

December 6, 2017

The Honorable Thad Cochran  
Chairman  
U.S. Senate  
Committee on Appropriations  
Washington, DC 20510

The Honorable Rodney Frelinghuysen  
Chairman  
U.S. House of Representatives  
Committee on Appropriations  
Washington, DC 20515

The Honorable Patrick Leahy  
Ranking Member  
U.S. Senate  
Committee on Appropriations  
Washington, DC 20510

The Honorable Nita Lowey  
Ranking Member  
U.S. House of Representatives  
Committee on Appropriations  
Washington, DC 20515

Re: Importance of Increased Appropriations for Energy Efficiency Programs and Robust Congressional Oversight of Federal Spending

Dear Chairman Cochran, Ranking Member Leahy, Chairman Frelinghuysen, and Ranking Member Lowey:

We, the undersigned, on behalf of a coalition of energy efficiency and clean energy organizations, states, businesses, trade associations, and others, write today to urge you to increase Fiscal Year (FY) 2018 budget cap allocations for federal energy efficiency programs and ensure that appropriated funds are spent as directed by Congress through constant and rigorous oversight. We support an increase in available funds for FY2018 for non-defense discretionary priorities, to be distributed across programs that deliver direct benefits to taxpayers. In addition, Congress must strengthen its oversight of federal spending to ensure that your directives are followed as intended.

As you know, the Budget Control Act of 2011 (Pub.L. 112–25) set caps on discretionary spending through 2021, which have since been modified. Without further action by Congress, the original statutory cap allocations will be reduced by about \$90 billion in FY2018 because of the imposition of a subsequent automatic reduction. This could result in steep cuts across the board, including to critical energy efficiency programs managed by the U.S. Department of Energy (DOE) and Environmental Protection Agency (EPA).

Funding at these lower levels would cause harm to multiyear research and development activities that contribute to U.S. competitiveness and productivity. It also would seriously impair a wide range of programs that deliver annual savings to homeowners, consumers, and businesses and that reduce stress and strain on our energy systems and power grid. Congress must not allow this to happen.

While the danger of lower budget cap allocations is most acute, it is unfortunately not the only concern we have about the current state of the budget and appropriations. The administration has

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proposed to eliminate some programs and cut funding for others. Especially while a continuing resolution is in effect, there is a real risk of energy efficiency programs going unfunded or unsupported while longer-term funding levels are negotiated.<sup>1</sup> We urge you to be vigilant and conduct vigorous oversight of DOE, EPA, and other agencies carrying out energy efficiency programs to mitigate this risk. We pledge to support your efforts by working with your staff to identify instances of delayed funding disbursements that might negatively impact your constituents.

As a longer-term appropriations package takes shape, we urge you to include clear direction to the administration with respect to specific levels of funding for current energy efficiency programs, and with respect to the programmatic activities in legislation or accompanying reports for the remainder of FY2018. For example, the administration has indicated that it will deprioritize federal assistance for field demonstrations and commercialization activities, both of which are key elements of DOE energy efficiency programs currently funded by the Congress. When Congress expects an agency (e.g., U.S. DOE) to carry out activities beyond basic research and demonstration, we recommend providing the administration with additional instructions that reflect Congress's intent.<sup>2</sup> In addition, where a program lacks specific authorization or is funded as part of a portfolio of initiatives (e.g., the ENERGY STAR program at EPA), we recommend that you provide more detailed instructions to ensure these programs, activities, and projects continue.

We are prepared to work with you and your colleagues on the Appropriations Committees to provide more assistance as requested to identify specific programs, activities, and projects that we believe may warrant specific congressional direction and guidance. And, as your attention shifts to longer-term funding in FY2018 and the budget and appropriations for FY2019, we will support your efforts to advance U.S. energy efficiency programs.

Thank you for your consideration.

Alliance for Industrial Efficiency

Alliance to Save Energy

Ameresco

ASHRAE

American Council for an Energy-Efficient Economy

Building Performance Institute

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<sup>1</sup> The U.S. Government Accountability Office defines impoundment as, “an action or inaction by the President or a federal agency that delays or withholds the obligation or expenditure of budget authority provided in law.” GAO explains, “[t]here are two types of impoundment actions: deferrals and rescission proposals. In a deferral, an agency temporarily withholds or delays funds from obligation or expenditure.... A rescission involves the cancellation of budget authority previously provided by Congress (before that authority would otherwise expire), and can be accomplished only through legislation.” In a footnote, GAO advises that “[d]eferrals for policy reasons are not authorized.’ (2 U.S.C. § 684(b).” Principles of Federal Appropriations Law: Fourth Edition, Chapter 2, GAO-16-464SP, March 10, 2016, pgs. 2-47 and 2-48.

<sup>2</sup> For example, the U.S. Senate Energy and Water Development appropriations bill and report for FY2018 includes additional direction and explanation of Congressional intent. See S. Rept. 115-132, “Energy and Water Development Appropriations, 2018,” pg. 70.

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Business Council for Sustainable Energy

Copper Development Association

Cree, Inc.

E4TheFuture

Efficiency First

Energy Efficiency Business Coalition

Environmental and Energy Study Institute

Federal Performance Contracting Coalition

Fuel Cell and Hydrogen Energy Association

Home Performance Coalition

Institute for Market Transformation

Integrated CHP Systems Corp.

International Association of Lighting Designers

National Association for State Community Services Programs

National Association of Energy Service Companies

National Association of State Energy Officials

Natural Resources Defense Council

Polyisocyanurate Insulation Manufacturers Association

U.S. Green Building Council

cc: Members of the U.S. Senate Committee on Appropriations

Members of the U.S. House of Representatives Committee on Appropriations