

April 14, 2021

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

Honorable Peter DeFazio
Chairman
U.S. House of Representatives
Committee on Transportation
and Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

Honorable Richard Neal
Chairman
U.S. House of Representatives
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

Honorable Cathy McMorris Rodgers
Ranking Member
U.S. House of Representatives
Committee on Energy and Commerce
2322 Rayburn House Office Building
Washington, DC 20515

Honorable Sam Graves
Ranking Member
U.S. House of Representatives
Committee on Transportation
and Infrastructure
2164 Rayburn House Office Building
Washington, DC 20515

Honorable Kevin Brady
Ranking Member
U.S. House of Representatives
Committee on Ways and Means
1139 Longworth House Office Building
Washington, DC 20515

Dear Chairmen Pallone, DeFazio, Neal, and Ranking Members McMorris Rodgers, Graves, and Brady:

Thank you for your continued leadership in developing solutions to respond to the COVID-19 pandemic, and your immediate attention to investing in our nation's infrastructure. The Alliance to Save Energy looks forward to working with Congress as the deliberative infrastructure legislative process begins, and supports your efforts to build the economy, create jobs, and identify the most appropriate answers that will define the future of energy. Energy efficiency represents the least expensive choice for carbon emissions reductions and addressing climate change— and has the added benefit of creating jobs and reducing energy costs for consumers. We urge you to include energy efficiency as a top priority as you seek to simultaneously address climate change by lowering carbon emissions and creating jobs and economic opportunity through infrastructure investments, while also ensuring policies are fair and equitable for all Americans, particularly vulnerable and disadvantaged communities.

According to recent studies, energy efficiency can be the primary solution for reducing greenhouse gas emissions, with the potential to account for nearly half of the reductions needed to meet the goals of the Paris climate agreement. At the same time, energy efficiency is the largest employer in the clean energy sector with more than 2 million jobs in construction, manufacturing and other fields. There is tremendous potential to create more of these jobs, which pay 28% more than the national median and are spread across the country, with efficiency workers in 99.7% of all U.S. counties. Additionally, efficiency delivers these benefits while also sharply reducing energy costs for American businesses and

consumers, particularly important for those households that spend an outsized portion of their income on energy and too often struggle to pay their bills.

Energy efficiency impacts nearly every sector of the economy – ranging from transportation, to homes and buildings, to water infrastructure. As a result, there are numerous policy opportunities available for energy efficiency expansion and investment. We urge you to pursue the following policy proposals as you develop infrastructure legislation:

- **Energy Efficiency and Small Business Investments:** Establish a federal matching grant program for small business energy efficiency improvements leveraging existing utility demand side management programs to enable low- or no-cost upgrades for small businesses, with an emphasis on businesses in vulnerable communities and communities of color. We support a multi-year program funded at \$6 billion. The Alliance anticipates introduction of specific legislation early in the second quarter of 2021. More information can be found [here](#).
- **Extend and Expand Energy Efficiency Tax Incentives, Sec. 25C; Sec. 45L; Sec. 179D:** Modernize and expand tax incentives and/or rebates encouraging efficiency improvements in homes and buildings, with significantly increased incentive levels to encourage more private investment in heating and air conditioning equipment, insulation, lighting systems, windows, etc. The existing incentives are outdated and inadequate for significantly influencing the market. We support extending the Sec. 25C credit in line with the framework outlined in the bipartisan Home Energy Savings Act (S. 2588/HR 4506), while doubling the incentive values in the bill to deliver more immediate economic impact. We support expanding the Sec. 45L credit with a \$2,500 base incentive for meeting the latest version of ENERGY STAR for new homes and a \$5,000 incentive for meeting zero-energy ready criteria (as defined in statute). We also support updating the Sec. 179D incentive to \$3 per square foot with appropriate performance requirements and with expanded access by nonprofits and tribal governments. [A recent report](#) from the American Council for an Energy-Efficient Economy (ACEEE) found that similar proposals for expanding these incentives would create nearly 600,000 jobs, including more than 234,000 in the first three years while eliminating 340 million metric tons of carbon emissions.
- **Open Back Better Act:** In line with the Open Back Better Act, introduced by Congresswoman Lisa Blunt Rochester (D-Del.) and Senator Tina Smith (D-Minn.), launch a national campaign to modernize schools, hospitals, community centers and other critical public facilities at the local, state, and federal levels, including through performance contracts that leverage cost savings from energy efficiency to draw private investment. The bill calls for \$20 billion in funding over five years that would be leveraged to draw four to five times that in private investment through financing mechanisms such as energy savings performance contracts. Under the Open Back Better Act, at least 40% of relevant funding would go to low-income and environmental justice communities.
- **Blue Collar to Green Collar Jobs Development Act:** Reestablish the more than 300,000 energy efficiency jobs lost since the start of the COVID-19 pandemic and establish robust workforce training programs aimed at ensuring full participation in the clean energy economy, including for low-income households, people of color, and communities vulnerable to the energy transition. The Blue Collar to Green Collar Jobs Development Act offers a strong model for a national training program that would include grants to businesses to pay a living wage as workers train for jobs in the energy efficiency, grid modernization, and renewable energy sectors.

- ENERGY STAR Appropriations:** Double the ENERGY STAR budget. At a cost of less than \$40 million, ENERGY STAR has brand recognition above 90% nationally and saves consumers and businesses more than \$35 billion annually in avoided energy costs, while sharply reducing U.S. greenhouse gas emissions. For a relatively small investment, ENERGY STAR can significantly expand this impact, not just in consumer products but also for homes and buildings. Initiatives such as ENERGY STAR Portfolio Manager, for example, can play a tremendous role in helping cities and states develop efficiency programs for tracking and improving the efficiency of their buildings. We propose an annual funding level of \$80 million. More information can be found [here](#).
- Transportation:** Pass comprehensive transportation infrastructure legislation that will build a 21st century transportation system that is more efficient, integrated, cost-effective, and equitable for all Americans, including by dedicating \$20 billion to build out electric vehicle (EV) charging infrastructure; amending the 30D tax credit to incentivize EV deployment; working to eliminate the \$100 billion backlog in public transit repairs by increasing funding for transit programs; increasing investment in port and airport efficiency and modernization by earmarking efficiency within existing grant programs; and increasing R&D funding for advanced technologies with the potential to drive greater efficiency and decarbonization. Expanding grant programs such as BUILD and financing programs like Build America Bonds help ease the burden on state and local governments.
- State Energy Program and Weatherization Assistance Program (WAP):** Expand key programs at the Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy, such as the State Energy program and the Weatherization Assistance Program (WAP). WAP continues to see demand outstrip supply nationwide to help low-income households permanently reduce energy bills. In addition to increases in annual appropriations for WAP we support \$10 billion over ten years as part of a concerted campaign to weatherize low-income homes nationwide. We recommend gradually phasing in increased weatherization funding to ensure effective implementation and requiring better coordinated repair and weatherization work between the Office of Housing and Urban Development and DOE's weatherization office.
- Active Efficiency and Broadband Infrastructure:** Encourage adoption of Active Efficiency. The utility sector is rapidly evolving as a digitally driven enterprise using decentralized energy resources, grid connectivity, and sophisticated demand flexibility technologies to manage and meet demand. Innovative building and grid technologies can be found across the R&D portfolio at DOE's Building Technologies Office, as well as within other agencies such as NIST, within the Department of Commerce. Technologies that enable energy management including flexibility of demand, through interconnected systems and devices must be cybersecure, affordable, and widely available to consumers. The Alliance refers to this wider suite of increasingly interconnected energy optimization strategies as Active Efficiency. Further investment is needed to drive these technologies into the market and establish the U.S. as a global leader in the field. The Alliance supports increased investment in BTO's grid-integrated efficient buildings (GEBs) RD&D portfolio, and at least \$250 million for competitive grants to demonstrate net-zero energy and emissions affordability in deployment of Connected Communities program projects. The Alliance also recommends that agencies target pilot projects authorized under the Smart Buildings Acceleration Act, passed into law in the Energy Act of 2020 as part of the Consolidated Appropriations Act of 2021 (Pub. L. 116-260), in rural, underserved, and minority communities.

Thank you for the opportunity to discuss these important matters. The Alliance stands ready to work with you and the administration to ensure inclusion of the identified energy efficiency priorities in anticipated infrastructure legislation. If you have any questions or need additional information, please do not hesitate to contact me. Please see [the Alliance's 2021 policy agenda](#) for greater detail on the Alliance to Save Energy policy priorities. Thank you again.

Sincerely,



Paula R. Glover

President

Alliance to Save Energy

Cc: Speaker of the House Nancy Pelosi
Minority Leader Kevin McCarthy
Honorable Jennifer Granholm, U.S. Secretary of Energy
Honorable Michael Regan, EPA Administrator
Honorable Kelly Speakes-Backman Acting Assistant Secretary and Principal Deputy Assistant Secretary, Office of Energy Efficiency and Renewable Energy (EERE)