

April 11, 2014

The Honorable Mike Simpson
House Committee on Appropriations
Subcommittee on Energy and Water
2312 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Marcy Kaptur
House Committee on Appropriations
Subcommittee on Energy and Water
2186 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Simpson and Ranking Member Kaptur:

We are writing to urge you to support key energy efficiency priorities at the Department of Energy. We recognize the significant challenges facing the federal government to reduce spending and spur economic growth, yet we strongly believe that failing to fund EERE energy efficiency investments at these levels would undermine our national economic, environmental and security interests. These programs have resulted in exceptional value for American consumers and businesses as a source of savings that are spent in other economic sectors, yielding benefits far beyond their nominal outlays.

Energy efficiency is our nation's most abundant energy source. Economy-wide improvements in energy efficiency have contributed to the large reduction in U.S. energy use over the last 30 years. Economy-wide improvements in energy efficiency, along with structural changes in our economy, have supplied more energy over the last 30 years than domestic coal, natural gas, and oil combined. The energy productivity of the U.S. economy—the amount of energy it takes to produce one dollar's worth of goods—has increased by 50% over the past three decades. The economic productivity improvements over this period reduced our national energy bill by about \$700 billion.

The Department of Energy efficiency RD&D activities, pursued in concert with American manufacturers, builders, and other important facets of our economy has been the foundation upon which these savings can accrue. To that end, we request funding for the following priority energy efficiency programs:

\$234 Million for the Building Technologies Office:

- **\$70 M for Building Codes and Appliance Standards**, with an emphasis on ramping up support for states and local jurisdiction building code activities. For building codes, this should include: 1) Providing consistent and clear priorities and goals to the model code bodies and to states; (2) providing assistance to states and local jurisdictions on energy code adoption and enforcement; and (3) providing assistance to states and local jurisdictions with updated strategies for benchmarking, improving compliance, and measuring compliance. For the appliance standards program, DOE has recently begun to catch up on rulemakings that are running behind legal deadlines and is now working on more than a dozen products. We support these efforts including consideration of adding several new industrial products to the program.
- **\$30 M for Residential Building Integration**, with the focus on accelerating the development and adoption of advanced building energy technologies and practices in new and existing homes. The Residential Building Integration program has the capacity to fundamentally transform homebuilding and renovation in this country; however, even with the appropriate and laudable goals of development and adoption of advanced building energy technologies and practices for 70% efficiency improvements, the program is unfocused. Funding should be concentrated with the Industry Teams that can facilitate research, demonstrate and test new systems, and facilitate widespread deployment through their partnerships

with builders, the construction trades, equipment, smart grid technology and systems suppliers, integrators and state and local governments. Fewer teams, with sufficient funding each would be a better model than the current one of providing less funds to more players, and successful models should be replicated more widely. Direct engagement with builders, contractors, and business is crucial to the success of buildings programs. Funding should be spent primarily on industry teams that have the capability to bring all actors to the table and transform the market.

- **\$10 M for a New Energy Efficiency Initiative.** We support a new program that would be focused on stakeholder engagement efforts with input and direction by the existing home performance industry and the weatherization network. Working with national organizations and companies specializing in home performance and/or weatherization, the efforts will include regional forums and will generate policy recommendations leading to the development of a new residential energy efficiency retrofit program to support increased energy efficiency in all residential buildings and income levels.
- **\$32 M for Commercial Building Integration,** with a need for DOE to not only facilitate the research and development on systems integration, but also promote the widespread adoption of comprehensive deep retrofits to existing buildings and 50-100% energy reductions in new construction relative to the 2001 model code. We support a program of core research and development of more cost effective integration techniques and technologies, which could help the move towards both deep retrofits and zero net energy ready buildings. In addition, DOE needs to better engage with the stakeholders developing market transforming policies and investing in retrofits (e.g., private firms, state and local governments, non-profits) by coordinating with and working through them.
- **\$92 M for Emerging Technologies,** which should be focused on building envelope technologies and building equipment technologies with an increasing focus on building management technologies. Advanced heating, ventilation, and air conditioning (HVAC) research should increase and focus on innovative technologies that can provide reductions in primary energy use. Work should continue on advanced water heating and appliance technologies and systems. The program should intensify efforts to increase efficiencies with nanobased lubricants, advanced fluids, and next generation alternatives. Advanced envelope technologies, including windows research and development, should continue, as should research into building energy management capability. We also urge DOE to fund innovative new technologies that will move us towards efficiency reductions consistent with achieving net zero energy ready buildings, consider resiliency and extreme weather events, and coordinate with the private and public sectors.

\$305 M for the Advanced Manufacturing Office, divided as follows: at least 25% of the budget should support deployment activities (including \$8-10 million for the Industrial Assessment Centers); 25% should target research and development cost-shared with energy-intensive manufacturing sectors including iron and steel, metal casting, chemicals, aluminum, and forest products; and at least 15% should target combined heat & power (CHP) research and deployment.

\$36 M for the Federal Energy Management Program, which supports the budget request. FEMP provides project and policy expertise to all federal agencies, assisting them to meet Congressional and Executive energy management goals: reducing waste in federal agency energy use, leading by example, and spurring innovation and the commercialization of efficient technologies. For example, since 2005, FEMP has facilitated \$3.1 billion of private investments in Federal Government facilities through performance-based

contracts, which resulted in cost savings of approximately \$8.5 billion over the life of the energy-saving measures.

\$230 M for the Weatherization Assistance Program and \$63 M for the State Energy Program (Office of Weatherization & Intergovernmental Assistance). We urge the Committee to provide funding at the level of \$63 million for the **State Energy Program**, which allows states to assist with the development of energy efficiency and renewable energy projects, providing leverage for state and locally directed activities. Additionally, we ask the Committee to return funding to historical levels for the **Weatherization Assistance Program**, which helps low-income families, seniors, and individuals with disabilities make lasting energy efficiency improvements to their homes. Moreover, the Weatherization Assistance Program has a proven track record of creating new jobs and contributing to the economy through the program's large supply chain of vendors, suppliers, and manufacturers.

\$123 M for the Energy Information Administration. We also support continued funding of \$123 million for the Energy Information Administration, in particular the data collection, analysis, and reporting activities on energy use and consumption.

\$200 M for the Race to the Top for Energy Efficiency. We also support funding for the Race to the Top for Energy Efficiency initiative, funded at \$200 million in the President's budget request, to support a competitive grant program that challenges the states to increase their energy productivity while meeting the state's unique energy needs. We believe these funds, allocated in the Opportunity, Growth and Security Initiative's budget, should be an additional amount included in the EERE accounts.

Energy efficiency offers solutions that drive the U.S. economy by creating jobs and saving energy. Energy efficiency investments also lessen dependence on imported energy sources, reduce pollution and its health and environmental impacts, improve America's global competitiveness, and alleviate stress to the electric grid and water infrastructure.

We urge the Appropriations Energy and Water Subcommittee to provide robust funding to these important DOE programs in FY2015. Thank you for your consideration of our request.

Sincerely,

American Council for an Energy Efficient Economy

ASHRAE

Alliance for Industrial Efficiency

Alliance to Save Energy

Coalition for Renewable Natural Gas

Conservation Services Group

Council of North American Insulation Manufacturers Association

CREE

Environment America

Environmental and Energy Study Institute

Environmental Defense Action Fund

Federal Performance Contracting Coalition

Home Performance Coalition

Institute for Market Transformation

National Association of State Energy Officials

National Association of Energy Services Companies

National Association for State Community Service Programs

Sierra Club

The Stella Group, Ltd.

U.S. Green Building Council

CC: Members of the House Subcommittee on Energy and Water Development