

# H.R. 2126 – Energy Efficiency Improvement Act

## Summary

H.R. 2126, the Energy Efficiency Improvement Act of 2014, was introduced by Congressmen McKinley (R-W.V.) and Welch (D-Vt.) and successfully passed the House in March 2014. The Senate companion bill, introduced by Senators Shaheen (D-N.H.) and Portman (R-Oh.), came up short in the final moments of the 113th Congress. The bill is an energy efficiency package that consists of several individual pieces of legislation and would improve energy efficiency in the areas of buildings, water heaters and government technology. All of these provisions are also included within a larger energy efficiency bill – S. 2262, the Energy Savings and Industrial Competitiveness Act – that was also introduced by Sens. Shaheen and Portman.

## Four Provisions

### Better Buildings

This provision would advance a voluntary, market-driven approach to aligning the interests of commercial building owners and their tenants to reduce energy consumption. This provision would establish a Tenant Star program—a voluntary certification and recognition program—within Energy Star to promote energy efficiency in separate spaces. DOE would also be required to complete a study on feasible approaches to improving the energy efficiency of tenant-occupied spaces in commercial buildings. It is estimated to reduce annual CO<sub>2</sub> emissions by 11.75 MMT and yield annual savings of \$1.96 billion by 2030. This section was originally introduced by Sens. Bennet (D-Co.) and Ayotte (R-N.H.) as the Better Buildings Act.

### Water Heater Efficiency Act

This provision would create an exemption for thermal storage water heaters under the new efficiency standards that go into effect in April 2015. Large grid-enabled electric-resistance water heaters could continue to be manufactured only if they include capabilities that allow them to be used in electric thermal storage or demand response programs. It is estimated that this provision would lead to annual savings of \$1.87 billion per year. This section is based on the Water Heater Efficiency Act originally introduced by Sens. Hoeven (R-N.D.) and Pryor (R-Ar.).

The Energy Efficiency Improvement Act would produce annual savings of \$6.24 billion and reduce annual CO<sub>2</sub> emissions by 20.36 MMT by 2030.

### Energy Efficient Data Centers

This provision would require the federal government to increase the efficiency of its data centers. It would direct the Office of Management and Budget to collaborate with each federal agency to create a strategy for the maintenance, purchase, and use of energy-efficient and energy saving information technologies, and then track and report on each agency's progress. This amendment would also implement several other measures with a focus on improving the energy efficiency of federal data centers. It is estimated to reduce annual CO<sub>2</sub> emissions by 0.69 MMT and produce annual savings of \$1.64 billion by 2030. This section is based on the Energy Efficient Government Technology Act, sponsored by Sens. Udall (Co.) and Risch (R-Id.).

### Energy Information for Commercial Buildings

This provision would build upon existing law by requiring federally leased buildings to benchmark and disclose their energy usage data. It also authorizes DOE to conduct a study on benchmarking methodologies and establishes a competitive grant program for utilities to make building energy use data available to building owners. It is estimated to reduce annual CO<sub>2</sub> emissions by 7.92 MMT and create annual savings of \$0.77 billion by 2030. This provision is based on a benchmarking bill sponsored by Sen. Franken (D-Mn.).

### Conclusion

In total, the Energy Efficiency Improvement Act would produce annual savings of \$6.24 billion and eliminate 20.36 MMT of CO<sub>2</sub> emissions per year by 2030.