans.⁵

Impacts of New Appliance Efficiency Standards in Multifamily Housing

Our organizations have long been engaged in the rulemaking process for DOE appliance efficiency standards, ensuring that the unique needs of the apartment industry and America’s renters are recognized. Energy and water efficient appliances and fixtures are important to housing providers and our residents, and apartment owners and managers make appliance selections based on broad considerations including performance, features and affordability.

The last Administration pursued an aggressive series of rulemakings seeking to change performance standards for essential residential appliances and equipment that prompted concern from the housing industry. We offered formal comments to DOE on a broad range of these and other proposals

¹ “Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis,” Executive Order, The White House (January 20, 2025).

² “Estimating the Total U.S. Demand for Rental Housing by 2035,” Hoyt Advisory Services (2022), <https://www.weareapartments.org/>.

³ “NMHC tabulations of 1985 American Housing Survey Microdata,” American Housing Survey, U.S. Census Bureau (2021).

⁴ *Id.*

⁵ “NMHC-NAHB Cost of Regulations Report,” NMHC and National Association of Home Builders (June 2022), <https://www.nmhc.org/research-insight/research-report/nmhc-nahb-cost-of-regulations-report/>. See also “Behind the High Cost of Rent: How Local Rules and Regulations are Increasing Expenses for Multifamily Operators,” Daniel Shoag and Issi Romem, MetroSight (Feb. 2025), www.metroinsight.com/articles/behind-the-high-cost-of-rent.

including water heaters⁶, clothes washers⁷, refrigerators and freezers⁸, conventional cooking products⁹, distribution transformers¹⁰ and furnaces,¹¹ highlighting the impacts of these rules on housing production and affordability. We voiced that the apartment industry faces unique compliance challenges in our building types and detailed technical barriers to implementation in multifamily construction. Our comments raise several common concerns across many of these rulemakings and we urge DOE to address these housing industry concerns in an updated Process Rule.

Foremost, DOE's analysis on the necessity and justification of new standards must balance the value of new requirements with the impacts on the nation's housing conditions. Importantly, the multifamily sector is distinct from the single-family industry and demands specific consideration to appropriately evaluate a new standard's effect on housing. As DOE considers changes to the Process Rule, we urge the inclusion of an analytical framework that formalizes consideration of housing sector impacts to both the single- and multifamily industry and takes unique multifamily and rental housing conditions into account. We have outlined those issues that pose particular concerns to multifamily properties below and we ask DOE to incorporate these considerations into the Process Rule.

- **Address Diversity of Multifamily Building Types.** We have routinely raised that the supporting information provided by DOE in their appliance rulemaking analysis lacks important perspective on the diversity of multifamily housing and is inadequate to properly analyze the proposed rule's implications in apartments. In particular, DOE's analysis does not account for the breadth of multifamily building configurations, construction types and materials and equipment use. While DOE has sometimes made reference to the differing installation and cost conditions (among other elements) between various housing types, the analysis does not well-address distinctions within the multifamily landscape including high-rise versus low-rise buildings, historic structures and adaptive reuse projects (i.e. commercial to residential conversions).¹² Such features can significantly influence appliance installation, operations and consumer satisfaction, and DOE's impact analysis would benefit from a broader consideration of the multifamily marketplace.
- **Recognize the Unique Characteristics of Multifamily Design.** DOE's appliance rulemakings often pose unique challenges for multifamily dwellings given small unit size and typical design considerations. For example, our comments on recent water heater proposals

⁶ Energy Conservation Program: Energy Conservation Standards for Consumer Water Heaters, 88 FR 49058 (<https://www.regulations.gov/comment/EERE-2017-BT-STD-0019-0996>).

⁷ Energy Conservation Program: Energy Conservation Standards for Residential Clothes Washers, 88 FR 13520 (<https://www.regulations.gov/document/EERE-2017-BT-STD-0014-0060>).

⁸ Energy Conservation Program: Energy Conservation Standards for Refrigerators, Refrigerator-Freezers, and Freezers, 88 FR 12452, (<https://www.regulations.gov/comment/EERE-2017-BT-STD-0003-0061>).

⁹ Energy Conservation Program: Energy Conservation Standards for Consumer Conventional Cooking Products, 88 FR 6818, (<https://www.regulations.gov/comment/EERE-2014-BT-STD-0005-2265>).

¹⁰ Energy Conservation Program: Energy Conservation Standards for Distribution Transformers, 88 FR 1722, (<https://www.regulations.gov/comment/EERE-2019-BT-STD-0018-0097>).

¹¹ Energy Conservation Program for Appliance Standards: Energy Conservation Standards for Residential Furnaces and Commercial Water Heaters 84 FR 33011 (<https://www.regulations.gov/comment/EERE-2018-BT-STD-0018-0080>).

¹² See id. at 6 for example.

explain that requirements for additional tank insulation for both gas and electric heaters produces significant issues for the typical multifamily dwelling unit, which relies on utility closets and zero clearance applications. These challenges are exacerbated given the dense construction inherent in multifamily design, where there are few areas to accommodate water heater placement. Such necessary changes in the placement of new appliances and unit reconfigurations can have a material impact on rentable square footage or have undesirable impacts on multifamily unit design where appliances will need to be placed in different areas than normally expected or relocated in the case of equipment replacement or unit renovation.

- **Fully Consider Impacts on Existing Buildings.** DOE’s analysis should distinguish the needs of the existing building and new construction markets, as the existing apartment stock is a key source of affordable and work force housing nationwide. DOE’s cost-effectiveness analysis routinely fails to properly address retrofit challenges that make certain product choices untenable, force product switching and/or necessitate expansive reconstruction efforts in multifamily buildings. Our feedback on recent furnace and water heater rules are particularly instructive in highlighting the kinds of distinct barriers that can arise to incorporating certain high-efficiency appliance options into existing multifamily units, where necessary changes to venting, piping and other new appliance features can trigger significant unit adaptation, equipment relocation or product switching.
- **Ensure Housing Impact Analysis Covers All Income Levels.** It is essential that we build and renovate housing at all price points to address the nation’s critical housing challenges and ensure economic stability for American households. The existing Process Rule affords consideration of new standards’ impacts on “low-income households,” but Americans at all income levels are facing housing affordability challenges. A recent report shows that renters nationwide need to earn more than \$80,000 to comfortably afford the typical rent, up from \$60,000 just five years ago, and those earnings need to rise to six figures in eight major metro areas.¹³
- **Cascading Equipment Replacement and Underestimated Product Switching.** In multifamily properties, appliances are typically specified and located to allow for common use of venting, piping, shafts and other building features by multiple dwelling units. While it is well-understood that new appliance efficiency standards do not compel retrofitting of existing equipment, DOE’s analysis often fails to consider the multifamily design and operational conditions that can nonetheless force housing providers to replace equipment that has not yet reached the end of its useful life. We have raised technical examples in previous comments, such as where the elimination of a non-condensing water heater from a venting stack may initiate a cascade of equipment replacements due to venting requirements or force additional venting changes.¹⁴ DOE has also made assumptions that product switching as a result of the proposed standards is likely to be minimal. However, we have identified circumstances where product switching is foreseeable, and indeed probable, in multifamily construction, usually driven by space limitations or unit configurations in existing buildings. Moreover, we have identified scenarios where retrofit costs associated with new appliance efficiency standards in multifamily properties will not only promote product switching, but incentivize replacement with lower efficiency appliances.¹⁵ In these instances, DOE has failed to examine the breadth

¹³ “Renters Need to Earn \$100K in Twice as Many Markets Than in 2020 (April Rent Report),” Zillow (April 2025), <https://www.zillow.com/research/april-2025-rent-report-35152/>.

¹⁴ *Id.*

¹⁵ *Id.*

of product switching costs and real-world installation expenses that face apartment housing providers.

- **Impacts of Increased Electrification.** Where product switching is required as discussed above, it is predictable that recent appliance efficiency proposals would result in the greater use of electric products. We specifically cautioned against moving forward with new efficiency standards that may significantly reduce our product options based on a particular fuel source, with more onerous requirements or compliance demands being imputed on products using fossil fuels. While we appreciate that DOE's stated intention was not to preclude gas-fueled appliances, we urged DOE to consider that certain past rulemakings would likely result in construction and replacement conditions that nevertheless reduce the usability of gas appliances in typical multifamily buildings and potentially heavily steer consumers towards electric options. Increased building electrification requires more interconnectivity, changes to power systems and upgraded electrical infrastructure that poses significant cost and constructability barriers for the existing apartment stock that was unaddressed in DOE's analysis.

Conclusion

Improving housing affordability and availability are key national priorities. As you work to improve the Process Rule, we urge you to consider the obstacles facing housing providers in containing rising costs and delivering much-needed supply and ensure that new federal policies do not undermine efforts to address the nation's acute housing challenges. We are committed to working with policymakers to further energy efficiency goals while supporting the creation of more housing, preserving affordability and ensuring that every American has a safe, quality place to call home.

Respectfully Submitted by:

National Apartment Association

National Multifamily Housing Council