

February 28, 2022

NEPA Document Manager, DOE Golden Field Office
15013 Denver West Parkway
Golden, Colorado 80401

RE: Comments for U.S. Department of Energy (DOE) Office of Energy
Efficiency and Renewable Energy (EERE) Environmental Impact Statement for
Proposed Energy Conservation Standards for Manufactured Housing

Dear NEPA Document Manager:

The National Association of State Energy Officials (NASEO) appreciates the opportunity to provide comments on the Environmental Impact Statement (EIS) process for proposed update to the energy conservation standards for manufactured housing. NASEO is the only national association for the governor-designated energy officials from each of the 56 states, territories and District of Columbia.

NASEO commends DOE's efforts to update conservation standards for manufactured housing, which have not been updated since 1994. This extended lapse in code updates has led to residents of manufactured homes paying much more in energy and operating costs. U.S. Energy Information Administration (EIA) data shows that residents of manufactured homes pay nearly twice the energy costs per square foot as residents of site-built homes.¹

NASEO strongly supports this update, using the 2021 International Energy Conservation Code (IECC) as a baseline. The 2021 IECC offers cost-effective ways to save energy in homes, and the text of the Energy Independence and Security Act of 2007 (EISA) makes it clear that using another code as the baseline would be inappropriate: "the energy conservation standards established under this section *shall* be based on the most recent version of the IECC."²

However, the EIS and "proposed action" to create a tiered standard for manufactured homes raises several key concerns. NASEO encourages DOE to move forward with an un-tiered standard for manufactured homes and finds the analysis to justify a weaker standard for some homeowners insufficient. Our reasons for this position follow below.

¹ Talbot, Jacob. "Mobilizing Energy Efficiency in the Manufactured Housing Sector." July 2012. American Council for an Energy-Efficient Economy. <<https://www.aceee.org/sites/default/files/publications/researchreports/a124.pdf>>.

² Energy Independence and Security Act of 2007. Page 111. <https://www.govinfo.gov/content/pkg/PLAW-110publ140/pdf/PLAW-110publ140.pdf>.

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1. DOE and the U.S. Department of Housing and Urban Development (HUD) are proposing energy efficiency standards for Tier 1 homes which are or would soon be less efficient than the efficiency codes and standards in place in most states, and which states are unable to supersede due to federal pre-emption. These weaker federal standards will have material impacts on states' residents and the states' abilities to meet their energy efficiency, air quality, and energy affordability goals and requirements. This is particularly concerning, considering that it has been nearly 30 years since the last update to the standard, and 15 years since the EISA requirement that manufactured home standards are brought in line with modern building codes.
2. Establishing a two-tiered standard that excludes the lowest cost homes from energy efficiency standards saddles those residents (and successor residents) with high energy bills for the 30-40 year average lifetime of a manufactured home. Further, by failing to establish cost-effective baselines of energy efficiency in the lowest-cost homes, DOE increases the likelihood that the residents of these homes will require federal and state public assistance from the Weatherization Assistance Program, Low-Income Home Energy Assistance Program, or other state-funded and ratepayer-funded bill payment assistance programs in the future. In real terms, weakened standards simply shift unnecessarily high energy bills to taxpayers. Most importantly, instead of demonstrating that a lower standard than the 2021 IECC is "more cost-effective" required by the EISA,³ the EIS shows that a strong, unified standard has higher lifecycle cost savings over a 30-year timeline (comparing Alternative C2 to the proposed action, Alternative A1).⁴

Additionally, the EIS's examination of the environmental justice impacts of this tiered approach never considers the differences between tiers. The full discussion of Tier 1 (the lower standard) is compared to the 1994 standard, rather than standards similar to the 2021 IECC as required in the EISA. The EIS states that 13 million homes "reported keeping their homes at unhealthy or unsafe temperatures in order to pay energy bills,"⁵ then proposes an approach where the poorest homeowners would receive less than half of the annual energy savings as Tier 2 homeowners. For these reasons NASEO supports the adoption of an un-tiered approach.

3. The cost-benefit analysis used to justify a weaker standard is lacking in several ways.
 - First and foremost, the EIS states that "air quality impacts were not analyzed under the Tier 1 standard."⁶ If this is the case, then NASEO is concerned about how DOE was able to accurately calculate costs and benefits for the proposed action and determine that "air quality and health are the same across all alternatives."⁷ If the same health and air quality benefits were applied to Tier 1 and Tier 2, this would overvalue the benefits of a tiered approach.
 - The EIS described health impacts from mold and mildew as well as "unhealthy and unsafe temperatures" due to energy bills and insecurity and implies that the

³ *Id.* Page 111.

⁴ U.S. Department of Energy, "Draft Environmental Impact Statement for Proposed Energy Conservation Standards for Manufactured Housing," Office of Energy Efficiency and Renewable Energy. January 2022. Page 4-63.

⁵ *Id.* Page 1-5.

⁶ *Id.* Page 4-66.

⁷ *Id.* Page S-9.

updated standard will improve these living conditions for homeowners. However, these benefits are absent from the cost-benefit analysis. This undervalues the benefits across all alternative approaches, especially for the un-tiered approach applying higher standards to all new homes.

- The cost-benefit analysis appears to apply the high-costs of chattel loans to all calculations,⁸ which NASEO believes unnecessarily inflates costs. The EIS cites federal statistics showing that less than half of loans for manufactured homes are chattel loans.⁹ A higher figure is also cited from the Manufactured Housing Institute. However, this report merely states that 77 percent of new manufactured homes were designated as personal property (chattel), not that this proportion of new homes took out chattel loans.¹⁰ From conversations with states and stakeholders, it appears that many manufactured homes are purchased without loans. Moreover, NASEO strongly believes that lower cost, public-private financing options would also be helpful in supporting the purchase of new manufactured homes built to modern building standards. For these reasons, the assumption that 100 percent of manufactured homes are financed with chattel loans is inappropriate. If these inflated costs are contributing to the determination that a tiered standard is “more cost-effective” than the 2021 IECC, DOE should re-evaluate this based on more accurate financing assumptions.

NASEO appreciates DOE’s efforts to update this energy conservation standard. If regular, updates occurred as the law intended, meeting modern building standards would be easier. EISA was passed in 2007 and required adoption of an updated standard within four years. It has now been 15 years without an updated standard. Failure to update the standard in a manner consistent with EISA will only increase the difficulty of meeting future standards and leaves the residents of the approximately 90,000 new manufactured homes purchased each year with homes built to decades-old standards and high energy bills. Falling short of EISA’s requirements also puts states in the position of dealing with increased demand on the electric grid and increased demand for taxpayer- and ratepayer-funded energy bill payment assistance. NASEO encourages DOE to fully meet the statutory requirements under EISA through an un-tiered standard.

Best regards,



David Terry
Executive Director, NASEO

⁸ Id. Page 4-41

⁹ Id. Page 3-59.

¹⁰ Manufactured Housing Institute. “Manufactured Housing in the United States.” July 2020.

<<https://www.manufacturedhousing.org/wp-content/uploads/2020/07/2020-MHI-Quick-Facts-updated-05-2020.pdf>>.