

June 17, 2022

The Honorable Gina McCarthy  
National Climate Advisor  
Office of Domestic Climate Policy  
The White House  
Washington D.C. 20500

The Honorable Jennifer Granholm  
Secretary of Energy  
Washington, D.C. 20585

Dear Ms. McCarthy and Secretary Granholm:

We represent the companies who manufacture and install insulation products in the United States. Our industry strongly supports the President's action to designate insulation under the Defense Production Act, thereby recognizing insulation as a product necessary to address national security interests related to climate change and domestic energy security.

Buildings represent nearly 40 percent of all climate emissions. Insulation is the most cost-effective measure available to make meaningful emission reductions, while controlling energy costs for households and businesses. This holds true for both new construction and through energy efficient retrofits to residential, commercial, and industrial structures. For example, recent analysis by ICF finds that conventional insulation improvements to existing U.S. homes would eliminate roughly 10 trillion pounds of carbon emissions and reduce natural gas fossil fuel use by 23 billion therms. These savings are equivalent to the annual energy use of over 15 million homes and deliver over \$34 billion a year in utility bill savings to Americans each year.

The insulation industry is a "made in America" business. With few exceptions, our products are manufactured in the United States for domestic consumption. Additionally, raw materials are generally produced domestically, and the installation of insulation requires local labor.

Insulation manufacturing is also capital intensive and requires sustainable market demand and strong policies promoting energy efficient construction to catalyze investment in new capacity. For example, while the robust housing market has meant strong demand for insulation in recent years, a substantial slowdown in residential construction could negatively impact future market demand for insulation. The authorities available under the Defense Production Act, as well as other existing executive authorities, can elevate energy efficient new and retrofit construction as a national security priority through key policy enactments, which would lead to a more resilient market for all energy efficient building products, including insulation.

Areas of initial focus for executive action to both create a long term, stable market for energy efficient building products and address potential manufacturing process challenges, include the following actions:

- **Prioritize insulating new homes built in the United States to modern standards.** Federally issued or guaranteed mortgages support the lion's share of the new residential construction in the United States. Nearly twenty percent of new homes are purchased using Federal Housing Administration and U.S. Department of Agriculture mortgages, while Fannie Mae and Freddie Mac purchase an additional 50 percent of new home mortgages. The federal government has the administrative discretion to establish a national policy to require all new homes built in the U.S. and secured by federal mortgage products to be energy efficient and compliant with the 2021 International Energy Conservation Code.
- **Lead by example on energy-efficient building retrofits.** The federal government is a leader in requiring both above code compliance for new commercial government buildings and driving improved operational efficiency through ambitious goal setting and the use of energy performance contracting. While the government's newly enacted building performance standards will continue to drive operational efficiency in federal buildings, it should specifically prioritize building envelope and mechanical system efficiency as part of those improvements for both new and existing building projects of all sizes and scopes. At a minimum, every federal building should meet current code requirements (ASHRAE 90.1-2019 or better) for pipe, mechanical and roof insulation.
- **Prioritize building insulation efficiency opportunities in existing Department of Energy ("DOE") programs and initiatives.** While DOE's mission has traditionally focused on early-stage research and development, new DOE initiatives funded under the Infrastructure Investment and Jobs Act provide an ideal opportunity to support deployment of mature building material technologies to improve energy efficiency in existing buildings, particularly homes, schools, and industrial facilities. This could be accomplished by prioritizing or conditioning the expenditure of funding on envelope (*e.g.*, ceiling/attic, roof), mechanical system and piping insulation improvements that are easy to complete and deliver significant energy savings. DOE could similarly prioritize building insulation efficiency in both the Advanced Manufacturing and Building Technologies Office programs focused on market deployment.
- **Evaluate raw material supply chain challenges for insulation manufacturers.** While different insulation product types have varied raw material needs, raw material availability and other supply chain challenges could emerge as barriers to sustained and increased insulation manufacture. For example, recycled glass cullet comprises up to 50 percent of fiberglass insulation, yet under-investment in glass recycling infrastructure stresses consistent availability. Other insulation types can confront similar periodic shortages in key ingredients and, as is common in most manufacturing industries. Overland transportation challenges and the development of a skilled workforce may also present future headwinds. The Defense Production Act could be well suited to address some or many of these challenges, and we encourage the Administration to engage in product-specific discussions where appropriate.

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The President's decision to invoke the Defense Production Act for insulation, while welcome, has not been previously considered by our industry. We believe the best first step is to meet with the Administration experts on this authority and begin a discussion on actions that can be taken to establish economy-wide building decarbonization as national policy.

Sincerely,

North American Insulation Manufacturers Association  
American Chemistry Council Plastics Division  
EPS Industry Alliance  
Extruded Polystyrene Foam Association  
Insulation Contractors Association of America  
National Insulation Association  
Polyisocyanurate Insulation Manufacturers Association  
Spray Polyurethane Foam Alliance  
Structural Insulated Panel Association