

Project 2025 Plan to Eliminate Energy Efficiency Standards Would Raise Costs, Risk U.S. Jobs

July 2024

Canceling all existing federal energy efficiency standards could unleash a flood of energy-wasting appliances that raise costs for consumers and businesses. It would also threaten jobs at domestic manufacturing plants that make today's products.

Project 2025, a Heritage Foundation plan for a conservative presidential administration, includes this directive in its policy agenda: “Eliminate energy efficiency standards for appliances.”

Efficiency standards ensure new products sold meet a minimum level of energy efficiency (and water efficiency for certain products). Today, federal standards cover about 60 types of residential and commercial products, such as furnaces, refrigerators, air-conditioning equipment, motors, and pumps.

President Ronald Reagan signed the first national efficiency standards into law in the late 1980s, and Congress expanded standards to more products in laws signed under both Bush administrations. A 2007 bipartisan law directed the Department of Energy (DOE) to evaluate each standard periodically and update it if economically justified.

The law forbids DOE from weakening standards, so canceling them would require Congress to pass a new law. (A future administration could also seek to use legal gimmicks to quash certain standards without Congress.) What would this mean in practice?

Raising costs for consumers and businesses

Efficiency standards save the average household more than \$500 each year on utility bills. Businesses benefit from reduced utility costs in commercial buildings and industrial facilities. A series of efficiency standards updated by the Biden administration is set to save consumers and businesses even more.

Eliminating standards could bring a flood of models with outdated, inefficient technologies that leave purchasers unwittingly paying high bills. Renters—who are disproportionately low-income—could be particularly harmed because they generally do not pick their appliances, and landlords often choose the lowest-price model available regardless of the energy cost.

Threatening U.S. manufacturing and jobs

Many appliances sold in the United States are made domestically. Manufacturers have made substantial investments in updating their product lines and production facilities to sell products that meet current standards.



Eliminating existing standards would open the door to new, energy-guzzling products, jeopardizing manufacturers' investments and putting American manufacturing jobs at risk. Foreign facilities that currently produce products for countries with lax standards (or none at all) could send those products to the United States, undercutting manufacturers producing appliances that meet U.S. standards.

Spurring low-performing products

The performance of many products has improved as they have been made more efficient. Efficient washing machines, for example, generally clean clothes more effectively and gently than old-fashioned models, according to Consumer Reports testing. Standards set to take effect for clothes dryers are set to phase out many models that overdry clothes and can shrink them.

Eliminating standards for these products would open the gates for outdated models that not only use more energy and water but simply don't perform as well for consumers.

Increasing pollution and climate impact

Energy efficiency standards reduce the environmental impact of appliances and equipment. Standards finalized by the Biden administration alone are expected to reduce greenhouse gas emissions by 2.5 billion metric tons, according to DOE.

Standards also reduce emissions of nitrogen oxides, sulfur dioxide, and particulate matter, which directly harm human health.

Eliminating standards would invite manufacturers and importers to sell products with old, energy-guzzling technologies that increase climate-warming and air pollutant emissions.

Case study: Refrigerators

Thanks to efficiency standards and manufacturer innovation, new refrigerators today use a quarter of the energy that their predecessors did just a few decades ago. Meanwhile, they have gotten larger and have more features. New standards are set to make them even more efficient while maintaining more consistent temperatures—and reduce overall costs further.

If refrigerator efficiency standards were eliminated, unscrupulous manufacturers and importers could cut corners and produce models with minimal insulation and outdated compressors—quietly passing the costs on to consumers paying the energy bills.

For more information, please contact Madeline Parker at mparker@standardsasap.org

