



August 3, 2021

Honorable Thomas Carper  
Chairman  
U.S. Senate Committee on Environment and  
Public Works  
410 Dirksen Senate Office Building  
Washington, DC 20510

Honorable Edward Markey  
Chairman  
U.S. Senate Subcommittee on Clean Air,  
Climate, and Nuclear Safety  
410 Dirksen Senate Office Building  
Washington, DC 20510

RE: Climate Bank Act and 40% Investment Activity Targets; Energy Efficiency Investments

Dear Chairmen Carper and Markey:

The Alliance to Save Energy is writing in support of the National Climate Bank Act and to urge inclusion of clear language that ensures low-income, disadvantaged and environmental justice communities benefit from the investment activities of the Bank. Clear provisions would substantively assist in the deployment of energy efficiency technologies in the targeted communities, resulting in energy savings for consumers, a reduction in energy burden, and needed reductions in carbon emissions.

The Climate Bank is a necessary tool for spurring energy efficiency penetration, particularly for homeowners in low-income, disadvantaged, and environmental justice communities. A recent analysis conducted by the Alliance revealed that when segmenting individuals below \$60,000 in annual income there are approximately 35 million owner-occupied homes versus 39 million for those with annual incomes at \$60,000 and above. The data identifying the number of homeowners below \$60,000 in annual income demonstrate the work ahead if we are to include the low-income owner-occupied demographic in carbon reduction strategies and achieve deep energy efficiency retrofits, including the building envelope, products, and equipment.

This is also true for low and moderate-income rental communities, where efficiency investments would support rental housing efforts (new and existing) ensuring that developers, owners, and others are able to access targeted Climate Bank related financing for energy efficiency investments. These investments would then benefit tenants through energy savings—significantly reducing their energy burden, while collectively reducing emissions.

To ensure the National Climate Bank is directly connected to energy efficiency benefits for low-income, disadvantaged, and environmental justice communities as envisioned by the legislation, the Alliance recommends the following:

1. Establish an **annual look-back period** to ensure that not less than 40% of the investment activity of the Bank is directed toward low-income, disadvantaged, and environmental justice communities.
2. In the Bank's quarterly **reports to Congress**, include the **percent of investment activity directed toward targeted communities**.
3. Establish in the **reporting responsibilities of the Audit Committee**, information that **includes the percent of investment activity directed toward identified targeted communities**.
4. In each of the Bank's **first five years of capitalization**, ensure that any capitalization amounts are **directed toward the 40% investment activity, depending on and equal to the amount of any investment deficits from the previous year**.
5. In years following the first five years, ensure that the Bank sets aside Bank capital, to be directed toward the 40% investment activity, **depending on and equal to the amount of any investment deficits from the previous year**.

The Alliance has developed relevant legislative text in support of the proposed changes and is able to forward proposed draft language for review.

We are appreciative of your consistent advocacy on these important issues and grateful for the opportunity to align with you on the importance of energy efficiency as a substantive tool in carbon reductions, consumer energy savings, and reducing energy burden. Thank you for your continued leadership on the Climate Bank and issues impacting disadvantaged communities.

If you have any questions or need additional information, please do not hesitate to contact me or Vincent Barnes ([vbarnes@ase.org](mailto:vbarnes@ase.org)), Alliance Senior Vice President of Policy, Research, and Analysis

Sincerely,



Paula R. Glover  
President  
Alliance to Save Energy

cc: Honorable Bernard Sanders, Chairman, U.S. Senate Committee on the Budget