Organization Submitting Testimony: Alliance to Save Energy
Appropriations Subcommittee: Energy and Water Development
Agency: U.S. Department of Energy

OUTSIDE WITNESS TESTIMONY OF
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BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT

FISCAL YEAR 2019 APPROPRIATIONS
U.S. DEPARTMENT OF ENERGY
OFFICE OF ENERGY EFFICINECY AND REWNEWABLE ENERGY

APRIL 20, 2018

Thank you for the opportunity to provide testimony today in support of Fiscal Year (FY) 2019 appropriations for federal energy efficiency programs administered by the U.S. Department of Energy (DOE) Office of Energy Efficiency and Renewable Energy (EERE).

The Alliance to Save Energy is a non-profit, bipartisan coalition of business, government, environmental, and consumer-interest leaders that advocates for enhanced U.S. energy productivity to achieve economic growth; a cleaner environment; and greater energy security, affordability, and reliability. The Alliance enjoys the participation of nearly 130 businesses and organizations that collectively represent more than $870 billion in market capital. The Alliance was founded in 1977 by Sens. Charles Percy (R-Ill.) and Hubert Humphrey (D-Minn.), and today has 15 members of Congress serving on an Honorary Board.

Energy efficiency is our country's greatest energy resource that creates jobs, stimulates economic activity, enhances energy security, lowers harmful emissions, and improves U.S. competitiveness in global markets. Energy efficiency gains made since 1973 have cut energy waste dramatically to fuel the U.S. economy more productively. Thanks in part to federal energy efficiency programs, including those managed by EERE, the U.S. today extracts twice as much gross domestic product (GDP) from each unit of energy we consume when compared to 1980.[1]

As energy efficiency has increased, so have stable, good paying jobs. More than 2.2 million American workers design, manufacture, install, and repair the devices, appliances, equipment

[1] In 1980, the U.S. consumed 78 quads (quadrillion British thermal units (BTUs)) while GDP was $6.4 trillion, which produces an energy productivity ratio of 82.6. This compares to energy productivity of 176.4 in 2017 (i.e., 96.8 quads and GDP of $17 trillion). Energy consumption data is from the Energy Information Administration. GDP (real dollars, 2009) is provided by the Bureau of Economic Analysis.

and buildings that deliver cost-effective savings, representing one-third of the entire energy-related workforce. In fact, members of the Energy and Water Development Subcommittee represent about 39,000 Americans employed in whole or in part in the energy efficiency sector (see Table 1).[2]

Table 1. Energy Efficiency Sector Jobs in Districts Represented by Subcommittee Members

Member	State/Dist.	Jobs	Member	State/Dist.	Jobs
Mike Simpson *Chairman*	Idaho-2	909	Marcy Kaptur *Ranking Member*	Ohio-9	4,283
Ken Calvert	Calif.-42	859	Pete Visclosky	Ind.-1	4,262
Chuck Fleischmann	Tenn.-3	1,339	Debbie Wasserman Schultz	Fla.-23	2,708
Jeff Fortenberry	Neb.-1	4,184	Pete Aguilar	Calif.-31	6,139
Kay Granger	Texas-12	1,302	Jose Serrano	N.Y.-15	559
Jaime Herrera Beutler	Wash.-3	3,639			
David Joyce	Ohio-14	4,290			
Dan Newhouse	Wash.-4	4,169			
Total Energy Efficiency Sector Jobs: <u>38,642</u>					

The contributions of federal energy efficiency programs to the long history of economic, environmental and security benefits to our country are difficult to overstate. And, notwithstanding the tremendous gains already made, the opportunities to continue to drive cost-effective energy efficiency improvements remain within reach. Therefore, the Alliance respectfully urges your support for FY2019 appropriations at or above current levels for the following EERE programs:

- **Building Technologies Office**
  - **The Alliance recommends $250 million for the Building Technologies Office (BTO).**
  - BTO develops critical technologies, tools, and solutions that help homeowners and businesses achieve peak energy performance in residential and commercial buildings, respectively. BTO programs are extremely cost-effective. For example, an average U.S. household saves about $500 each year because of minimum energy efficiency standards.[3] Where states and localities have adopted updated building energy codes that have been certified by DOE, homeowners realize net savings within one to two years of buying a new home.

[2] Environmental Entrepreneurs (E2) and E4TheFuture, "Energy Efficiency Jobs in America," December 2016, https://www.e2.org/energyefficiencyjobs/. Last accessed March 27, 2018.
[3] Appliance Standards Awareness Project, "Energy-Savings States of America: How Every State Benefits from National Appliance Standards," February 2017, "https://appliance-standards.org/document/white-paper-overview. Last accessed March 28, 2018.

- **Advanced Manufacturing Office**
  - **The Alliance recommends $305 million for the Advanced Manufacturing Office (AMO).**
  - AMO enables the research, development, demonstration, and deployment of industrial efficiency and clean energy manufacturing technologies. The Subcommittee's strong support for AMO and the deployment of energy efficient manufacturing technologies and practices will help keep the U.S. a global industrial leader.

- **Federal Energy Management Program**
  - **The Alliance recommends $36 million for the Federal Energy Management Program (FEMP).**
  - FEMP provides project and policy expertise to agencies across the federal government and helps energy managers meet Congressional and executive branch energy management goals. FEMP helps to leverage billions of dollars of private-sector capital through energy savings performance and utility energy service contracts (ESPCs and UESCs, respectively) and supports the remarkable reduction in energy intensity—down 47.4% since 1975—of federal facilities. Lower energy bills for federal facilities means lower energy bills for taxpayers as well. Additional funding could be used to provide technical assistance to state and local governments interested in realizing the benefits of performance contracting.

- **Weatherization and Intergovernmental Programs**
  - **The Alliance recommends $321 million for Weatherization and Intergovernmental Programs, allocated between the Weatherization Assistance Program (WAP) at $248 million (in addition to funds for technical assistance) and the State Energy Program (SEP) at $70 million.**
  - WAP has helped over seven million low-income families, seniors and individuals with disabilities make lasting energy efficiency improvements to their homes. A typical year in WAP operations delivers $340 million in energy savings, supports 8,500 jobs, and has a program-wide benefit cost ratio of 4:1; increasing funding would deliver even greater returns for taxpayers.
  - SEP supports state efforts to develop clean energy projects and to build capacity for program and project management and financing. Studies show a direct savings on energy bills of $7 for every dollar of federal investment, and every $50 million in SEP delivers results of $585 million in benefits. SEP represents a sound investment for taxpayers.

- **Energy Information Administration**
  - **The Alliance recommends $135 million for the Energy Information Administration (EIA).**
  - EIA provides world-class data collection, analysis and reporting activities on energy usage that is used and relied upon by businesses and institutions across the country and around the world. The U.S. is in the midst of transition to a modern, integrated energy sector that makes EIA's work more important than ever before.

EIA requires additional resources and tools to keep up with the fast-paced changes in the energy sector.

- **Vehicle Technologies Office**
  - **The Alliance recommends $337.5 million for the Vehicle Technologies Office (VTO).**
  - VTO promotes advanced efficiency technologies for light- and heavy-duty vehicles and overall transportation system efficiency. Innovative programs such as SuperTruck, Energy Efficient Mobility Systems, and Advanced Engine and Fuel Technologies play a crucial role in achieving U.S. leadership in the rapidly emerging areas of advanced clean vehicles and sustainable mobility. VTO's Battery and Electrification Technologies R&D programs have helped drive electric vehicle costs down faster than anticipated and contribute to the AMO's Clean Energy Manufacturing Initiative.

The Alliance also urges the Energy and Water Development Subcommittee to oppose the inclusion of any bill amendments or report language that could undermine EERE's efforts or otherwise prevent DOE from fully implementing its programs in accordance with the law. Given the nature of energy efficiency research, development, and deployment, which is based on innovation and is often intended to transform markets, many EERE programs involve efforts that stretch into future fiscal years. The Alliance encourages the Subcommittee to support EERE programs that take time to generate returns and deliver results to taxpayers. Furthermore, in light of the recent Government Accountability Office impoundment finding, we encourage the Subcommittee to include clear and direct instructions to DOE to obligate appropriated funds consistent with Congressional intent—for the full range of research, development, and deployment activities—and in a timely manner.[4]

The Alliance appreciates the continued support of the Energy and Water Development Subcommittee for DOE energy efficiency programs. These programs are critical to ensuring the long-term U.S. preeminence in clean energy research, development, and deployment. Funding at the levels recommended by the Alliance would provide DOE with the resources it needs to carry out the mission of EERE, which is "to create and sustain American leadership in the transition to a global clean energy economy." The Alliance endorses that mission and sees even more potential for EERE to develop and deploy even greater energy efficiency to lead the way to—and lower the costs of—a modern and dynamic energy sector.

Thank you for your consideration.

[4] Government Accountability Office, "Impoundment of the Advanced Research Projects Agency-Energy Appropriation Resulting from Legislative Proposals in the President's Budget Request for Fiscal Year 2018," B-329092, December 12, 2007, https://www.gao.gov/products/D18212. Last accessed March 27, 2018.