

August 12, 2016

The Honorable Lisa Murkowski  
U.S. Senate Committee on Energy and  
Natural Resources  
304 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Maria Cantwell  
U.S. Senate Committee on Energy and  
Natural Resources  
304 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Frank Upton  
U.S. House of Representatives Committee  
on Energy and Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515

The Honorable Frank Pallone  
U.S. House of Representatives Committee  
on Energy and Commerce  
2322A Rayburn House Office Building  
Washington, DC 20515

Dear Chairwoman Murkowski, Ranking Member Cantwell, Chairman Upton, and Ranking  
Member Pallone:

On behalf of a coalition of energy efficiency organizations, large and small businesses, trade associations, and public interest groups, we, the undersigned, are writing to share our priorities for negotiations on comprehensive energy legislation. Our hope, which should also be the goal of the conference committee, is for energy legislation to emerge that can pass the House and Senate and be enacted into law. This positive outcome can best be achieved by setting aside provisions that would draw vetoes from President Obama and building upon the strong, bipartisan, consensus-based energy efficiency title of the Senate bill.

First, a conference report should include most of the efficiency title in S. 2012, the Energy Policy Modernization Act of 2015, as passed by the Senate in April 2016, with one important exception (please see below). The efficiency title of S. 2012 is based in large part on bipartisan legislation negotiated over several years and sponsored by Senators Rob Portman (R-Ohio) and Jeanne Shaheen (D-N.H.) and Representatives David McKinley (R-W.V.) and Peter Welch (D-Vt.). The provisions of Portman-Shaheen/McKinley-Welch should be the basis of efficiency policy in a conference report. Indeed, we urge conferees to include the Portman-Shaheen/McKinley-Welch building energy code language without any change or further negotiation, which would undo years of effort and good-faith compromise, in the conference report.

In stark contrast to the provisions of Portman-Shaheen/McKinley-Welch, the building energy codes language approved by the House enjoys no such bipartisan support. Rather, the House-passed bill would have a deleterious effect on the U.S. Department of Energy's ability to support state and local efforts to adopt building energy codes. For this reason, according to the [Statement of Administration Policy for H.R. 8](#), the North American Energy Security and Infrastructure Act of 2015, President Obama promised to veto a bill that would impede the development and implementation of building energy codes.<sup>1</sup> Conferees should set aside

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<sup>1</sup> "H.R. 8 would stifle the Nation's move toward energy efficiency by severely hampering the Department of Energy's...ability to provide technical support for building code development and State implementation."

language that would attract a veto from President Obama and support instead the Portman-Shaheen provisions passed by the Senate.

Second, a conference report should also contain provisions of the Sensible Accounting to Value Energy (SAVE) Act that were approved by the Senate with 66 votes. The SAVE Act, in the form that was adopted by amendment in the Senate, would allow homeowners to fully realize the value of residential energy efficiency improvements, including those implemented to comply with state and local building energy codes. Combined, the Portman-Shaheen/McKinley-Welch provisions and the SAVE Act would produce compounded savings for American homeowners. Please find enclosed an analysis by the American Council for an Energy-Efficient Economy that estimates the potential for economic benefits and provides points of comparison for the magnitude of savings.

Third, conferees should include House-approved consensus language on standards for residential furnace standards in a conference report. The language approved by the House is the result of negotiation and represents a broad consensus of stakeholders. Language included in S. 2012, as approved by the Senate, does not reflect the efforts of stakeholders to find common ground and enjoys no such support. Conferees should avoid setting any negative precedents that would lead to billions of dollars of lost savings from inefficient appliances and equipment across many other product classes by rejecting the furnace language approved by the Senate and adopting instead the version that passed the House.

While not specific to residential furnaces, the House included language in its bill that could lead to lower benefits from DOE's successful Appliance and Equipment Standards Program. The House bill proposes to make certain clarifications to the Standards Program rulemaking process that would lead to delays and uncertainty. Rather than write these clarifications into law, the undersigned would be willing to work with conferees and other members of Congress as well as industry stakeholders while the energy bill conference is proceeding to develop consensus-based, bi-partisan suggestions to improve Standards Program processes and methodologies.

Fourth, a conference report should contain reauthorizations for the Weatherization Assistance Program and State Energy Program. In addition, the WAP reauthorization language in the Senate bill requires one important change: deletion of "not less than" as it relates to the new, small competitive innovation program. The effect of this important change would make the competitive program a small, maximum percentage of the overall program, rather than a floor that could eliminate the nationwide value of the base program. We urge conferees to also provide details that increase private-sector engagement by supporting training of and technical assistance to private contractors to ensure their ability to participate in WAP. Conferees should also include an expansion of the Sec. 1703 loan guarantee program that would allow states and state-level financing institutions to participate and lead to significant, continued innovation in the development of programs to mobilize private capital and leverage public-sector resources.

Fifth, and finally, a conference report should include a host of additional provisions, which would contribute to the strongest possible efficiency legislation enacted in nearly 10 years. A conference report should also contain language on smart buildings, smart manufacturing, federal buildings, energy savings performance contracting, utility energy service contracting, combined

heat and power, and water efficiency in addition to those priorities previously enumerated.  
Conferees should look for areas of agreement between the competing bills as well as maximize the inclusion of provisions approved by the Senate.

Whenever possible, House and Senate conferees should set aside provisions in a conference report that would cause President Obama to veto a final bill. We urge conferees instead to look to capitalize on areas, namely energy efficiency, that benefit from broad bipartisan support. Energy efficiency is the best foundation for conferees to build a comprehensive energy bill conference report that can achieve passage in the House and Senate and enactment into law.

Thank you for your consideration.

Alliance to Save Energy  
American Council for an Energy-Efficient Economy  
ASHRAE  
Copper Development Association  
Cree  
E4TheFuture  
Energy Efficient Codes Coalition  
Energy Future Coalition  
Environmental and Energy Study Institute  
Federal Performance Contracting Coalition  
Hannon Armstrong  
Home Performance Coalition  
Illuminating Engineering Society  
Institute for Market Transformation  
International Association of Lighting Designers  
International Copper Association, Ltd.  
Knauf Insulation  
National Association of Energy Service Companies  
National Association of State Energy Officials  
National Insulation Association  
North American Insulation Manufacturers Association  
Polyisocyanurate Insulation Manufacturers Association  
Schneider Electric  
Vermont Energy Investment Corporation

Enclosure

CC: U.S. Senate Majority Leader and Democratic Leader  
Speaker of the U.S. House of Representatives and Democratic Leader  
Members of Congress Appointed to the Conference Committee