

U.S. Real Estate Industry Strongly Supports ENERGY STAR

May 23, 2025

The Honorable Susan Collins, Chair
The Honorable Patty Murray, Ranking Member
Committee on Appropriations
U.S. Senate

The Honorable Tom Cole, Chair
The Honorable Rosa DeLauro, Ranking Member
Committee on Appropriations
U.S. House of Representatives

The Honorable Mike Lee, Chairman
The Honorable Martin Heinrich, Ranking Member
Committee on Energy and Natural Resources
U.S. Senate

The Honorable Brett Guthrie, Chair
The Honorable Frank Pallone, Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives

The Honorable Shelley Moore Capito, Chairman
The Honorable Sheldon Whitehouse, Ranking Member
Committee on Environment and Public Works
U.S. Senate

Dear Chairs and Ranking Members:

Our organizations represent the U.S. real estate sector, a driving force of our nation's economy. The value of America's commercial real estate is estimated at \$22.5 trillion, or about 44% of the market capitalization of all U.S. publicly traded companies. The value of new residential construction alone is estimated at 4.5% of U.S. GDP, while development and operations of new and existing commercial buildings contribute an estimated \$2.5 trillion to U.S. GDP. Our sector supports approximately 14 million direct U.S. jobs. Some \$900 billion in pension funds and other investment vehicles help secure the retirement nest eggs of America's workers who rely on real estate investments for competitive returns, steady dividend income, and portfolio risk reduction.

The real estate sector strongly supports the non-regulatory, overwhelmingly non-partisan [ENERGY STAR Buildings](#) program. We urge FY'26 appropriations to continue funding the ENERGY STAR program at current levels. Our industry relies upon ENERGY STAR more than any other voluntary public-private partnership developed and maintained by the United States government. Congress has expressly authorized ENERGY STAR in legislation (see attachment), and has delegated responsibilities to the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE) to administer jointly this effective non-regulatory, market-driven program. Our organizations have worked collaboratively for many years with both agencies to ensure that ENERGY STAR stays true to its statutory mission, reflects our industry's input, and stays current to reflect ever-changing market conditions and technological advancements.

Our members' buildings touch virtually every aspect of American life. They own, develop, construct, finance, and manage all types of income-producing properties in every U.S. market and abroad. We provide housing for our citizens, offices for our businesses, and classrooms for our students. Patients heal in our health care facilities and innovation happens in our laboratories. Our data centers are critical for AI technologies and crypto asset markets; our cell towers enable communication; and our warehouses support supply chains for storing and transporting goods. Our members own shopping centers where

U.S. Real Estate Industry Strongly Supports ENERGY STAR

commerce happens, and hotels that fuel local economies through business travel and tourism – and support communities during major events and emergencies.

All of these real estate assets rely on the ENERGY STAR buildings program. ENERGY STAR helps the real estate industry benchmark its energy use, identify underperforming buildings, track improvements, report to investors, gain insights to guide efficiency capital improvements, and earn performance recognition. Last year alone, more than 330,000 buildings – comprising nearly 25% of U.S. commercial building floor space – used [Portfolio Manager](#), ENERGY STAR’s secure, open-source, online software. It is our industry’s standard business tool to measure how much energy a building uses and saves. Real estate assets that do more with less energy – as quantified, monetized, and recognized through Portfolio Manager and other ENERGY STAR offerings – are critical to:

- **Promote Energy Affordability and Unleash Energy Innovation:** We support “all of the above” policies for reliable sources of energy addition. As we work to increase new energy supplies, we must also use power efficiently and avoid energy waste. This is where ENERGY STAR comes in. The public-private partnership enables cost savings, enhances profitability, and alleviates strain on the electricity grid so it can support a greater number of energy users. Since 1992, the program has helped families and businesses save nearly \$200 billion in utility bills, with \$14 billion in cost savings in 2024 alone. The top performing buildings with ENERGY STAR certifications use **35% less energy** on average than similar buildings – and those energy savings bring reduced costs of operations for our members and greater affordability for their customers. Domestic and overseas investors and tenants seek out the ENERGY STAR “brand.” It denotes buildings that are among the best operated and maintained in the world and helps bring investment capital to our shores.
- **Minimize Regulatory Burdens:** ENERGY STAR Portfolio Manager is a key platform to achieve cooperative federalism with state and local governments. This energy usage “benchmarking” tool has become the critical national standard used by owners and developers to identify opportunities for energy saving investments and innovations in their assets. Portfolio Manager is also necessary to reduce the real estate industry’s regulatory burdens. Our members must work with city and state officials to meet building codes and performance standards that vary widely across the nation. In most cases, our industry has supported Portfolio Manager as the accepted and logical tool to avoid regulatory chaos with the “patchwork” of local requirements for measuring and managing building energy use, which supports energy demand management and growth.
- **Strengthen Grid Reliability and Security:** Buildings and factories must operate at heightened levels of efficiency and dynamic management of peak demand to save electricity and place less strain on the grid. In 2024, ENERGY STAR helped commercial buildings and industrial plants avoid 230 billion kWh of electricity waste – or about 92% of the electricity consumed in the [state of Florida](#) for an entire year. Electricity **savings**, supported by ENERGY STAR, free up **existing** power generation and supply. Building efficiency promoted by ENERGY STAR, in combination with **new** American made energy of all types, are the policies our nation’s needs to meet massive demands for power and lead the world in AI innovation.

U.S. Real Estate Industry Strongly Supports ENERGY STAR

To this day, ENERGY STAR for buildings as administered by both EPA and DOE remains true to Congress's vision to create a landmark energy-efficiency program unencumbered by heavy-handed federal regulations. Bipartisan laws (see attachment) enacted by Congress in 1990, 2005, and 2015 calling for non-regulatory, voluntary strategies for energy conservation and end-use efficiency – developed with industry support – have provided the foundation stretching back decades upon which the ENERGY STAR program is built.

Our industry is proud of the public-private partnerships we have forged with ENERGY STAR over many years. We look forward to continue working with Congress and the agencies on “all of the above” policies to propel America's energy independence, competitiveness, and profitability.

The Real Estate Roundtable
American Hotel & Lodging Association (AHLA)
Building Owners and Managers Association (BOMA) International
CRE Finance Council
Home Innovation Research Labs
ICSC
Leading Builders of America
National Apartment Association
NAIOP, Commercial Real Estate Development Association
Nareit
National Association of Home Builders (NAHB)
National Multifamily Housing Council (NMHC)
Real Estate Board of New York (REBNY)

Cc: Members of:
U.S. Senate Appropriations Committee
U.S. House Appropriations Committee
U.S. House Energy & Commerce Committee
U.S. Senate Energy and Natural Resources Committee
U.S. Senate Environment and Public Works Committee

U.S. Real Estate Industry Strongly Supports ENERGY STAR

ATTACHMENT

Statutory Authorization for ENERGY STAR

- 42 U.S.C. 6294(a), (b): Section entitled, “Energy Star program”
 - Energy Policy Act of 2005
 - “There **is established** within the Department of Energy and the Environmental Protection Agency a voluntary program to identify and promote energy-efficient products **and buildings** to reduce energy consumption, improve energy security, and reduce pollution through the voluntary labelling of, or other forms of communication about, products and **buildings** that meet the highest energy conservation standards.”
 - “Responsibilities under the program **shall be divided between the Department of Energy and the Environmental Protection Agency** in accordance with the terms of applicable agreements **between those agencies**.”
- 42 USC 17085(b)
 - Energy Efficiency Improvement Act of 2015
 - “The Administrator of the Environmental Protection Agency, in consultation with the Secretary of Energy, **shall develop** a voluntary program within the **Energy Star program established by section 6294a** of this title, which may be known as ‘Tenant Star’”
- 42 U.S.C. 7403
 - Clean Air Act Amendments of 1990
 - (g)(1): “[T]he Administrator **shall conduct a** basic engineering research and technology **program to** develop, evaluate, and **demonstrate nonregulatory strategies** and technologies for air pollution prevention.
 - (3)(A): “**The program** under this subsection **shall include** the following elements: (A) Improvements in **nonregulatory strategies** and technologies for reducing multiple air pollutants, including ... carbon dioxide, **from stationary sources** ... Such strategies and technologies shall include improvements in the relative cost-effectiveness and long-range implications of ... nonregulatory strategies **such as** conservation, **end-use efficiency**, and fuel switching to cleaner fuels. Such strategies and technologies shall be considered for existing and new facilities.”
 - 42 USC 7411(a)(3) -- Definition of “stationary source”: “[A]ny **building**, structures, facility, or installation which emits or may emit any air pollutant.”
- See generally: US Government Accountability Office, Report to Congressional Requesters, GAO-11-888, *ENERGY STAR: Providing Opportunities for Additional Review of EPA’s Decisions Could Strengthen the Program* (Sept. 2011)
 - “In the Energy Policy Act of 2005, Congress **formally authorized** the Energy Star program to identify and promote energy-efficient products **and buildings**.” (Emphasis added)