January 15, 2019

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives

The Honorable Mitch McConnell
Majority Leader
U.S. Senate

The Honorable Charles E. Schumer
Democratic Leader
U.S. Senate

Re: Benefits of Embedding Energy Efficiency in Infrastructure Investments

Dear Speaker Pelosi, Leader McConnell, Senator Schumer, and Leader McCarthy:

We the undersigned, on behalf of a coalition of energy businesses, trade associations, researchers, energy officials, and advocacy organizations, respectfully urge you to ensure that any infrastructure proposals considered by the 116th Congress include energy efficiency provisions that will maximize the investments made by taxpayers, reduce long-term operations and maintenance costs, and improve overall U.S. energy productivity.

Energy efficiency is our nation's most abundant energy resource. Without the gains in energy efficiency made since 1973, the U.S. economy would today require 60% more energy than we currently consume. Between then and today, U.S. gross domestic product has tripled while energy consumption has only risen by about 40%. Improving energy efficiency is the single most effective policy strategy we have for addressing the threat of climate change—both in terms of reducing emissions and enhancing the resilience of buildings, transportation, and energy systems—while also representing an extraordinary bipartisan opportunity to boost economic growth, add to the 2.25 million jobs in the energy efficiency sector, and improve U.S. energy security and global competitiveness. These benefits would align with many of your stated goals for an infrastructure package in the 116th Congress.

The American Society of Civil Engineers gave our nation's aged and increasingly failing infrastructure a grade of D+ in its most recent *Infrastructure Report Card* and identified a funding shortfall of more than $1.4 trillion by 2025. Energy efficiency would improve the cost-effectiveness and sustainability of any investments in infrastructure, including critical improvements across the entire buildings sector, water and wastewater treatment facilities and distribution systems, the power grid, and our increasingly-connected transportation systems. We therefore encourage you incorporate energy efficiency in any infrastructure proposals from the start. Otherwise, Congress runs the risk of locking in decades of high costs and unnecessary energy waste for the duration of the physical infrastructure our economy needs to remain prosperous in the 21st Century.

In order to make the best, most-efficient use of taxpayer investments in infrastructure, we ask that you first consider these tenets:

- **Promote adoption of updated building energy codes and high-efficiency equipment.** Buildings account for roughly 40% of U.S. primary energy use and 76% of the electricity we use, and recent climate assessments and reports consistently point to reducing building energy consumption as a top solution to reduce greenhouse gas emissions. As we invest in rebuilding the very places where people and commerce meet, we should ensure these structures meet the highest standards for efficiency. The latest model building energy codes deliver 30 percent more efficiency than codes of just a decade ago, resulting in more than $5 billion in annual savings for U.S. homes and businesses from, for example, improved thermal envelopes and high-efficiency heating and cooling equipment and lighting fixtures. Just as important, the experiences of states and communities demonstrate that more efficient buildings are key to enhancing energy system resilience in the face of extreme weather events. Congress should ensure that any infrastructure proposals encourage states and local governments to adopt updated building energy codes that will deliver long-term savings to homeowners, renters, and commercial building owners and tenants.

- **Expand opportunities for public-private partnerships to finance projects.** The burden of paying for infrastructure does not need to fall solely upon the shoulders of taxpayers through direct appropriations. The federal government should show leadership by addressing critical infrastructure upgrades through public-private partnerships that leverage private funds to implement resilience-enhancing energy- and water-conservation measures. To address the backlog of $165 billion in deferred maintenance projects, any infrastructure package should encourage performance contracting and other financing mechanisms at all levels of government to install high-efficiency equipment and systems in individual buildings and across campuses with little to zero upfront cost to taxpayers and tremendous resilience benefits for mission-critical public facilities.

- **Apply life-cycle cost-effectiveness analysis to all appropriate projects.** To deliver the best long-term return-on-investment to taxpayers, Congress should avoid short-sighted decisions based on incremental first-costs and instead take into account costs and benefits over the expected lifetime of physical infrastructure. This false choice between up-front costs and lower operations and maintenance costs tends to encourage an under-investment in energy- and water-saving technologies that then saddle unsuspecting homeowners, consumers, and businesses with an unpredictable burden of higher utility bills. A missed opportunity now means future generations of taxpayers will be paying for our mistake for decades to come.

We are prepared to work with you and your colleagues to provide more assistance as requested to identify specific programs, activities, and projects that may warrant specific attention as Congress turns its focus to infrastructure. And we pledge to assist your staff by identifying existing and developing new energy efficiency proposals that would maximize taxpayer investment in infrastructure that delivers benefits today, lowers costs over time, and provides our children and grandchildren with a more sustainable future.

Thank you for your consideration.

Sincerely,
Advanced Energy Economy
Alliance to Save Energy
National Association of State Energy Officials

Cc: Members, U.S. House of Representatives Committee on Transportation and Infrastructure
Members, U.S. House of Representatives Committee on Energy and Commerce
Members, U.S. Senate Committee on Energy and Natural Resources
Members, U.S. Senate Committee on Environment and Public Works