



July 13, 2021

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

RE: Urging Robust Investments in Energy Efficiency

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

The Alliance to Save Energy writes to encourage your leadership, urging you to prioritize energy efficiency legislation as Congress considers historic energy infrastructure investments. Energy efficiency alone has the ability to reduce carbon emissions by 50% by 2050 and could provide 40% of the emission reductions required by the Paris Agreement. Furthermore, through the energy efficiency priorities identified below, Congress has the ability to create more than 1.4 million new jobs, achieve \$167 billion in cumulative energy cost savings for taxpayers and consumers, and avoid over 1.1 billion metric tons of carbon emissions.

To achieve the identified climate and economic benefits, Congress must lead on energy efficiency in the built environment; through tax incentives and direct investments in key energy efficiency equity measures, including but not limited to workforce development; by meeting the funding needs of the Weatherization Assistance Program (WAP); expansion of the voluntary ENERGY STAR Program; and needed research and development in support of the future of energy efficiency.

We therefore urge passage of the Open Back Better Act of 2021, investments in small business energy efficiency infrastructure, and expansion and permanency of key energy tax incentives, including 25C and 45L, in addition to increased incentives and improvements to 179D. As you know, current tax provisions are anemic and fail to substantively motivate energy efficiency adoption, whereas proposals such as those included in the Senate's Clean Energy for America Act and the House's GREEN Act represent positive steps in the right direction.

Additionally, we recommend swift action to increase the annual appropriations of the jointly administered ENERGY STAR program, which should receive its own line-item in the annual EPA

budget. ENERGY STAR has accounted for more than 4 billion metric tons of GHG reductions since the program began in 1992, but currently operates on a shoestring budget of \$39 million annually. Increasing annual appropriations to \$80 million will help the nation achieve proposed GHG emission reduction goals of 50% below 2005 levels by 2030.

Finally, to ensure substantive carbon reductions through energy efficiency, Congress must clear the path for equitable access to energy efficiency across all income demographics. According to recent Alliance analysis, more than 35 million homeowners in the owner-occupied residential market earn less than \$60,000 per year, compared to 39 million that earn \$60,000 or more annually. Legislation such as HOPE for HOMES, in addition to significantly increased appropriations for WAP are essential tools for achieving equity in energy efficiency and reaching low-income homeowners.

Also, as we move toward a future that requires increased demand flexibility, we cannot overstate the critical role of broadband in advancing the digitization and future of energy efficiency (Active Efficiency). We urge your continued leadership and support to equitably build-out and deploy middle-mile and last-mile broadband infrastructure in rural and urban parts of the country. Furthermore, to ensure equitable access to the jobs created through energy efficiency, we also urge passage of the Blue Collar to Green Collar Jobs Development Act.

The Alliance looks forward to working with you to enact transformational energy efficiency legislation to advance the nation’s economic, energy, and climate priorities in an equitable manner. For additional information on projected carbon reductions, job creation, and energy savings impact of identified priorities, please see the chart below.

Program/Provision¹	Federal Investment	CO2 Avoided (MMT)	Total Jobs Created	Energy Cost Savings
25C: Single-Family Tax Incentive	\$14.4 B	127	195,700	\$22.4 B
45L: Multi-Family Tax Incentive	\$2.4 B	40	9,448	\$5 B
179D: Commercial Building Deduction	\$3.3 B	174	314,980	\$25.9 B
Open Back Better	\$18 B	720	750,000	\$97.5 B
Small Business EE Infrastructure	\$6 B	40	44,000	\$6.2 B
HOPE for HOMES	7.3 B	72	118,000	9.6 B
Totals	\$51.4 B	1.173 BMT	1,432,128	\$167 B

¹ Data developed through ACEEE [report](#); tax provisions represent a 2020 ACEEE analysis that considered adopting the 25C and 45L modifications in then existing legislative proposals (S. 2588/H.R. 4506 and S. 2595/H.R. 4646 in the 116th Congress, e.g., see www.congress.gov/bill/116th-congress/senate-bill/2588), and would double the 25C incentives for the first two years and would also update 179D.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Paula R. Glover".

Paula R. Glover
President
Alliance to Save Energy

CC: The Honorable Joe Manchin, Chairman, Senate Committee on Energy and Natural Resources
The Honorable John Barrasso, Ranking Member, Senate Committee on Energy and Natural Resources
The Honorable Frank Pallone, Chairman, House Committee on Energy and Commerce
The Honorable Cathy McMorris Rodgers, Ranking Member, House Committee on Energy and Commerce