

September 6, 2023

The Honorable Dianne Feinstein
Chair
Subcommittee on Energy and Water
Senate Committee on Appropriations
142 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Chuck Fleischmann
Chairman
Subcommittee on Energy and Water
Development, and Related Agencies
House Committee on Appropriations
2362-B Rayburn House Office Building
Washington, DC 20515

The Honorable John Kennedy
Ranking Member
Subcommittee on Energy and Water
Senate Committee on Appropriations
142 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Marcy Kaptur
Ranking Member
Subcommittee on Energy and Water
Development, and Related Agencies
House Committee on Appropriations
1036 Longworth House Office Building
Washington, DC 20515

RE: Letter of Concern on Proposed FY24 Cuts to Vital U.S. DOE Energy Efficiency Programs

Dear Chair Feinstein, Chairman Fleischmann, Ranking Member Kennedy, and Ranking Member Kaptur:

We, the undersigned organizations, businesses, and advocates, write to express our concern with proposals to significantly decrease energy efficiency investments in critical programs managed by the U.S. Department of Energy (DOE). Substantial cuts to DOE energy efficiency programs will likely jeopardize American jobs, our national energy security, the reliability and resilience of our power grid, and the competitiveness of the U.S. energy and manufacturing economy. For example, cuts proposed in the House bill to DOE's Weatherization Assistance Program, the Federal Energy Efficiency Fund, and other key programs will negatively impact everyday Americans and lead to a waste of taxpayer dollars. Additionally, proposed rescission of funding enacted outside of the annual appropriations process for the adoption of building energy codes, home energy rebates for American households, and training the energy efficiency workforce preempts investments that will bolster the U.S. economy while reducing our energy demand and emissions.

We appreciate that Congress is committed to ensuring judicious and fiscally responsible spending on Federal programs and is operating under a bipartisan budget agreement. We encourage funding similar to the bipartisan Senate proposals for Fiscal Year 2024 DOE program spending, which adhere to the negotiated budget caps while still supporting critical energy efficiency-related programs. Absent sustained and appropriate funding levels for DOE energy efficiency programs, American families will face higher utility bills, a shortage of innovative energy-efficient products that lower taxpayer energy bills and provide quality-of-life improvements, and direct impacts from grid disruptions due to imbalanced energy supply and demand, which could ultimately be life-threatening in many communities across the country.

Often through public-private partnerships, DOE's energy efficiency programs have a proven track record of creating and supporting jobs, fostering economic development, manufacturing competitiveness, and innovation, all while benefiting American businesses, consumers, and homeowners. The data on the impact of energy efficiency is overwhelming in what has already been achieved. Since 1980, public and private investments in energy efficiency have resulted in **\$800 billion/year in energy bill savings**. Without these investments, energy consumption and carbon emissions would be **78% higher today**.ⁱ

Energy efficiency is a key domestic resource, and it is critical to ensuring safe, reliable, and affordable energy to Americans now and in the future. Regardless of the perspective on America's energy future and

the generation make-up of the grid, the practical and commonsense first step is to **lead with energy efficiency**. Congress should support rather than forego investing in this foundational and technology-neutral tool in the energy solutions toolbox, which has generated benefits for decades and continues to deliver real-world returns today. **The cheapest and cleanest energy is the energy we don't use.**

According to the American Council for an Energy-Efficient Economy, scaling up key energy efficiency-related policies and programs can slash U.S. energy use and greenhouse gas emissions by about **50% by 2050**. These energy savings would amount to more than **\$700 billion in 2050**.ⁱⁱ Failing to capitalize on the opportunity that energy efficiency presents by cutting cost-effective programs is short-sighted and contrary to what could be considered fiscal responsibility in any organization, let alone one with a fiduciary duty to its constituent taxpayers.

The energy efficiency workforce is comprised of **over 2.2 million Americans (50,017 Tennesseans, 20,896 Louisianians, 294,396 Californians, and 76,475 Ohioans)**, which is the **largest share of the entire non-vehicle U.S. energy sector** and is more than all combined jobs in clean and fossil energy generation.ⁱⁱⁱ The median hourly wage of an energy efficiency worker is \$24.44, **28% higher than the national median** of \$19.14/hour.^{iv} Notably, 9% of the energy efficiency workforce are veterans (compared to 5% of the national workforce). Most of these jobs cannot be shipped overseas, and they are vital to local economies as the **381,527 energy-efficiency businesses** across our country represent the ideal of American small businesses making up the backbone of our economy (95% have less than 100 employees, 42% have under 4).^v These energy efficiency-related jobs and businesses support communities and families that depend on the services and products they make accessible.

Energy burden represents the percentage of household income used for energy expenses, and energy efficiency is a critical driver in reducing or eliminating that burden. According to DOE, low-income households have energy burdens that are three times higher than non-low-income households.^{vi} Approximately **44%** of all U.S. households are considered low-income. Low-income families in Tennessee (**605,604**), Louisiana (**643,573**), California (**3,319,094**), and Ohio (**1,385,378**) all **pay about 8% of their monthly expenses** toward energy costs (compared to a typical household energy burden of 2% in those states).^{vii} Simple energy efficiency solutions similar to weatherization programs are estimated to reduce the energy burden of the average low-income household by 25%.^{viii} These solutions include the building envelope and building systems, including insulation, windows, heating and cooling equipment, and lighting.

Energy efficiency reduces the amount of electricity on the grid at one time, minimizing grid stress and thus preventing power disruptions.^{ix} Because energy efficiency reduces overall demand, energy efficiency can reduce reliance on energy imports, thus playing a critical role in long-term and short-term energy security.^x Energy security should be top of mind given the growing adversarial nature of foreign interests that seek to weaken and undermine our country's status as a global leader in energy, threaten our homeland, and the energy independence of our allies abroad.

The importance of the U.S. DOE in research, technical assistance, and market integration efforts that have driven gains in energy efficiency cannot be overstated. U.S. DOE energy efficiency programs provide exceptional value to American consumers and businesses, yielding benefits that far outweigh the outlays that Congress appropriates. According to various impact evaluation studies, DOE's innovation investments have had a benefit-to-cost ratio of 33 to 1, generating billions of net economic benefits for the country.^{xi}

Nominal investments in DOE energy efficiency programs have generated some of the most significant returns on investment for U.S. taxpayers. Considering global competitiveness and the desire for the United States to be the global leader in energy, now is not the time to cut the lifeline of energy efficiency

programs that should be foundational to all other aspects of our national energy policy. We respectfully request that as you continue deliberations in conference on a final piece of legislation to fund these energy efficiency programs at DOE, robust levels of funding be provided with consideration to the importance of the benefits they generate for Americans and our economy.

Thank you in advance for your consideration of this request. Please do not hesitate to contact Dane Farrell at dane@cascadeassociates.net with any questions or for more information.

Sincerely,
Alliance to Save Energy
Ameresco
American Chemistry Council
American Council for an Energy-Efficient Economy
ASHRAE
BASF Corporation
BlueGreen Alliance
Building Performance Association
Business Council for Sustainable Energy
California Efficiency + Demand Management Council
Carrier Global Corporation
Combined Heat and Power Alliance
DuPont
E4TheFuture
Energy Systems Group
Environmental and Energy Study Institute
Federal Performance Contracting Coalition (FPCC)
Heat is Power Association
Institute for Market Transformation
Johnson Controls
Midwest Energy Efficiency Alliance
National Association for State Community Service Programs (NASCSPP)
National Association of Energy Service Companies (NAESCO)
National Association of State Energy Officials (NASEO)
National Electrical Manufacturers Association
NORESO
North American Insulation Manufacturers Association
Northeast Energy Efficiency and Electrification Council
NRDC (Natural Resources Defense Council)
Polyisocyanurate Insulation Manufacturers Association
Schneider Electric
Southeast Energy Efficiency Alliance
Southland Industries
Southwest Energy Efficiency Project
Trane Technologies plc
Turbine Inlet Cooling Association
U.S. Green Building Council

cc: The Honorable Patty Murray, Chair, U.S. Senate Committee on Appropriations
The Honorable Kay Granger, Chairwoman, U.S. House Committee on Appropriations
The Honorable Susan Collins, Vice Chair, U.S. Senate Committee on Appropriations
The Honorable Rosa DeLauro, Ranking Member, U.S. House Committee on Appropriations

Members, U.S. Senate Committee on Appropriations
Members, U.S. House Committee on Appropriations

ⁱ Alliance to Save Energy, American Council for an Energy-Efficient Economy (ACEEE), and Business Council for Sustainable Energy (BCSE). 2022. *Energy Efficiency Impact Report*. <https://energyefficiencyimpact.org/general-insights/>

ⁱⁱ Nadel, S., and Ungar, L. Sept. 2019. *Halfway There: Energy Efficiency Can Cut Energy Use and Greenhouse Gas Emissions in Half by 2050*. ACEEE. <https://www.aceee.org/research-report/u1907>

ⁱⁱⁱ U.S. DOE Office of Energy Jobs. Jun. 2023. *2023 United States Energy & Employment Report*. <https://www.energy.gov/sites/default/files/2023-06/2023%20USEER%20REPORT-v2.pdf>

^{iv} NASEO, EFI, BW Research. Apr. 2021. *Wages, Benefits, and Change: A Supplement to the Annual U.S. Energy and Employment Report*.

https://static1.squarespace.com/static/58ec123cb3db2bd94e057628/t/606db37f4496b70f5bd8ff5a/1617802118778/Wage_Report_0406.pdf#page=66

^v E4TheFuture and E2. Dec. 2022. *Energy Efficiency Jobs in America – 2022*. https://e4thefuture.org/wp-content/uploads/2022/12/EE-Jobs-in-America_All-States_2022.pdf

^{vi} U.S. DOE State and Local Solution Center. *Low-Income Community Energy Solutions*. <https://www.energy.gov/scep/slsc/low-income-community-energy-solutions>

^{vii} U.S. DOE State and Local Solution Center. *Low-Income Energy Affordability Data Tool*. <https://www.energy.gov/scep/slsc/lead-tool>

^{viii} Drehobl, A., Ross, L., and Ayala, R. Sept. 2020. *How High Are Household Energy Burdens?* ACEEE. <https://www.aceee.org/sites/default/files/pdfs/u2006.pdf>

^{ix} U.S. DOE Office of Energy Efficiency and Renewable Energy. *Energy Efficiency: Buildings and Industry*. <https://www.energy.gov/eere/energy-efficiency-buildings-and-industry>

^x International Energy Agency: IEA. 2019. *Multiple Benefits of Energy Efficiency*. <https://www.iea.org/reports/multiple-benefits-of-energy-efficiency>

^{xi} Dowd, J. 2017. *Aggregate Economic Return on Investment in the U.S. DOE Office of Energy Efficiency and Renewable Energy*. U.S. Department of Energy. <https://www.energy.gov/eere/analysis/downloads/aggregate-economic-return-investment-us-doe-office-energy-efficiency-and>