



September 13, 2021

The Honorable Charles E. Schumer
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, D.C. 20515

The Honorable Joe Manchin
Chair, Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

The Honorable Frank Pallone
Chair, Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

RE: HOPE for HOMES and the Zero-Emission Homes Act

Dear Majority Leader Schumer, Madam Speaker, Senator Manchin, and Representative Pallone:

As you consider the greatest investment in our nation’s future in decades, and perhaps for decades to come, you have wisely identified the nation’s 121 million American households as a key part of our hard infrastructure and as central to the economic security of American families. It is critical that the budget

reconciliation legislation under consideration address the climate impacts of our residential building sector by including the combined HOPE for HOMES Act and the Zero-Emission Homes Act (ZEHA).

HOPE for HOMES and ZEHA have different origins and histories, but together they achieve many important objectives including:

- Lowering the energy burden for American families in an incentive-based and market catalyzing way,
- Creating hundreds of thousands of jobs spread across every community, which by their very nature cannot be outsourced or automated,
- Training contractors to undertake energy retrofits to ensure energy savings are realized,
- Making homes more resilient and supporting a sustainable and flexible grid,
- Improving indoor air quality and comfort, and
- Enabling the American people to reduce the approximately 40 percent of climate-changing emissions that stem from the machines and systems they purchase and install in their homes and how they are powered.

The energy efficiency upgrades of HOPE for HOMES fit hand in glove with the appliance rebates (for heat pump space heaters, heat pump water heaters, induction stoves, and enabling equipment such as higher capacity breaker boxes) of ZEHA to create a safer, more comfortable, more affordable, and more sustainable home. There are additional subsidies for low- and moderate-income homes in both. Further, the workforce provisions of HOPE for HOMES will complement the installation and retrofit job opportunities of ZEHA. Taken together, these two measures give homeowners and the owners of rental properties extraordinary tools to modernize American homes and spur dramatic economic growth and manufacturing potential for the nation.

In short, we write as advocates for healthy, affordable housing, and an economy built on a sustainable future to clearly support the following principles as you work to finalize the budget reconciliation measures.

1. HOPE for HOMES and ZEHA should both be in the final package, with funding split 50-50 between the two policies. They are not only complementary to each other, they are crucial to making the overall climate policy successful, as they together facilitate the reduction of overall energy demand and the transition of our energy economy on the demand side to clean, electric machines.
2. We support no less than \$20 billion for these combined clean building incentives, and believe that much more funding is needed to meet the moment. Senator Schumer's [letter](#) of August 25 presents two relevant facts about the Senate bill:

- a. Altogether, the climate-related investments in the bipartisan Infrastructure Investment and Jobs Act and the Budget Resolution on the Senate side will reduce carbon emissions to as much as 45 percent below 2005 levels by 2030, which together with additional regulatory and state action is consistent with President Biden’s goal of 50 percent.
 - b. Notably in Senator Schumer’s accompanying chart, “clean building incentives” in total make up 4.4 percent of the emissions reductions, a critical contribution at a time when there is no room for error in cutting emissions as quickly as possible. With additional funding for clean building incentives, these immediate emissions reductions would grow substantially, as more than 100 million households stand to benefit from this program if enough funding is made available to enable their participation.
3. The near-term emissions reductions in 2030 are just one interim benchmark for judging progress on the way to full decarbonization by mid-century. Because these machines last between one and two decades on average before needing replacement, immediate and substantial investment is needed today to catalyze the market so that we have a shot at hitting our 2050 targets. Simply stated, we will not hit our goals unless efficient, electric appliances reach a rate approaching 100 percent of replacements by the early 2030s.

Indeed, ZEHA draws from a June 2021 report published by the nonprofits Center for American Progress and Rewiring America. The report projects that to put the country on track to achieve zero emissions by 2050 while leveraging the existing appliance replacement rate of American households would justify an investment of [\\$88 billion to \\$265 billion](#) over the decade in appliance rebates alone.

The existing legislative language balances the targeting of incentives between helping low- and moderate-income households -- who otherwise could not afford these crucial upgrades -- with the opportunity to catalyze the market for building retrofits and for these clean, efficient machines via mass market adoption. These investments are a crucial complement to the Low-Income Weatherization Assistance Program. By incentivizing the broadest number of households to participate, we can flatten the steep adoption curve needed to get to high-efficiency, zero emission homes by 2050.

We already know we are walking up a cliff to achieve our climate goals and mitigate, not prevent, the effects of climate change. Senator Schumer’s analysis of the Senate package shows how the boldest action many members will ever have the opportunity to take still relies on executive and state action to get us the final percentage points of this goal.

So we conclude with these thoughts:

- Given the amount of energy consumed and emissions generated by our homes, and the impact on both by decisions made around the kitchen table, the overall investment we have seen in this arena as a means of addressing what is required of us to reduce unnecessary consumption and

catalyze the market is not enough. And since no other climate policy more broadly and directly serves Americans than these centered around the American home, a greater dollar commitment to HOPE for HOMES and ZEHA would be well spent.

- These investments are popular when Americans learn about them. Fifty-nine percent of Americans underestimated by at least half how much their household spending decisions contributed to carbon emissions in a recent poll. But [71 percent support federal rebates](#) to help them afford zero-emission and energy-efficient appliances to combat climate change in their own lives -- including 60 percent of Republicans surveyed.

We very much appreciate the many demands you are balancing in this historic legislative effort and hope you will further embrace the American home as not just a key part, but as the keystone of America's infrastructure vision.

Respectfully submitted,


Steven Nadel
Executive Director
ACEEE

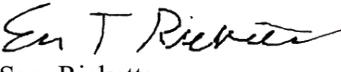

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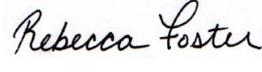

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