

S. 385 – the Energy Savings and Industrial Competitiveness Act of 2017

Introduction

Alliance Honorary Chair Sen. Jeanne Shaheen (D-N.H.) and Vice-Chair Sen. Rob Portman (R-Ohio) introduced S. 385, the Energy Savings and Industrial Competitiveness Act of 2017, on February 15, 2017. The bill passed the Senate Energy and Natural Resources Committee by voice vote on March 30, 2017 and has been placed on the Senate legislative calendar. The newest iteration of this energy efficiency legislation, known familiarly as “Portman-Shaheen” is very similar to the last version, [S. 720](#), which was introduced in 2015. The bill contains the base components of the original bill and retains several of the additional provisions that were “baked in” prior to the introduction of S. 2262 in 2014. Collectively, these provisions are estimated to create 190,000 jobs, \$16.2 billion in annual energy savings, and cut CO2 emissions by the equivalent of taking 22 million cars off the road by 2030.

This legislation will increase U.S. energy productivity by promoting economic growth in a financially responsible manner, enhancing energy security, and reducing harmful emissions and. This bipartisan bill addresses energy savings in the federal government – the nation’s largest energy consumer – and includes provisions that expand energy efficiency savings and benefits to all sectors of the U.S. economy, from schools and homes, to commercial buildings, industry and manufacturing.

Summary of the Energy Savings and Industrial Competitiveness Act of 2017

Base Bill

Buildings

This section of the bill would make considerable improvements in the energy efficiency of buildings in the United States. The bill would strengthen the national model for building energy codes to make new homes and commercial buildings more energy efficient while working with states and private industry to make the code-writing process more transparent. It would also encourage the Department of Energy (DOE) to be more involved in the development, adoption and compliance of building codes by providing technical assistance, projecting potential energy savings and making available financial assistance. In addition, it would provide funding for workforce development programs specifically related to energy efficiency in buildings.

Manufacturing

The contents of this section would direct DOE to work closely with private sector partners to encourage the research, development and commercialization of innovative energy efficient technology and processes for industrial applications. It would also incentivize the use of more energy efficient electric motors and transformers, which would help reduce the energy usage of manufacturers while also helping manufacturers to become more competitive. A significant component of this section is the creation of the SupplySTAR program at DOE, which identify and promote practices, recognize companies and recognize

products that use highly efficient supply chains in a manner that conserves energy, water and other resources.

Federal Government

The bill also contains a section that would address the energy use of the federal government – the largest energy single energy user in the country. Within this section there are provisions that would require the federal government to employ energy efficiency and energy savings tools to save energy in the areas of information and communication technologies. It will also allow the General Services Administration (GSA) to use any appropriated funds to update a building’s design to meet energy efficiency and other standards and codes for new federal buildings. It would also amend the National Energy Conservation Policy Act to allow the federal government to participate in utility incentive programs and energy savings performance contracts that include measures for natural gas and electric vehicles and the necessary fueling or charging infrastructure for the adoption of such measures.

Additional Provisions

Streamlining Energy Efficiency for Schools

This provision would help schools invest in energy efficiency upgrades. The Department of Energy (DOE) would coordinate and simplify the scope of existing federal energy efficiency programs available to schools and provide guidance on financing options.

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.

Low-Income Housing Retrofits

This provision would authorize HUD to use performance-based contracts to conduct energy and water efficiency upgrades to HUD-assisted multifamily housing.

Third-Party Certification under Energy Star Program

This provision would revise requirements for businesses submitting their products for third-party testing to achieve Energy Star certification.

Federal Green Buildings

This provision would ensure that the green building ratings systems used by GSA do not exclude certain building materials. DOE would be required to conduct an ongoing review into private sector green building certification systems and to work with other agencies to determine which certification system would encourage the most comprehensive and environmentally sound approach to certifying buildings.

Energy Efficiency for Federal Buildings and Mortgages

This section contains a number of provisions to improve energy efficiency in federal buildings. It also requires federal mortgage agencies to include energy efficiency as a factor in determining the value and affordability of a home. These provisions are a combination of two previously introduced bills, the All-of-the-Above Federal Building Energy Conservation Act from Senators John Hoeven (R-N.D.) and Joe Manchin (D-W.V.), and the SAVE Act, which was last introduced by Senators Johnny Isakson (R-Ga.) and Michael Bennet (D-Colo.) in 2013.

Third-Party Testing

This provision would require DOE to recognize voluntary, independent certification programs for air conditioning, furnace, boiler, heat pump, and water heater products. DOE would be required to rely on data from qualifying independent certification programs when conducting routine testing of these products. In order to qualify, the certification program must be nationally recognized, provide annual reports of all test results, and maintain a publicly available list of all certified models, among other criteria.

Updates to the 2017 Version

Omitted Provisions

Removed due to being signed into law as part of S. 535, the Energy Efficiency Improvement Act

The Better Buildings provision, including all three subsections.

The Energy Information for Commercial Buildings provision.

The Water Heaters provision.

Removed as a result of later negotiations

The Voluntary Verification Programs for Air Conditioning, Furnace, Boiler, Heat Pump and Water Heater Products provision.

Technical Corrections Resulting from Energy Policy Modernization Act

The Federal Green Buildings provision (Section 411) has been revised with updated language regarding credits for the sourcing of grown, harvested or mined materials to reward the use of products that have obtained certifications or responsible sourcing. This was Section 1019 of S. 2012.

The Energy Performance Requirement for Federal Buildings (Section 421) has been updated in a similar fashion with rewards for certifications of responsible sourcing of grown, harvested or mined materials. This was Section 1018 of S. 2012.