



Testimony of Michael Fazio

**On Behalf of the
National Association of Home Builders**

**Before the
House Committee on Oversight and Government Reform
Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs**

**Hearing on
“No Flame, More Pain: How State and Local Bans on Natural Gas Increase
Costs.”**

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Introduction

Chairman Burlison, Ranking Member Frost, and members of the Subcommittee, thank you for the opportunity to testify today on behalf of the National Association of Home Builders (NAHB). My name is Michael Fazio, and I serve as Executive Director of the New York State Builders Association (NYSBA). NYSBA is the state-level association within the NAHB federation, partnering with 14 local home builder associations across New York.

I am here to share the home building industry's perspective on why preserving energy choice, ensuring access to a full range of appliances, and maintaining flexibility in building energy codes are critical to keeping housing affordable and attainable for American families.

NAHB represents more than 140,000 members engaged in building single-family and multifamily housing, remodeling, and other aspects of residential and light commercial construction. Most of our members are small businesses that build 10 or fewer homes per year, yet collectively they construct roughly 80% of all new housing in the United States. From that vantage point, we have seen firsthand what happens when government policy takes energy, appliance, and design decisions away from builders and consumers.

Housing is the single largest expense for most American households. At a time when the nation needs more homes at prices families can afford, public policy should be expanding choices and reducing barriers to construction. Too often, however, energy policy is moving in the opposite direction. Mandates on fuels, appliances, and building energy codes can add thousands of dollars to the price of a home, force costly redesigns, limit the types of homes builders can produce, and remove options that families value.

NAHB supports efforts to ensure America's homes are energy efficient. Today's new homes are substantially more efficient than homes built in prior decades, and builders continue to incorporate new technologies and construction practices that can further reduce energy use and lower costs for families. But there is no single technology, fuel source, or building approach that will deliver the best results for every home. Energy policies should preserve the flexibility to choose the solutions that provide the greatest value based on affordability, performance, and individual needs. A one-size-fits-all mandate that takes that choice away from families across the country is neither prudent nor effective.

Consumer Choice and Housing Affordability

Energy policies can have a direct impact on the cost of building and owning a home, making affordability an essential consideration in any discussion of energy choice. For a family trying to qualify for a mortgage, even a relatively small increase in the price of a home can make the difference between being able to buy and being priced out of the market. NAHB estimates that a \$1,000 increase in the price of a median-priced new home would price approximately 156,000 additional households out of the market.¹ The same dynamic applies to rental housing, where increased construction and financing costs can translate into higher rents or prevent a project from being built in the first place.

¹ National Association of Home Builders, "Households Being Priced Out of the Housing Market," Feb. 2, 2026, <https://www.nahb.org/news-and-economics/housing-economics/housings-economic-impact/households-priced-out-by-higher-house-prices-and-interest-rates>.

That is why NAHB believes energy policies must consider both the upfront costs and the savings homeowners and renters can reasonably expect to receive. When a more efficient appliance or technology delivers meaningful savings on monthly utility bills that justify its upfront cost, consumers have a strong incentive to choose it. Builders likewise have every incentive to offer features that homebuyers value and are willing to pay for. But the economics will not be the same for every product or every home. Requirements that increase the upfront cost of housing should not be imposed without careful consideration of whether the benefits justify those additional costs.

Consumer choice is an important part of protecting affordability. Families should be able to choose the energy options that provide the greatest value for their homes and budgets. Some may prefer electric appliances, while others may prefer natural gas. Those decisions should be driven by consumer preferences and what works best for each household. Public policy should preserve that choice and allow technologies to compete in the market. The goal should not be to predetermine which energy source Americans use, but to ensure that families have access to affordable options that meet their needs.

Energy Choice

NAHB supports preserving a range of energy options and allowing families to choose what works best for their homes. Electrification is one of those options, and many households may choose it based on cost, performance, or personal preference. But it should remain a choice. Mandates that require full electrification or restrict access to other appliances and fuel sources can increase costs and eliminate options that may better meet the needs of individual households.

New York provides a clear example of why eliminating energy choice matters. New York became the first state in the country to ban the use of natural gas and other fossil fuels in most new buildings.² The law specifically requires all-electric heating and cooking in most new buildings shorter than seven stories beginning in 2026 and applies to taller buildings beginning in 2029.

As a New Yorker representing the state's home building industry, I can tell you that this is not an abstract debate. A mandate to electrify a home can affect the mechanical system, electrical service, floor plan, equipment location, and construction cost. In colder climates, NAHB data show that a full electrification package can add more than \$15,000 to the cost of constructing a new home.³ For smaller homes, apartments, and multifamily properties retrofits, some all-electric technologies can require significantly more physical space than traditional equipment. That can mean costly redesigns, expensive renovations, or less usable living space.

The operating-cost implications are also significant. A 2026 analysis from the American Gas Association found that homes using natural gas appliances can save households up to \$12,000 over 15 years compared with all-electric homes. The analysis also found that, in moderate to cold climates, households choose natural gas heating over electric heat pumps by a four-to-one

² N.Y. Energy Law § 11-104(6)–(8); N.Y. Exec. Law § 378(19).

³ National Association of Home Builders, “How Much Does Whole-Home Electrification Cost?” Mar. 8, 2021, <https://www.nahb.org/blog/2021/03/How-Much-Does-Whole-Home-Electrification-Cost>.

margin. These findings underscore that natural gas can remain both an economical and preferred option for many households.⁴

The practical implications of energy mandates also vary significantly between communities. The strain on energy supplies resulting from dated generation and transmission infrastructure, data centers, increasing manufacturing, and other factors varies across the country. Likewise, available infrastructure and energy needs can look very different in a dense urban area than they do in a suburban or rural community, and those differences can exist even from one neighborhood to the next. That is exactly why preserving energy choice is so important.

Propane is also an important part of the energy choice discussion. In many rural and suburban communities without access to natural gas, families rely on propane for heating, water heating, cooking, and other household needs. Policies that restrict access to propane can therefore eliminate an important and practical energy option for these households.

New York itself illustrates these differences. The energy needs, infrastructure, and transmission capacity of New York City are very different from those in Western New York, the North Country, the Southern Tier, or other rural or suburban communities. Yet statewide mandates can take energy options off the table regardless of the needs of a particular community or locale. Energy policy should recognize these regional differences rather than assume that what works in one community will work equally well in another.

These differences also have important implications for safety and resilience, particularly in a state like New York where severe winter weather can place extraordinary demands on energy infrastructure. The December 2022 Buffalo Blizzard provides a sobering example. The storm brought extreme cold, hurricane-force winds, heavy snowfall, widespread power outages, and impassable roads, ultimately contributing to 47 deaths in the Buffalo area. Some residents died from hypothermia, while emergency responders struggled to reach people who had lost access to heat and other basic necessities.

The tragedy demonstrated how quickly the loss of essential services can become life-threatening during extreme weather. It also underscores the importance of maintaining a diverse and resilient energy system rather than relying too heavily on any single energy source or delivery system. Different energy sources can play different roles during an emergency, and policies that eliminate otherwise safe and reliable options can leave families and communities more vulnerable when disruptions occur.

Particularly in cold-weather states, policymakers should consider whether families will have access to reliable heat when temperatures become life-threatening and infrastructure is under extraordinary strain. Preserving energy choice is therefore about more than preference or affordability. It is also about safety and resilience. No single energy source is the right solution for every home, community, or emergency. Maintaining a diverse mix of energy options can help communities withstand disruptions and ensure that families continue to have access to essential energy services when they need them most.

⁴ American Gas Association, “New AGA Study: Natural Gas Keeps Energy Bills and Emissions Lower in New Construction,” Apr. 22, 2026, <https://www.aga.org/news/news-releases/new-aga-study-natural-gas-keeps-energy-bills-and-emissions-lower-in-new-construction/>.

The District of Columbia Appliance Ban

These concerns about preserving energy choice are at the heart of NAHB's challenge to the Clean Energy DC Building Code Amendment Act of 2022.⁵ The law prohibits the use of gas appliances in the construction of new commercial buildings and substantially improved existing commercial buildings, including residential buildings over three stories, after December 31, 2026, at the latest.

NAHB's concern with the District's law is both practical and legal. From a housing perspective, it removes options from builders and property owners and can force projects toward technologies that may require different equipment, additional space, or costly redesigns. From a legal perspective, the Energy Policy and Conservation Act (EPCA) already regulates the energy use of covered appliances and expressly preempts state and local laws on that subject.

NAHB's position is that the District cannot evade EPCA by regulating a building in a manner that prevents the use of federally covered gas appliances entirely. The District is not alone in pursuing these types of restrictions. NAHB and its state and local partners have been involved in legal challenges from New York and the District of Columbia to Denver, Colorado; Montgomery County, Maryland; and communities in California. These cases illustrate how broadly restrictions on natural gas and gas appliances are emerging across the country.

For builders, this growing patchwork of state and local restrictions creates uncertainty. Housing projects are planned, financed, permitted, and constructed over long periods, and builders need predictable rules when making those investments or they won't be made. For homeowners and renters, these policies can remove energy and appliance options from the market and limit their ability to choose what works best for their homes, and unnecessarily raise prices.

The Energy Choice Act

For the reasons outlined above, NAHB strongly supports the Energy Choice Act, H.R. 3699 and S. 1945. The legislation protects the ability of homeowners and renters to choose the most affordable, reliable, and practical energy options for their homes by preventing state and local governments from banning or limiting access to particular energy sources.

The Energy Choice Act does not tell Americans that they must use natural gas, electricity, propane, hydrogen, or any other particular energy source. Its central premise is the opposite: government should not take those choices away. That distinction is important. NAHB is not opposed to electrification. Many builders construct all-electric homes, and many families prefer them. We are opposed to mandates that make that decision for every household. Choice allows technologies to compete on cost, efficiency, and performance.

NAHB urges Congress to pass the Energy Choice Act. The legislation would help address the growing patchwork of state and local restrictions by protecting access to affordable and practical energy options and preserving consumer choice.

⁵ D.C. Code § 6-1453.01.

Appliance Choice

Appliance choice is an important part of housing affordability. Restrictions on natural gas appliances, whether water heaters, furnaces, cooktops, or stoves, can serve as a backdoor way of restricting access to the fuel itself. They also create particular problems in existing homes, where replacing one technology with another can require substantial modifications to electrical service, venting, plumbing, or the physical space available for equipment.

NAHB has consistently opposed federal appliance policies that would effectively eliminate affordable and widely used products from the market. Earlier in this Congress, NAHB strongly supported a Congressional Review Act resolution to overturn the Department of Energy's final rule on gas-fired instantaneous water heaters. That rule would have pushed the market toward more expensive condensing models, creating unnecessary challenges for builders and homeowners, particularly in remodeling and replacement projects in older homes. Congress overturned the rule, and the resolution was signed into law.

NAHB has also long fought to preserve access to gas stoves, cooktops, furnaces, and other widely used appliances. Federal appliance standards can create problems when they effectively eliminate certain products from the market or force a shift to technologies that are more expensive or difficult to install. This can be particularly challenging in existing homes, where replacing an appliance may require significant changes to the home.

Similar concerns can arise with electric appliances. New efficiency requirements can push the market toward technologies that require different space or installation conditions than the products they replace. While these technologies may work well in many homes, they may not be practical or cost-effective in every application.

The issue is not whether any one of these technologies is good or bad. The issue is whether policymakers should eliminate workable options before the market and housing stock are ready for the transition. Appliance standards should provide meaningful energy savings, be technologically feasible and economically justified, and preserve a reasonable range of products for different homes and budgets.

For a family replacing a failed furnace or water heater, these debates are immediate. The homeowner may not have the luxury of redesigning a mechanical room, upgrading electrical service, or waiting for specialized equipment. Preserving choice gives that family options. A mandate can turn a routine replacement into a major renovation.

Building Energy Codes

The same concerns about affordability and choice apply to building energy codes. Model building codes play an important role in residential construction, but they are designed to be reviewed and adopted by state and local jurisdictions after accounting for climate, construction practices, local economics, consumer needs, and other regional conditions. NAHB is concerned with any federal policy that would transform a model code into a de facto national mandate and provide state and local governments with little or no ability to make cost-effective amendments.

New homes today are already built to modern, efficient codes. Over the past two decades, improvements in insulation, windows, air sealing, heating and cooling equipment, lighting, and

other building components have substantially reduced energy use. But the continuing push to improve energy efficiency is subject to diminishing returns. Each successive requirement typically costs more while producing smaller incremental savings.

The 2021 International Energy Conservation Code (IECC) illustrates the problem. According to Home Innovation Research Labs, compliance with the 2021 IECC, measured against a 2009 IECC baseline, can add between \$9,600 and \$21,400 to the price of a new home depending on climate zone. In practice, builders have reported cost increases exceeding \$31,000 per single-family home. Payback periods for some of these up front “investments” can stretch for decades.

But these costs matter, as they do not disappear simply because they are labeled energy-efficiency investments. The buyer must still qualify for the mortgage and finance the upfront construction cost. If a code adds more to the price of the home, the buyer must save more for the downpayment and qualify for a larger loan. If a code increases the monthly mortgage payment more than the homeowner saves on monthly utility bills, the policy can leave the homebuyer worse off while making the home harder to purchase.

This dynamic recently played itself out in Kansas City, Missouri. After the city adopted the unamended 2021 IECC in July 2023 in hopes of qualifying for federal funding, single-family construction permits in the city dropped sharply while permits in surrounding communities increased. That obviously made it difficult for the city to meet its housing needs, but then the reality of the policy became very clear. One NAHB member built two nearly identical homes, one under an amended 2018 IECC and one under the 2021 IECC. A third-party analysis found the 2021 IECC home saved approximately \$125 annually in energy costs, but compliance added more than \$12,000 in upfront costs. The economic toll on buyers was unmistakable. For a family financing that cost through a mortgage, the additional monthly housing cost dwarfed the annual energy savings, making it difficult to justify the cost. Recognizing these challenges, the Kansas City Council repealed and replaced the energy code with less onerous provisions in February 2026.

This is why NAHB supports reasonable, cost-effective energy codes and voluntary federal incentives that help states modernize their codes without dictating a single national outcome. States and localities need the flexibility to amend model codes so they can capture meaningful efficiency improvements without imposing provisions whose costs cannot be justified for local households.

Existing Homes and Practical Efficiency

A balanced energy policy should also recognize where the largest opportunities for cost-effective efficiency improvements exist. America’s housing stock is aging. Nearly half of all owner-occupied homes were built before 1980, and the median age of an owner-occupied home has climbed to 42 years.⁶ Many of these homes were built well before today’s modern energy codes and may have less efficient windows, insulation, heating and cooling systems, lighting, and appliances.

⁶ National Association of Home Builders, “How Old is Today’s Housing Stock?”, Mar. 26, 2026, <https://www.nahb.org/blog/2026/03/how-old-is-todays-housing-stock>

NAHB believes policymakers should devote greater attention to promoting and helping homeowners make voluntary improvements to existing homes rather than continually ratcheting up mandates on new construction. Existing homes offer significant opportunities for homeowners to improve energy efficiency, with the most appropriate investments varying by home and household.

Again, choice is key. Incentives and voluntary programs can help homeowners make improvements when they make financial and practical sense, while giving families the flexibility to prioritize the upgrades that provide the greatest benefit for their homes and budgets.

Conclusion

Chairman Burlison, Ranking Member Frost, and members of the Subcommittee, thank you for the opportunity to testify. New York's experience and the District of Columbia's appliance ban demonstrate why energy policy is inseparable from housing affordability and consumer choice.

As policymakers consider energy requirements that affect housing, NAHB believes the questions should be practical: What will this requirement cost upfront? What will the homeowner actually save? How long is the payback period? And does the consumer still have a meaningful choice? These questions are especially important during a national housing affordability crisis, when even modest increases in the cost of a home can price families out of the market.

Families should be able to choose the appliances and energy sources that work best for their homes and their budgets. Builders should have the flexibility to meet the needs of their homebuyers and communities. Policies that affect how homes are built and powered should deliver meaningful benefits without making housing less affordable or taking choices away from the families who will live there.

NAHB stands ready to work with the Subcommittee and Congress to support energy policies that protect housing affordability and preserve consumer choice.